



GRANTMAKERS IN THE ARTS

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Keeping AIDS in Mind

A Dedication

Members of the Grantmakers in the Arts Newsletter Committee dedicate this Spring issue to the memory of our colleague Garth Tate, formerly the Arts Program Officer at the Dayton Hudson Foundation. Garth served on our Committee until his death in July 1992. We remember Garth for his warmth, his wit, and his timely and often critical advice on developing this publication. We can only speculate about the imaginative program development he might have sparked had he been able to serve longer in his capacity as a grantmaker in the arts.

The arts community in the United States has been devastated by AIDS, a fact that is hardly news to readers of this newsletter. Yet the number of artists and people working in the arts who have died of AIDS continues to grow. It seems important to remind ourselves that it is not tolerable to either accept AIDS as inevitable in our community, or allow ourselves to develop emotional numbness to the suffering that AIDS creates.

In this issue we describe four AIDS programs among the many funded by arts grantmakers. We hope this information is timely, and that it encourages our readers to think about their own response to the AIDS pandemic.

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Funders Concerned About AIDS

Michael Seltzer, Executive Director of Funders Concerned About AIDS, has been helpful in directing us toward resources we might want to highlight in this issue. Funders Concerned About AIDS (FCAA) publishes an informative newsletter, which can be obtained by writing them at 310 Madison Avenue, Suite 1630, New York, NY 10017, 212-572-5533.

The mission of FCAA is to advance a philanthropic response to the HIV pandemic through education, collaboration, consultation, and leadership. Its main activities and services include educational initiatives and a quarterly bulletin; monthly briefings and programs for the New York region; distribution of the most current available reports regarding issues surrounding AIDS; and outreach to grantmakers. An announcement of a reception for the recipient of FCAA's annual Humanitarian Leadership Award can be found on page 23 of this newsletter.

The Estate Project for Artists with AIDS

The report on the Estate Project for Artists with AIDS was published in mid-1992 by the Alliance for the Arts in New York. The report is based on a study that responded to the need for estate planning by artists with HIV/AIDS. The study acknowledged that the need for estate planning arises in the midst of a crisis involving tremendous personal loss and many other needs — health care, medical research, and privacy among others. The report overview begins by observing that most people, not just artists and not just people with AIDS, "resist making wills and discussing their deaths."

"Artists with AIDS are in multiple jeopardy from the proverbial vicissitudes of establishing a career in the arts, exacerbated by the threat of premature death, the financial drain of medical care, the physical debilitation of illness and attendant emotional stress. Confronted all too frequently with fear and hostility, these problems are often aggravated, sometimes dramatically."

Because certain problems that artists face are discipline-specific, the report is divided into sections by discipline. Each section includes general advice and a discussion of existing and proposed programs, as well as an introduction to legal questions that are likely to arise. Each section also includes a profile of an artist and a list of resources available. A valuable set of legal guidelines was prepared by John A. Silberman and Janine Racanelli of Paul, Weiss, Rifkind, Wharton & Garrison. While specifically undertaken in response to the AIDS crisis, much of the practical advice provided in the report will be useful for all artists, regardless of the state of their health. A companion brochure, "Future Safe: The Present is the Future" was published specifically for artists. The project director was Patrick Moore, and copies of both the full report and "Future Safe" can be obtained from the Alliance for the Arts, 330 West 42nd Street, New York, NY 10036, 212-947-6340.

AIDS Care Residences

A new publication, *Breaking New Ground: Designing Innovative AIDS Care Residences* will be available from AIDS Housing of Washington (AHW) in early May 1993. Written by Betsy Lieberman and Donald Chamberlain, the book is directed toward individuals and agencies interested in developing HIV/AIDS housing and will guide them through the steps of capital development from planning through construction. As executive director of AHW, Lieberman conceived, planned, and developed the Bailey-Boushay House in Seattle. The Bailey-Boushay House opened for use in mid-1992 and is the country's first newly-constructed licensed skilled nursing facility and day health program for people living with AIDS. Chamberlain has worked in many capacities to establish HIV/AIDS housing in Seattle. Adding to their own experience, the authors visited eighty AIDS care residences, and they use selected stories from these residences to illustrate the points in their book. The book poses questions that developers should ask themselves and offers examples of approaches that have worked in various situations. Topics covered range from needs assessment through architect selection and operations planning to program evaluation. Also included are such specific concerns as serving people with dementia, forming community partnerships, and the need for a continuum of housing services. The book includes a description of the art program that accompanied the development and construction of the Bailey-Boushay House.

The price of *Breaking New Ground* is \$39.95 plus postage and handling, and copies can be ordered from AIDS Housing of Washington, 2001 Western Avenue, Suite 300, Seattle, WA 98121, 206-448-5242. AHW provides technical assistance to organizations interested in developing housing for people living with HIV/AIDS. Lieberman reports that, around the country, there are close to 300 AIDS housing organizations, that is, organizations that have a project either in operation or in some stage of development. AHW is sponsoring an invitational conference this fall that will bring these organizations together for the first time. A final report on the conference will be publicly available from AHW in early 1994.

AIDSwire

AIDSwire is an online resource of AIDS information compiled by Michael Tidmus and available on Arts Wire. AIDSwire is a digest of materials from many sources — from the mainstream press to obscure and frequently difficult-to-find medical journals, from regional AIDS organization newsletters to popular 'zines.' Tidmus writes, "AIDSwire presents a diverse collection of materials and a unique opportunity for uninhibited discourse on AIDS." AIDSwire has been supported by Art Matters, Inc., and will be available on Arts Wire beginning in early April 1993.

Creative Writing Workshop of AIDS Project Los Angeles

The Creative Writing Workshop of AIDS Project Los Angeles (APLA) was begun by writer Irene Borger in 1990 with support from a grant from the Los Angeles Cultural Affairs Department. With this initial support, Borger designed and taught an eight-month creative writing workshop for people who are HIV positive or who live with AIDS. Since September 1991, Borger has continued these workshops as Artist-in-Residence with the APLA. Currently, she conducts three on-going workshops for caregivers and health professionals as well as for people living with HIV/AIDS. Other requirements are few — a desire to write and an ability to set aside three hours each week for a nine-month period. More than seventy writers have taken part in the workshop since it started, and workshop members have taken part in readings at various locations including Barnstall Art Park, Beyond Baroque, and the Museum of Contemporary Art. The project has been supported by grants from the California Arts Council and the National Endowment for the Arts.

"The Workshop," Borger writes, "rests on Adrienne Rich's assumption that it's *crucial* to name those things which have been censored, unspoken or considered marginal, to voice what may have been unspeakable in precise, powerful language. The workshops encourage 'living out loud,' as Emile Zola termed the artist's task." Participants have written short stories, autobiographical pieces, poems, and plays. "Chemical Man," on page 4 of this newsletter, was written by Robbie Hilyard during his participation in the Workshop. Borger also comments that much of the writing takes the form of fragments, powerful though incomplete pieces that embody the voice of the writer.

Borger stresses that the focus of the Workshop is on writing, rather than on AIDS. "Being playful, having some reflection on — and respite from — the disease is vital," she writes. "If there's any constancy to this illness, it's the *constant unknowns*. Learning to stay on the edge of the unknown in writing and through writing is central to the work."

Borger is a writer and teacher. Her articles and essays have appeared in both Los Angeles and nationally-distributed publications. She has written for radio, and is one of the hosts of a weekly arts radio show in Los Angeles. She teaches at University of California at Riverside, and has taught writing workshops in many circumstances — from Chino Men's Prison to California Institute of the Arts. A small collection of the writings from the Creative Writing Workshop will be published by the APLA as a special project, in what is hoped will be the first of an annual series. The publication will be available by the end of May. To receive a copy write Irene Borger, Artist-in-Residence, AIDS Project Los Angeles, 6721 Romaine, Los Angeles, 90038.

Reading Recommended By . . .

Irene Borger recommends *Muses from Chaos and Ash: AIDS, Artists, and Art* by Andréa R. Vaucher, published by Grove Press, New York, in 1993. "This is a passionate and clear-headed book," Borger says, "that asks two dozen well-known, articulate HIV-positive artists to speak for themselves about the creative process, censorship, sexuality, the spiritual, death and dying, and the impact of AIDS on their work. In its breadth and fire, *Muses* skewers the National Research Council's recent head-in-the-sand report that claimed, 'The AIDS epidemic will have little impact on the lives of most Americans or the way society functions . . .'" Artists interviewed include Peter Adair, Carlos Almaraz, Cyril Collard, Tony Dent, Robert Farber, Hervé Guibert, Keith Haring, Essex Hemp-hill, Bo Huston, Larry Kramer, Robert Mapplethorpe, Paul Monette, Kenny O'Brien, Marlon Riggs, Edmund White, David Wojnarowicz, and Arnie Zane.

Book publisher Thatcher Bailey recommends *Close to the Knives: A Memoir of Disintegration* by David Wojnarowicz, published by Random House in 1991. Bailey encourages grantmakers to read this book by saying it is "a collection of lucid and absolutely compelling essays by a visionary artist living with AIDS who forges a narrative of the personal and political with a terrible and redemptive anger."

IF YOU FUND THE ARTS, YOU CAN FIGHT AIDS.

The arts are a powerful way to educate, to engage, to move people to action.

The Andy Warhol Foundation for the Visual Arts applied this power to the fight against AIDS by funding a national tour of photographs that awakened thousands to the emotional and social issues of the epidemic.

To find out how you can get involved, contact Funders Concerned About AIDS, 130 West 42nd Street, Suite 801, New York, New York 10036.

AIDS. Something good must come of it.

FUNDERS CONCERNED ABOUT AIDS

Chemical Man

Robbie Hilyard

This is how his days begin.

He's out of bed and at the dresser where he tugs open the bottom drawer. His pharmacy, he calls it, containing his stash of precious relics of five opportunistic infections and two years on the HIV circuit.

There are pills to help him breathe, pills to make him cough things up, pills to smother his coughing so he can sleep at night, pills to make him sleep when it isn't the coughing keeping him up, pills to mask the itchiness when the combination of other pills causes his skin to erupt in nasty-looking red bumps that no one can identify, pills to smother the nausea from that same combination of pills so he can keep them all down, pills to shield his white blood cells from the ravages of other pills, further pills to ease his withdrawal from former pills. Pills to calm his nerves so he can go about his day and look the world in the eye.

Pills enough to kill any presumptuous microbe rash enough to come within spitting distance of him.

There is even a section of pills that he will never take again, pills that didn't work for him but are too expensive to throw out. They are a constant reminder and a silent reproach, for he has seen his medical record and it never says, "This medication did not work for this patient." It always, states, blamingly, "Patient failed drug." Like computers, he figures, modern medicine is incapable of making errors. It is the human in him that has failed.

Today his hand lingers over these last. Perhaps, one day, he will gather them all together and take them to his doctor. Maybe someone who can't afford to buy them can use them, will not fail them.

But to the task at hand. Here is his little blue plastic pillbox with the six sections — one for each day of the week with a rest on Sunday, except that he does not get a rest on Sunday. His regimen for the day more than fills the little blue pillbox so he has a second one, in pink, that he keeps at home with the pills for the end of the day, and a third, in white, with a beeper to remind him to take the pills that must be taken apart from meals.

He puts so many pharmaceuticals into his body that he no longer feels quite human. He's evolved into Chemical Man. He knows he's not alone. There are others like him. Is this the future of mankind? he wonders. Are they the first of a new race? Homo pharmaceuticus.

He reaches for the pills that will forestall the fungus from crawling again inside the lining between his brain and his skull, that mysterious region the doctor calls the "meninges," with almost lip-smacking satisfaction, as if this were somehow the Bahamas of the body and all the little microbes want to go there for some R and R.

It was last winter when the fungus took over the

area, reproduced enthusiastically, and tried to squeeze his brain out his ears. He'd suddenly understood then how it could be that people could get headaches so bad they banged their heads against the wall. But every time he moved to get out of bed, he barfed convulsively and never made it to the wall.

The treatment, when he'd been carried to the hospital, had been nearly as lethal as the infection itself. The doctors called it "Shake and Bake." During the course of a daily four-hour infusion, his temperature would plummet and his body would be racked with uncontrollable shivering. Just when the nurses got him packed under a mound of blankets so thick and heavy his body didn't dare to shake any more, his temperature would rebound and soar off in the other direction. He would suddenly break into a full-body sweat and be drenched by the time they got all the blankets off him, and still he would be tearing his gown off because it made him warmer than he could stand to be.

The only reason he isn't still on this drug, or dead from it, is that the government — only five days after they isolated the fungus in his spinal fluid — finally granted approval to the little pills he is now shaking into his hand as "maintenance therapy." Maintenance therapy. That means he will have to take these pills everyday for as long as he lives.

As long as he lives . . .

The lifesaving, life sentence, tablets are little pink trapezoids; they look like Flintstones' vitamins. They are the driest thing he has ever had to force down his throat, worse even than the time his mother force-fed him Saltines until he choked because he'd whined "Mom, I'm hungry!" one time too many. These dustbombs, he feels sure, could be used to drain swimming pools. He takes two a day.

And the doctor can't say why he suffers from dehydration.

Now he counts out the pills that are to prevent yet another episode of that garland of burning blisters that has come twice to clasp him off by the waist more warmly and tenaciously than he's ever been held in his life by parent or lover. Sleek capsules of robin's egg blue. State-of-the-art, high-tech looking. They slide down his throat easily, comfortably. They even have their name and name of their manufacturer printed right on them in a high-gloss black — presumably edible — ink.

Black and blue; he won't even think about the implications of this color combination.

Sometimes he hopes there is magic in this printed information (on the pills), for it is his understanding that a virus is not, after all, a living organism, but a free-floating

coding of information. And, he likes to think, even if the virus can't read, there is a certain comforting logic, or at least symmetry, in fighting information with information.

The pink and blue lie side by side in the To Be Eaten With Breakfast section. Pastelish. Easter Egg tones. These are, coincidentally, the colors he has picked as his healing colors. The colors of babyhood, the colors of new life. The pink and the blue help him reflect on the paired opposites of his life. The old conflict of the masculine and the feminine elements of his spirit, still unresolved, certainly, but no longer so important to him in the face of life and death, hope and fear, love and anger, body and soul.

He tries to wear the pink, or the blue, or both together, as often as possible. They are his uniform of healing. His signal to the world that he has accepted the challenge, that he is living with this impossible thing in his life, that he is not satisfied with being told there's nothing he can do.

Kneeling before the dresser now, he counts them all out in their established order. The succession of pills disappearing into the little pink and blue pillboxes is like a rosary, an ornament of his devotion to keeping alive. The line of pills is like a rope by which he pulls himself through the day, a week, an abbreviated lifetime. But it is also the chain that binds him to the earthly and the daily when he wants to fly.

These white pills here represent another time that he went into the hospital. On this occasion, for five days and nights, he floated suspended between this world and the next, buoyed up by Demerol and weighted down by pain, while he waited for the baffled doctors to determine what was the cause — this time — for the return of the headaches, the nausea, the convulsive vomiting, the extreme fevers. He was also losing the sight in his right eye.

He wanted to die.

Finally someone on the hospital staff took his hand and said to him, "I just don't think it's your time to go. Why don't you step back into this life?" And, coincidentally, on that day, the doctors began treating him "presumptively," that is, "as if" they'd identified an actual causative agent for his Mystery Ailment. He soon began to get better. But he believes still that he is alive today not so much on account of the treatment, but because somebody bothered to invite him to remain in this world.

Shortly after the presumptive treatment began, his eye got suddenly better, or at least stopped getting worse. It happened like this.

Still in the hospital, he was watching the Ryan White Story on TV one night and for the first time in a long while he cried for someone else as much as for himself. When he drew the tissue away from his eye, he found on it a large rusty blot, the color of old blood. When he looked around the room, the world was suddenly as bright as it used to be in the old days, but the picture was still distorted, and two large areas were missing. Black hairline floaters still swam across his field of vision, but there were

fewer of them. He felt that he could see again, although it was rather like looking through running water or broken glass. He calls that eye his shattered opal.

The little white pills are to keep the infection from crossing into his left eye and taking that one from him too.

Having lost his eye makes him feel like a hero in a great book or a fairy tale, who loses something precious to him in the accomplishment of his quest. But he is not a hero in a book, he lives in the real world, and he will have to live here without his eye.

What has he gained, anyway, in exchange for his eye? A certain wisdom, perhaps? He's learned, for example, to feel homesick in the hospital when he's never before in his life felt any connection to any place he's ever lived; he's learned that it is more fun to surprise the world with how healthy he can be, rather than with how sick; he finds, to his surprise, that the more connected he feels to his life, the less afraid he becomes of leaving it behind. He is learning to love his own life, just the way it is, and not desperately want somebody else's.

He never asks himself if the lessons were worth the price.

The ritual of counting out his pills concluded, he proceeds automatically with the unvarying routine of his days. In the kitchen, he puts the oatmeal on to boil and mixes up that day's batch of his nutritional supplement, the substitute food that gives him nourishment when he can't keep down — sometimes can't even take in — enough of the real thing, and fills with water the two plastic pitchers that he will keep beside him throughout the day and will try to empty into himself.

But today he will do something different.

Today, drawn by the music of the wind chimes on a neighbor's porch, he will linger at the open window over the kitchen sink. He will notice the softness of the air, its sweetness; he will see the red bells unfurling on the trumpet vine across the alley. Sometimes he forgets that he wouldn't have these things if he didn't work so hard to hold them. Sometimes, immersed in the struggle, he forgets that this is what it is all for.

So today, after a while, he returns to the dresser — to his pharmacy — and he gathers up all those strays and leftovers, those pills that no longer work for him, and he puts them all into one of the lunch bags with the picture of the rabbit being pulled out of the hat. Today, he decides, is the day he will take them to his doctor for redistribution. Perhaps their magic will work for someone else. Perhaps they will give someone what he has: a chance to live.

Robbie Hilyard was a writer who participated in the APLA Creative Writing Workshop. Hilyard, who died in March 1992, wrote prolifically during his time with the workshop. Irene Borger said of him, "He was fiercely proud of being a writer with AIDS." He was also a "great wit," his readings of "Chemical Man" always brought great laughter from his audiences.

Arts Philanthropy in an Era of Redistribution

Introduction

Bruce Sievers

In an era of scarcity in both state and nonprofit sectors, philanthropy faces difficult choices. By what principles do we make allocations? To insure distributional equity? If so, equity of outcomes or equity in starting points? To protect minority or unpopular viewpoints? To advance the frontiers of knowledge? To support creativity?

Michael Walzer's "Socialism and the Gift Relationship," although written over a decade ago in a different social climate, contains insights amazingly relevant to our current dilemmas. The question at the heart of his essay is: What is the role of private philanthropy in the modern welfare state? Is philanthropy merely an anachronistic holdover from an earlier era — "a bourgeois form of *noblesse oblige*" — or is it a valuable form of social activity that continues to fill a critical need in modern society?

While the stock of the welfare state has risen and fallen during the past decades, society's stated commitment to providing at least minimal services to all citizens and supplying a safety net for those in greatest need has remained constant. With the recent change in administrations, the state's commitment to social welfare may be once again strengthened, at least in the areas of health care and education.

This evolving governmental position raises Walzer's question: What is the proper role of philanthropy in the modern state?

His answer is fascinating. As a critical socialist, he sees limits to the state's ability (even that of a socialist state operating at its best) to protect minority values and support non-mainstream forms of expression. A case in point, he suggests, is his own magazine, *Dissent*. Without private voluntary contributors, including even large contributors, *Dissent* would have difficulty surviving, since it could never command the mass readership needed to make it commercially viable or justify state support.

This argument has an interesting possible corollary for philanthropic support of the arts. This corollary would suggest that, when operating properly, the state should provide basic resources guided by a principle of equitable allocation, whereas private philanthropy should remain an irreplaceable source of support for offbeat, non-salable, forms of free expression. Since a form of expression like

a magazine dedicated to dissenting views would not wisely become enmeshed in the political dimensions of public funding, its primary option is to seek philanthropic support.

By this argument, the state is relatively better positioned to make decisions guided by principles of equity (insuring that funding resources are fairly distributed among population groups, types of institutions, geographic regions, and so on), while private philanthropy fills a different but equally vital role in supporting particularistic visions and protecting free expression. In his book *Philanthropy*, Robert Payton notes, "If we focus on distribution, there are simply better alternatives than the philanthropic." This is not to say that philanthropy has *no* role in the realm of distributional equity; it may, for example, operate at the policy level to encourage the state to do a better job of distribution.

To the degree that we are beginning to face ever more difficult choices of distribution or redistribution in the arts, this approach can help inform our deliberations. It encourages us to ground our actions on principles consistent with an overall concept of philanthropy, in this case, philanthropy as protector of the unusual, unpopular, or visionary as opposed to philanthropy as a compensating source of distributional or representational equity.

Accordingly, when considering possible redirection of resources from more esoteric or idiosyncratic art forms to more utilitarian or popular arts projects, we may want to ask: Is this change driven by a principle more appropriately suited to governmental decision-making? What is the proper role for philanthropy in protecting private vision as opposed to responding to public concerns? Walzer inspires us to think carefully about the respective roles of the state and private philanthropy and how we as private funders might more consciously play a part in the larger framework of arts support.

Socialism and the Gift Relationship

Michael Walzer

I: Welfare and Philanthropy

A few years ago, the *New York Times* carried a long article on the decline of philanthropy and volunteer service in the more advanced welfare states of Western Europe.¹ In such countries as Sweden, Denmark, and West Germany, philanthropic organizations of all sorts — orphanages, homes for unwed mothers, legal aid societies, hospital and prison visitors, and so on — were in deep trouble. They had always depended heavily on private con-

tributions and unpaid help. The contributions came not only from the very rich but also from large numbers of ordinary citizens. Now, however, the citizens had decided that welfare was a matter of justice, not charity, the business of the state, not of individuals. They paid their taxes and they were done. The state, they felt, should take what was needed; what it didn't take belonged to them and could legitimately and without qualms be spent on themselves. The rich undoubtedly thought taxes too high and preferred charitable giving, which they could set at any level they liked; but they too were fully prepared, the tax rate being what it was, to give less to charity.

Volunteer workers had historically come from the middle and upper classes and had repeated the conventional pattern of middle- and upper-class life. Men played the larger part in managing philanthropic organizations, while the actual caretaking and the face-to-face relations with the poor, the sick, the old, and the very young were sustained by women. Work in hospitals and schools represented a kind of extramural domesticity, and it was most readily undertaken by housewives who had help in the house, or grown-up children, and time on their hands. But now the old pattern was under attack; both management and caretaking were increasingly professionalized; more women were working; the state welfare services did not look like amateur callings; and to work without pay for the state, which commanded such vast resources and hired such an extraordinary number of people, seemed in any case gratuitous.

This last idea was, of course, confirmed and reiterated by state officials, welfare bureaucrats, the leaders of civil service unions. For private philanthropy had always eluded governmental coordination, and volunteers worked at jobs from which other people, who needed the work more, might well make a living. Nor did the poor themselves, once they began to find a political voice, have much use for amateurs. How could their rights be made to wait upon the vagaries and perennial inadequacies of private giving? Only government officials could help them with the promptness and consistency to which they were, as citizens, entitled. Just as the state from its origins had provided military security, enlisting an army of soldiers, so now the welfare state should provide social security, enlisting an army of caretakers. And just as private wars had been eliminated, so now private charitable campaigns should be eliminated. For military security and social security alike required large-scale organization, central planning, and democratic (coercive) control.

In the United States, the welfare state has developed rather differently. It has not developed as far, for one thing, and it has tended to grow alongside of rather than to replace private charities. A great deal of tax money has been filtered through organizations that are privately run and (in part) privately financed. There has been less concern with overall coordination or blanket coverage. Some 300,000 "nonprofit" organizations exist in this country today, providing religious and educational as well as

welfare services; in 1979, these groups managed to raise \$36 billion in individual contributions (corporations and foundations added another \$5 billion).² This is a lot of money, and yet the government's share of the welfare budget is vastly greater — and as a proportion of the whole it has been growing steadily.

A large number of privately run services, like most of our private universities, are no longer capable of financing their own operations; they are effectively state subsidiaries (and they are increasingly reliant on the same sort of professionals who run the state services). For all our pluralism, then, the long-term trends in this country are not so different from those in the more centralized and advanced states of Western Europe.

In the past, charity has been much disliked and commonly denounced on the left: it is a bourgeois form of *noblesse oblige*, a way of adjusting to, without removing, the inequities of a class society, indeed, a way of displaying and intensifying those inequities. But I think the questions are not so easy. The conservative critique of the welfare state, insofar as it isn't merely an ideological cover for the dismantling of the welfare state, touches on points of interest to socialists too. After all, a great deal of socialist activity has been paid for by private contributions or made possible by voluntary labor for the cause. The left, like the church, has had its tithe. And isn't everyday human welfare also a cause? Why should we become the defenders of the bureaucratic state?

The old animus against charity is set forth very nicely in a few sentences in Oscar Wilde's "The Soul of Man Under Socialism." "The best among the poor are never grateful" for charity, Wilde writes, and then goes on:

They are ungrateful, discontented, disobedient, and rebellious. They are quite right to be so. Charity they feel to be a ridiculously inadequate mode of partial restitution, or a sentimental dole, usually accompanied by some impertinent attempt on the part of the sentimentalist to tyrannize over their private lives. . . . As for begging, it is safer to beg than to take, but it is finer to take than to beg.³

There is a special rebelliousness here, which doesn't have much to do (as the last sentence suggests) with political action. But Wilde also has some understanding for the vision of moral integrity, or human wholeness and strength, that sustains socialist politics. The problem with charity is that it breeds dependency. And the argument against charity is indeed connected to the argument against beggary. Begging is a performance extracted from the poor by the charitable, and the performance is degrading, an especially painful example of the power of money.

"Charity wounds him who receives," writes Marcel Mauss in his classic essay *The Gift*, "suppressing the unconscious

harmful patronage of the rich almoner."⁴ At least, that has been the moral effort of the left. Nor does the wounding work only one way. The vices of dependency are reciprocal: deference, passivity, humility on the one hand, arrogance and self-importance on the other. It is one of the purposes of the welfare state, second only to the relief of poverty and pain, to overcome these vices. But the mere replacement of private charity by public provision doesn't have this effect. It is necessary nonetheless, for the state is more likely than any private group of citizens to maintain an effective program of relief. By itself, however, relief doesn't produce independence; old patterns are likely to survive; the poor are still deferential, passive, and humble (or "the best of them" are caught up in a diffuse rebelliousness), while public officials take on the arrogance and self-importance of their private predecessors.

Insofar as these vices have been overcome, it's not been in the welfare state so much as in the movements and parties that fight to create the welfare state. Independence is born in political action, when previously silent men and women organize and speak out for themselves and one another. The movements and parties of the left have been the primary locus of self-help and mutual aid in the modern world. And they have been supported, as I've said, by the dues and the donated time and energy of their members, even when their members were desperately poor and without adequate resources for health care, housing, education, and so on. While making demands on the general community, they have constituted communities in themselves, self-sufficient and self-sustaining. But it remains an open question whether this sort of thing can be incorporated into the welfare state, once there is a welfare state. Imagine the left in power, its leaders our officials: what forms might self-help and mutual aid take then?

The old idea was this: first we would abolish poverty, and then the formerly poor, all the relieved and rescued men and women, would simply participate as citizens in the everyday politics of the community. The socialized economy would be their mutual aid program. Their independence would consist in freedom from fear and want. But even on the most optimistic view of the welfare state, even if we assume that poverty has been abolished, it will still be the case that people experience fear and want and that they need help — because they are sick or old or alone, or in a hundred different sorts of trouble. And then, their independence will be a function of the kind of help they receive. Like any wealthy philanthropist, welfare officials can create a client population of men and women whom they sustain, so to speak, in their helplessness. The goal of a socialist welfare state must be the opposite of this, not to end the need for help, for there is no end to that, but to involve the needy in mutual help. The struggle against poverty and illness is an activity in which many citizens, poor and not-so-poor and well-to-do alike, ill and not-so-ill and healthy alike, ought to participate. That means that there has to be a place, even

within a program of public provision, even when welfare is conceived as a matter of justice, for what Richard Titmuss calls, in his book of that name, "the gift relationship."⁵

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The welfare state is not best understood as a bureaucratic substitute for older and better forms of neighborliness and mutuality; it is, first, an augmentation of the old forms, and then a whole set of new arrangements, made necessary by new social conditions. Necessary but not sufficient: unless the arrangements generate in turn a neighborliness and mutuality appropriate to the new conditions. For welfare officials can produce at best clean, well-lighted places — hospitals, day-care centers, old-age homes, and so on-intelligently managed, free from corruption and brutality. (And often enough, they can't or they don't do that.) Anything more than that, men and women must provide for themselves and one another.

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A pluralist welfare state need not be what it has been in the United States until now — a shoddy welfare state (and the pluralism an excuse for the shoddiness). *There has to be a decent level of public provision.* Without that, private giving and doing are more likely to degrade than to benefit the people at whom they are aimed. Once we guarantee a decent level, however, pluralism and the philanthropy that sustains it can make for stronger, more various, more broadly based, and more effective welfare programs. Experiments are easier within a decentralized system, run in part by private citizens. That awful sameness in everything from the design of buildings to the endless regulations, the product of bureaucratic rigidity and caution, may to some extent be avoided. And, most important, a welfare state in which large numbers of ordinary citizens participate is less likely to isolate its clients. Mutual aid makes for social integration.

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But can pluralism be sustained in a society that does not permit great accumulations of wealth? I have stressed the contributions of ordinary men and women. But these are not, at present, the decisive contributions that enable private philanthropies to keep going. How would the campaign for a new hospital fare, for example, if so-and-so, a man of enormous wealth, did not give a million dollars for the maternity ward or the intensive-care unit (named after himself)? Imagine that same million dollars in the hands of a thousand different people — the distributed profits, say, of a local factory — and one could hardly collect a tenth of it for (any) charitable purpose. So we are told, at any rate; the state would have to step in with its taxing power and all its rules and regulations.

American philanthropy, as currently organized, is radically dependent upon what I once heard a successful fund-raiser call "the princely gift." Indeed, philanthropy has probably never been organized in any other way. It

has been true of many cultures, otherwise very different, that men and women of great wealth win glory for themselves by great gifts. This is at once a motive for making money and for giving it away. So charity depends upon inequality (and voluntary labor depends, similarly, upon the existence of a well-to-do and leisured class).

But the price we pay for the "princely gift" is the power of princes. And in addition to all the making of money and the giving of it, there is a great deal of keeping. So princes must be courted, flattered, pandered to, and pleased. Among wealthy men and women, there are always some who give their gifts readily and modestly; it is the others, Maus's "rich almoners," who give charity its bad name on the left. They take their money for authority; their glory requires the dependency of the poor. Still, without private wealth of some sort there can't be private gifts, and there can't be large gifts of the sort that make for the stability and even the independence of private philanthropies without large accumulations of wealth.

Yes; but it doesn't follow that, if individuals can't accumulate wealth, only the state can do so. One can imagine intermediate groups, like the modern corporation, or, for that matter, a factory commune or a trade union, whose members decide to contribute significant funds to local charities. One can imagine the accumulation of money through fund-raising campaigns on a far broader scale than is possible today, with more citizens contributing precisely because they know that they can't depend upon a few rich almoners. One can imagine tax money, in greater amounts than at present, filtered through private organizations. One can imagine, in sum, a more democratic pluralism, a "mobilization of altruistic capacities" for the sake not of one-sided giving and glorying but of mutual aid.⁶

Nor is it necessary, as I have argued elsewhere, that a socialist society set its face entirely against entrepreneurial activity and individual money-making. We aim at greater equality, not absolute equality, and it is the first of these, not the second, that serves to redeem charitable giving and voluntary work. A few petty princes will do us no harm, and their gifts can do much good.

When we defend the welfare state against its contemporary enemies, then, we must remember that the public provision of basic services, while always important, is not the only aim of a socialist politics. We aim also at the abolition of dependency in all its forms. And that requires a society far livelier than the standard version of the welfare state, less routinized, full of energy and experiment, where men and women organize in a hundred different ways to help themselves and one another. All this requires in turn more than one directing center and more than one source of funds.

We have most often thought of socialism (not wrongly) in terms of public enterprise and large-scale organization. But there is another scale on which to measure the deep

relations that make for a decent society. How is ordinary life managed, shaped, enabled, and controlled? Who decides? Who acts? Who is passive, deferential, hurt? Socialist answers to these questions require, indeed, a certain social framework, a certain kind of state. But they also require high levels of participation in small groups and local arrangements. Settling the big problems, even if that were possible, is never enough, for men and women are made and destroyed by the way we deal and help them to deal with the small problems, the intimate difficulties of everyday life. Here we must count on the commitment of individual citizens to one another. The gifts they bring, over and above what they are bound to give, represent an enhancement of both democracy and socialism, without which neither one would be as attractive as we have imagined it to be.

And if the gift is crucial to welfare, it is even more crucial to politics (and culture too) — as I will now try to argue.

II: Politics and Private Gifts

How would a group of political dissidents in a socialist society go about publishing a magazine called *Dissent*? The particular question raises a more general one about the economic support of political and cultural activity. And it forces us immediately to confront the neoconservative argument that a free politics and culture requires capitalism, that private wealth is freedom's crucial resource. As in the case of welfare and philanthropy, the usual socialist response is too quick and unconsidered. The neoconservatives are wrong (again), but their argument is worth worrying about. Worrying is one of the functions of this and future *Dissents*, and it will still be necessary under socialism. How will we finance this crucial activity?

How do we finance it now? *Dissent* was founded by a group of friends, none of them wealthy, who contributed the money themselves or solicited a small circle of comrades and political allies. Over the years since then, the magazine has earned roughly half of what it costs; the rest has been raised, as our readers know well, through an appeal for funds every two years. Some 400 readers make contributions, plus all the editors. I suppose that the income of this group is rather higher than the national average; a very small number are well-to-do, and without their gifts the magazine probably could not survive. Very occasionally, we have gotten small amounts of money, for special projects, from labor unions and private foundations. And we have brought out a number of collections of articles with commercial publishers, all of which have made some money, never very much.

Our costs are determined in large part by the postal rates and the market. We have to pay for paper, typesetting, printing, binding, handling and mailing, and newsstand distribution. All these are products and services that we buy like any other consumer, without regard to our political views — though friendly printers sometimes give

us a "price." We don't pay for articles, and that undoubtedly is the most important of the contributions we receive, possible only because almost all of our writers and editors earn their living elsewhere. Our tiny staff receives subsistence wages (or less), a practice, as I said in the first part of this essay, that is common on the left generally, though it is certainly easier for young activists than for older ones. What we do to staff members and writers might be called exploitation. Or, it is another example of the gift relationship. All in all, publishing *Dissent* isn't easy, but with a little help from our friends, we keep going.

How would things be different in a socialist society? The most common answer is constructed along what can be called the welfare-state model. The state would provide a supply of paper, access to printing houses and distribution centers, and subsidized mailing for a number of magazines. But what number? Which ones? Chosen how and by whom? In any case, the idea would be to provide subsistence support for a variety of magazines, so that editors and writers with different points of view and journalistic styles would have the same opportunity to compete for readers.

Equal access to the media: the principle is attractive, but it does have to be mediated by a committee, since there will never be paper or printing presses or distribution facilities enough for all the men and women ready and waiting to publish a magazine or to fill it with material. Nor is there ever audience enough. In the production of articles and essays, as of poems and novels, supply always outruns demand. Some selection process is necessary, and so it matters a great deal who makes the selection.

In the welfare state model, government officials or the "experts" they appoint play that part because the state owns the media. But (as the example of China's "democratic wall" suggests) there are dangers in that arrangement, and the dangers persist even if one tries to free the selection process from immediate political control. That the state should be a patron of politics and the arts is entirely sensible; the royal court once played a similar role, though on behalf of a very narrow social circle; democracy requires larger subsidies more widely distributed. That the state should be the only patron is a very bad idea.

How likely is it to finance the production of dissidence? Since its officials must in any case make a selection, we have to expect that they will look for a range of opinions and styles that includes just enough of whatever seems "interesting" and even provocative to appease liberal consciences, and as little as possible of whatever seems radical, critical, unsafe for common eyes.

I say this with some hesitation. After all, it was an official committee that selected plays for the Athenian drama festivals. It's not impossible that there could be a culture so rich and a democracy so lively that its people, through

their government, would patronize works that raised the deepest questions about human life. Would even the Athenians, however, have permitted Socrates to edit a magazine? Would they (collectively) have paid for it? It seems safest to make sure that alternative patrons are available. And that means, once again, to turn from state subsidies to private gifts.

But what about a group of friends who want to start a magazine and can't find organizational support? They are really dissidents, and their opinions don't reflect those of any well-established group. What can they do? It is necessary first of all to acknowledge the possibility of a failure. Not every group of friends can have a magazine. But it is important that there also be at least a possibility of success. So private resources must be available not only at the group but also at the individual level. In a society more egalitarian than our own, one would have to search out a somewhat larger number of individuals. Gifts might well be smaller, but there would be more people able to give. We might do without angels if we had enough resourceful men and women. I assume that dissent would still be difficult; there is no reason why it shouldn't be. But it would be a sorry socialism if the gift relationship were ruled out and dissent made to hang entirely upon one or another kind of official subsidy.

The argument requires one further step. If money can be raised, there must be a market where it can be spent. There must be typesetters, printers, and binders willing to help in the publication of opinions they dislike . . . for money. Perhaps the group of editors will include men and women with the necessary skills and with access to the necessary machines. But if it doesn't, then the cash nexus is a crucial complement to the gift relationship. Here is a new argument for market socialism and also for the maintenance, especially in the fields of politics and culture, of a petty-bourgeois economy.

Two things are required: a world of craftsmen and skilled workers, organized perhaps into cooperatives but ready to enter into commercial relations — so that they won't have to vote on the contents of the magazines they print. And a world of free entrepreneurs, the owners of bookstores and newsstands, similarly ready to display any magazine that might sell a few copies. But then, someone will argue, they will display only magazines devoted to jogging, hi-fi sets, and naked bodies. Maybe so, though there is at least an equal danger, as in Orwell's *1984*, that state stores would do the same thing. And I suspect that an independent shopkeeper is more likely than a state official to find a little room for *Dissent*.

The petty-bourgeois economy is the natural habitat of the little magazine. It is probably fair to say that if one eliminates the first, the second won't survive for long. State subsidies, like foundation grants, can be helpful but only alongside the more dispersed resources of editors and friends, and only within the context of a market

economy where products and services can be freely purchased (that is, where they don't have to be applied for). Socialists often write as if they hope to see the end of every sort of market relation. I have long thought that a mistaken vision, and the mistake seems especially clear when one focuses on the small-scale, everyday politics and culture of a socialist society.

But we would be happier, of course, if *Dissent* did not remain a little magazine but grew big, finding more and more readers. The bigger it grew, however, the greater its costs would be, and the more money we would have to raise. For political magazines do not make money, not at least until they reach a readership in the hundreds of thousands. Without a rich backer, how would a larger *Dissent* keep going?

It is certainly true that whatever variety exists among political magazines today is due chiefly to the fact that there are wealthy men and women, with different political commitments, willing to spend (and lose) their money. Such people deserve our gratitude. And yet it is not right that the expression of political views in a democracy should reflect the range of opinions among a tiny class of powerful individuals. Nor is it conceivable that if there were no such class, there would be no political magazines.

Associations of all sorts would fill the breach. There would even be groups, like the American Jewish Committee today, ready to give to the editors they selected the freedom to defend positions that many of their members disliked. They would function, that is, like philanthropic organizations, collecting money and then providing what can plausibly be called disinterested (if not necessarily warm-hearted) services.

Cultural and political freedom requires the dispersion of wealth and power. This is an important argument, but it has both an ideological and a serious form. The claim that therefore capitalism is necessary — as if wealth and power were widely dispersed today — is ideological. The claim that private resources must supplement public resources, that gifts must supplement grants, is serious. The gift relationship has flourished in many different cultures and under a wide range of economic conditions: in the primitive societies that anthropologists study, in Old Testament Israel, ancient China, classical Greece and Rome, feudal Europe, and so on. There is no reason why it cannot flourish also under conditions of socialist equality. It is impossible, indeed, in totalitarian states, where even donations of time and energy are suspect. In such societies the prerequisites of voluntary giving and doing don't exist.

If we imagine a society of free citizens, relatively equal or at least not radically unequal in the resources they command, there is every reason to expect a great deal of privately initiated, privately supported political and cultural activity. Of course, we also have to expect, along with the necessary development of the public sector,

certain tendencies toward governmental overreach. These too have been present under a wide range of economic conditions. But that is why dissent and *Dissent* are necessary, and why we must make sure that there will always be men and women capable of bearing their costs.

Notes

¹ *New York Times*, July 2, 1978.

² *New York Times*, July 6, 1981.

³ *The Artist as Critic: Critical Writings of Oscar Wilde*, Richard Ellman, ed. (New York: Random House, 1969), p. 258.

⁴ *The Gift*, Ian Cunnison, trans. (New York: W.W. Norton, 1967), p. 63.

⁵ *The Gift Relationship: From Human Blood to Social Policy* (New York: Pantheon, 1971).

⁶ The quoted phrase is from *Social Work, Welfare and the State*, Noel Parry, Michael Rustin, and Carole Satyamurti, ed. (London: Edward Arnold, 1979), p. 168.

Michael Walzer is an editor of *Dissent*. "Socialism and the Gift Relationship" was originally published in the fall 1982 issue of *Dissent*. It is reprinted in excerpted form with permission from Michael Walzer and *Dissent*. *Dissent* is published quarterly by the Foundation for the Study of Independent Social Ideas, Inc., 521 Fifth Avenue, New York, NY 10017. Subscriptions are \$22 for one year, \$40 for two years.

Reading Recommended by . . .

Bruce Sievers recommends *Philanthropy: Voluntary Action for the Public Good*, by Robert L. Payton, American Council on Education/Macmillan, New York, 1988. Sievers writes, "This is a collection of essays providing an excellent overview of the problems and challenges facing contemporary philanthropy." Sievers notes that two essays in particular, "The Varieties of Philanthropic Experience" and "Philanthropy and Its Discontents," address the difficult questions of equity and pluralism in grantmaking.

Sievers also reports that the March 17, 1993 issue of the *San Francisco Bay Guardian* contains two articles that give the issue of distributional equity a very contemporary force: "The Quest for Unity" (p.17) and "Supply and Demand" (p.19). Both describe the battles over scarce resources among arts stakeholders in San Francisco.

Fiscal Sponsorship: Six Ways to Do It Right

Greg Colvin

The following article is the second in a series about organizational form in the nonprofit arts community. The GIA Newsletter is specifically interested in exploring structural arrangements that vary from the "standard" expectations of a 501(c)(3) corporation. The article is based on a new book, titled Fiscal Sponsorship: Six Ways to Do It Right, that will soon be available from the San Francisco Study Center, 1095 Market Street, Suite 602, San Francisco, California 94103, 415-626-1650. The book was commissioned by the San Francisco Foundation and written by Greg Colvin, of Silk, Adler & Colvin. It was jointly funded by the Wallace Alexander Gerbode Foundation, with the active participation of California Lawyers for the Arts, Film Arts Foundation, Intersection for the Arts, and San Francisco Study Center.

Introduction

Fiscal Sponsorship: Six Ways to Do It Right, is the result of a series of discussions among private foundations and public charities concerned about how to maximize the ability of the philanthropic community to support a wide variety of important activities ranging from arts to international aid, from environmental activism to individual health needs, and a host of other human services. The discussions centered on the future of that funding practice widely (and unfortunately) known as **fiscal agency**.

The practice of fiscal agency has been criticized in recent articles, for example, *Use of Fiscal Agents: A Trap for the Unwary*, by John A. Edie, Council on Foundations (1989). In the face of this advice, some organizations have considered abandoning the practice. Most have continued it, however, for the compelling reason that the charitable sector would be crippled without a way to harness the creativity and respond to the needs of a vast array of groups and individuals that lack the tax status often required to receive grants from private foundations, government agencies, and other funders.

The purpose of this book is to take a positive approach to the problem. It describes, in general terms, six different models (plus a seventh, experimental model) by which a public charity, tax-exempt under Section 501(c)(3) of the Internal Revenue Code, can conduct a program of support to individuals and to nonexempt organizations that is legal and proper.

This work is, ultimately, about the vigor of the charitable sector in the United States. It catches the charitable enterprise at a stage where the growth of its public benefit

activities has outpaced the development of the usual accompanying legal structure. The book demonstrates that existing charitable organizations, equipped with a knowledge of available legal options, can play a vital role in nurturing the young charitable enterprise — an essential component of a dynamic and flourishing charitable sector.

Interview

How does a fiscal sponsorship arrangement typically arise?

It arises when a person or group (which I call a **project**) wants to get support from a private foundation or government agency or to raise tax-deductible donations from individual or corporate donors, but does not have a 501(c)(3) tax-exemption letter from the IRS. If the funding source will only make payments to 501(c)(3) organizations, the project looks for a 501(c)(3) **sponsor** to receive the funds and pass them on to the project.

This is a very common practice, particularly in the arts, where so many projects are proposed by artists who don't necessarily have business skills, but who are very much committed to programs that have great cultural value. We find this practice in human services and public advocacy groups as well. Many groups simply are not large enough, nor will they last long enough, to warrant establishing freestanding (c)(3) organizations.

Does the IRS permit this practice?

The Internal Revenue Service has a strict policy against "conduit" arrangements. When a donation is made by A to B, earmarked for C, it is in reality a donation from A to C. If C is not exempt under Section 501(c)(3) of the Internal Revenue Code, the gift is not a tax-deductible contribution. To be deductible, the IRS requires that B (the sponsor) have complete discretion and control over the funds. The IRS holds B legally responsible to see that its payments to C (the project) are made to further B's tax-exempt purposes.

Do most sponsorship relationships comply with the law?

Despite the fact that most of these are clearly legitimate, charitable projects, legal compliance varies a lot. Many sponsoring organizations are afraid that they're doing it wrong, but they continue to do it the same way to serve their constituencies. This happens out of habit or inertia, or because there's money in it or it's difficult for projects to apply for 501(c)(3) status.

In counseling clients, we've had to deal with many legal questions. Certainly, one is, "What is the proper tax treatment of a grant or a donation given to a (c)(3) and forwarded to another entity?" But others also arise, such as: Is the sponsor liable for what the project does? If something valuable is created, does it belong to the sponsor or the project? What is an appropriate fee to charge for this particular arrangement? Who needs to report the funds on their IRS Form 990? Believe it or not, many fiscal sponsors still don't understand that the

MODELS FOR FISCAL SPONSORSHIP ARRANGEMENTS	Basic Characteristics	Is project a separate legal entity?	Relationship is	Charitable donations belong to	Liability of sponsor to 3rd parties	Ownership of result	Payments shown on IRS returns filed by		Comments
							Sponsor	Project	
A. DIRECT PROJECT	Project belongs to sponsor and is implemented by its employees and volunteers.	No	Employer-Employee	Sponsor	Total liabilities for acts of employees.	Sponsor	990, payroll tax returns	Individual 1040's	Legally, the project is no different than any other activity carried on by the sponsor directly.
B. INDEPENDENT CONTRACTOR PROJECT	Project belongs to sponsor but is conducted by separate entity under contract.	Yes	Project Contract	Sponsor	Varies, may be partial or total.	Sponsor usually	990, 1099 if person	Depends on legal status.	Appropriate where a project is an integral part of the sponsor's work, but may be legally performed by an independent contractor.
C. PRE-APPROVED GRANT RELATIONSHIP	Project applies to sponsor for one or a series of grants, sponsor funds the project only to the extent that money is received from donors.	Yes	Grantor-Grantee	Sponsor	Selection and payment of grantee, plus terms set by funding source.	Project usually	990	Depends on legal status.	Used by a non-501(c)(3) project, in order to raise tax-deductible support from donors, private foundation or government grants.
D. GROUP EXEMPTION	Sponsor obtains federal group tax exemption, confers 501(c)(3) status on subordinate projects.	Yes	Subordinate Affiliate	Project	Only as provided in affiliate agreement.	Project	Annual listing of organizations, no financial information	990	Project gets 501(c)(3) status without separate application to IRS; must be subject to general supervision or control of sponsor.
E. SUPPORTING ORGANIZATION	Project gets its own 501(c)(3) exemption, but public charity status is based on support of sponsor's purposes.	Yes	Degree of connection varies	Project	None	Project	None	990	Project must apply to IRS for 501(c)(3) status, but can be a public charity even with only one donor.
F. TECHNICAL ASSISTANCE	Project has its own 501(c)(3) exemption but needs help with bookkeeping, tax returns, payroll, management, etc.	Yes	Management Contract	Project	Only as provided in the contract.	Project	990, if fee charged	990, if fee paid	Sponsor provides financial management to project, but all funds are raised and spent in the name of the project.
X. PAYMENTS "FOR THE USE OF" SPONSOR	Project approved by sponsor, a trust account is established for the project separate from the sponsor's assets, donors pay directly to trust account.	May or may not be	Sponsor must control project	Project, in trust for sponsor.	Varies, may be partial or total.	Project, in trust for sponsor	None	Depends on legal status.	New, untested model based on U.S. Supreme Court decision on acceptable methods for Mormon parents to aid missionary children.

deductible contributions they receive in their name actually are their property and need to be shown on their Form 990. Does the project have to separately incorporate? In some cases it does, or it ought to.

Why do you call this practice "fiscal sponsorship" instead of "fiscal agency?"

I believe strongly that a change in terminology is needed. In a proper fiscal sponsorship arrangement, it's legally incorrect to say that a (c)(3) is merely acting as an agent for a non-(c)(3) project. A 501(c)(3) organization that permitted itself to be an agent, that is, controlled by a non-(c)(3) principal, would be risking its exempt status. The agency concept, if anything, should be reversed. The non-(c)(3) entity is really an agent carrying out the purposes of the 501(c)(3) under the (c)(3)'s direction and control. If that's the relationship you establish, I think it's defensible and legitimate.

"Fiscal sponsorship" is a better term because it clarifies the fact that the 501(c)(3) organization is sponsoring, with financial support, a project that does not have its own 501(c)(3) status.

How can a fiscal sponsorship be done correctly?

We've identified six, or maybe seven, models for a proper fiscal sponsorship arrangement, and I describe them in the book. The first three come from advice that Tom Silk of our firm has given many clients, and are based on the three ways that a 501(c)(3) organization can pay someone to carry on a charitable project — as an employee, as an independent contractor, or as a grantee. These three methods of payment correspond to what I've called Models A, B, and C.

Model A I've defined as the direct project, where the sponsor essentially takes the project in-house. It's carried out by volunteers or employees of the sponsor itself, and it really has no separate, legal existence.

The idea for the project may have come from outside the organization, but once it's sponsored, it belongs entirely to the 501(c)(3) organization. This is probably the most common form of institutionalized fiscal sponsorship. These sponsors often see themselves as incubators or umbrella organizations that permit a number of projects to exist within one tax-exempt corporation. It's a good training ground for start-up projects.

Probably the most serious legal problem in Model A happens when, after a period of time, the project goes off on its own, but the sponsor and the project didn't have a clear understanding at the outset of what the terms of the separation will be. Do the assets that have accumulated truly belong to that project? Well, no, they belong to the sponsor. At the end of the relationship, the assets need to be granted to the project in some appropriate fashion, before the project can consider itself independent with its own 501(c)(3) status.

Also, under Model A, all of the project's activities — whether carried out by employees or volunteers — create

direct liabilities for the sponsor because the project is truly an integral part of the sponsor.

Moving on to the next model: Model B is the independent contractor project. Here again, the project belongs to the sponsor, but its actual operation is contracted out to a separate legal entity. This may be suitable for a lot of short-term projects, particularly in the artistic field, where the people who are preparing or developing the work of art are accustomed to operating on an independent contractor basis.

Of course, the project has to meet the twenty common-law criteria for being a legitimate, independent contractor to have this relationship to a sponsor. We're, of course, always stressing that there should be a written contract that describes this relationship between the sponsor and the project.

The third model, Model C, is what I call "a preapproved grant relationship." It's also known as "regranting." If there's a trap for the unwary, this is certainly it. Done correctly, the 501(c)(3) sponsor organization receives a grant application from the project and approves it. Then fundraising occurs, usually with the project taking the lead. Support is generated (in the name of the sponsor) from individuals, corporations, foundations, or perhaps the government. The money then comes to the fiscal sponsor and is re-granted, if you will, to the project itself. An administrative fee is often charged in the course of setting up this relationship.

Now, I believe that Revenue Ruling 66-79 has indicated to us that the IRS will look favorably on this kind of arrangement if it is truly one in which the fiscal sponsor maintains discretion and control over the ultimate use of the funds. Importantly, this revenue ruling recognizes that, even in the solicitation process, it may be appropriate and permissible for the fiscal sponsor to tell funding sources that the money is intended for the project, because the sponsor has already approved the particular project as charitable and as something that — if it succeeds — will further the exempt status of the sponsor itself. In Model C, the project does not become a program belonging to the sponsor. Instead, the sponsor chooses to further its exempt purposes *indirectly*.

I'd stress that there are seven steps to making this a proper arrangement, and the steps are outlined in the book. A legitimate grant application must be on file, the sponsor must evaluate the application and approve it at the board level, and a grant agreement must be signed between the sponsor and the project. The sponsor must undertake adequate procedures for supervising the use of the funds, receiving a narrative and a financial report when the funds are spent, as well as doing field audits as necessary.

If any of these steps are omitted, the fiscal arrangement could be struck down by the IRS as a conduit, pass-through, or laundering transaction, to the chagrin of everyone — project, sponsor, and funding source.

What are the other models?

The fourth, Model D, is the "group exemption," which I think is underutilized. This is a ready-made procedure for a 501(c)(3) organization conferring exempt status upon projects that are subordinate to it and that remain under its general supervision and control.

This simple process is set forth in IRS Revenue Procedure 80-27. It's used by the Catholic Church, PTA organizations, alumni groups, and so on. I believe that it could also serve, in many cases, the goals of a fiscal sponsorship arrangement. That is, the subordinate project does not have to make a freestanding, independent application for 501(c)(3) status to the IRS. The project can simply conform to the guidelines set forth by the sponsoring parent organization, be included in the group ruling obtained by the parent, and collect deductible funds on its own.

The fifth example is Model E, the "supporting organization" under 509(a)(3). Many times, a project is able to obtain its own 501(c)(3) status, but can't meet a public support test because on its own it has, let's say, only one or two private foundations or individuals who are really interested in funding its particular work of art or advocacy activity. Through 509(a)(3), if you identify a public charity whose charitable work you're supporting through the project, then the project can be treated as a public charity, even though it can't make a public support test on its own.

The sixth example, Model F, is technical assistance. We often see this where the problem is not that the project is unable to apply for 501(c)(3) status or it's too short-lived or something like that, but simply that the organization's personnel do not have the business skill or the resources to manage the financial details of their organization. Many, many projects around the country are well served by a sponsor that supplies below-cost, technical assistance such as payroll, office management, and bookkeeping.

The book includes a seventh model, Model X, that is really experimental. I haven't known of anyone who's tried this yet, but for completeness, I wanted to include it. Model X is based on a 1990 Supreme Court opinion suggesting the proper way for Mormon parents of missionaries to support their children's work through a trust that is separate from the Mormon Church.

What do you hope to accomplish with this book?

I hope that the book will stimulate debate. I don't expect that there will be complete agreement on all of these models, but perhaps the book will promote the development of a common language for discussing what fiscal sponsorship truly is. This should raise the level of legal compliance observed by nonprofits and their advisors, to the relief of many worthy projects, sponsoring groups, funding sources, and even the IRS.

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Grantmaking's Seven Deadly Sins

Sarah Lutman

Michael Josephson, founder of the Josephson Institute of Ethics, addressed an audience of 300 trustees and staff of family foundations in San Francisco in January 1993. Josephson's talk was among the featured events at the Council on Foundation's annual Family Foundations meeting.

Josephson's topic was the ethical behavior of grantmakers. Striding back and forth, microphone in hand, in a clear attempt to provoke the audience, Josephson described vividly the "Seven Deadly Sins in Grantmaking" — from a grantee's perspective. He went on to assail a panel of respondents with questions about their own foundations' practices. The presentation had a disquieting effect on the audience.

Josephson began his remarks by stating that, "Organized philanthropy is intrinsically an ethical undertaking. Moral considerations pervade both the act of voluntary giving and the process of choosing the causes and beneficiaries of gifts. Since almost every action which grants or denies aid to a charitable cause produces tangible consequences, those who direct the resources of philanthropic foundations are in the business of applied ethics every single day."

One by one, Josephson then presented his "Seven Deadly Sins in Grantmaking." Grantee organizations reading this report are likely to react with glee — it's rare that an individual so clearly and vividly describes the offensive behavior of grantmakers. Here they are:

"Arrogance - Arrogance reveals itself in rude, patronizing, condescending, and inconsiderate behavior by staff and trustees. Respect requires that all persons be treated with courtesy, civility, and dignity. The Golden Rule also applies to the rich and powerful. Trustees and their agents should treat each other and individual grantseekers the way they would like to be treated.

"Arbitrariness - Arbitrariness reveals itself in decisions that are based on mood, impulse, whim, or caprice rather than principle. Fairness requires a fair and open process including: due notice to potential grantseekers of actual criteria; and fair, objective, and impartial consideration based on merit and NOT on personal likes and dislikes.

"Officiousness - Officiousness reveals itself in meddling behavior that disregards orderly and established procedures and interferes with staff responsibilities. The duties of responsibility, accountability, and pursuit of

excellence require that board members refrain from personal interference or oppressive oversight that prevents staff from doing what they are responsible to do.

"Out-of-touchness - Out-of-touchness reveals itself in naiveté, ignorance, willful blindness, or denial resulting in a lack of true understanding of and/or empathy for the realistic conditions, circumstances, and problems facing grantees and the persons they serve. The duties of responsibility, accountability, and pursuit of excellence require that staff and board members acquire knowledge and understanding appropriate to the decisions they will make.

"Nonresponsiveness - Nonresponsiveness reveals itself in an unwillingness to periodically review philanthropic objectives and grantmaking procedures to assure that they are responsive to contemporary problems and conditions. The duties of responsibility, accountability, and pursuit of excellence require that staff and board members occasionally review mission, guidelines, and procedures to assure that resources are directed to the best and highest use.

"Secretiveness - Secretiveness reveals itself in behavior which treats the structure and activities of the foundation in a private, closed way. Because of the 'quasi-public' nature of foundation assets and the principles of public trust and accountability, the organizational structure (including the names of trustees and their compensation, if any), the mission, application procedures, guidelines, and a detailed grantmaking history should be published in a manner that makes the information easily accessible.

"Selfishness - Selfishness reveals itself in conduct which uses foundation assets, or the power and authority relating to them, to distribute those assets for personal benefit or gain rather than exclusively to achieve the foundation's philanthropic mission. The duties of trustworthiness, integrity, and loyalty require staff and trustees to make all decisions on behalf of the foundation objectively and on the merits without concern for personal gain."

Some of Josephson's questions to his respondents and to the audience were these.

- How does your foundation board develop policies about staff and trustee compensation, travel, and benefits? If your grantees spent their grant money the same way you do, would they be using your money well? How many of you travel first class and stay in expensive hotels? To what benchmarks should administrative expenses be compared? How do grantmakers monitor their own administrative expenditures?

- Under what circumstances is it appropriate to make a grant that is well outside established guidelines? How should arbitrariness be defined? Why do all foundations have a grant category called *Other*? Can grantees be faulted for submitting requests outside of published

guidelines when foundations so commonly make *exceptions*?

Josephson cautioned that unless foundations regulate themselves, government regulation is inevitable. He urged the group to discuss ethical behavior within their own foundations, to develop written policies, and to evaluate periodically their own compliance with the highest standards.

Arts grantmakers may wish to consider whether as a group we are guilty of more than the seven sins Josephson identified. For example, could we add these?

Artistic Director Complex - The Artistic Director Complex reveals itself when an arts grantmaker treats the applicant field as subject to his or her curatorial point of view. The grants list becomes the "work of art" which the grantmaker creates through careful selection of work which meets his or her own artistic standards and interests.

Initiative Syndrome - Initiative Syndrome reveals itself in grantmaking programs which put the interests and agenda of the grantmaker ahead of the needs of the field.

The GIA Newsletter will publish in its fall edition any "sins" submitted by readers. We welcome your participation in identifying questionable ethical behavior in our field.

Note: Michael Josephson's material is copyrighted and may not be reproduced without permission. The Josephson Institute of Ethics is located in Marina del Rey, California at 310 Washington Boulevard #104. Zip code is 90292. The Josephson Institute publishes a journal called "Ethics," and provides workshops and training on ethical behavior in a variety of fields.

Reading Recommended By . . .

Sarah Lutman, Co-Editor of the GIA Newsletter, recommends Jane Jacobs' *Systems of Survival, A Dialogue on the Moral Foundations of Commerce and Politics* (Random House, 1992). Jacobs, author of *The Death and Life of Great American Cities* and *Cities and the Wealth of Nations*, takes on the topic of moral corruption in modern life in her newest work. *Systems of Survival* takes the form of a dialogue led by a fictitious publisher, Armbuster. The book's premise is that human activity can be divided into two primary modes of survival, trading and taking. "Trading," meaning commerce, is the act of exchanging goods. Foraging for food or other necessities and protecting territories is designated "taking." Jacobs' premise is that the two systems of survival have unique moral syndromes, each equally valuable and each internally-consistent. Blurring the distinct moral precepts of each syndrome results in moral corruption, "rancid cooperation," and the breakdown of authority.

Benchmark Study of Arts Grantmaking

To be released on April 26

Arts Funding: A Report on Foundation and Corporate Grantmaking Trends, by Nathan Weber and Loren Renz, will be released at a book party at the Council on Foundations' annual conference in Dallas at the end of April. (See a description of this event on page 23 of this newsletter.) To better understand the role that foundations play in the support of arts, culture, and arts-related humanities, Grantmakers in the Arts asked the Foundation Center to direct a national study of giving trends in the 1980s and into the 1990s.

Components of the study include: a brief history of arts funding prior to the 1980s; an analysis by subject, purpose, and geographic distribution of more than 20,000 arts and culture grants awarded by independent, corporate, and community foundations in 1983, 1986, and 1989; a prediction of trends, issues, and prospects relating to arts grantmaking in the 1990s based on national surveys of 182 arts grantmakers and 133 arts professionals; profiles of more than 60 leading foundation and corporate arts grantmakers; case studies of selected grantmakers exploring the dynamics of change in arts funding practices; and commentary by a few distinguished academicians and artists.

An executive summary highlighting key findings of the report was provided to the GIA Newsletter. Here are a few of the highlights:

- *Amid many changes, the share of foundation funds to the arts remained steady*

In spite of significant changes within the ranks of arts funders — with sharp reductions by some, but increased support from others — no major shifts in either the share of arts dollars or the share of the number of grants awarded to the arts by foundations were evident during the study years. About one in seven foundation dollars, and one in six grants, went to arts and culture in 1983, 1986, and 1989.

- *Million-dollar-plus gifts to a few large recipients absorb one in six arts dollars*

About one in six arts dollars were distributed in exceptionally large grants of \$1 million or more — 60 to 250 times the size of the typical or median arts grant. And those few large grants went to a tiny number of major institutions — 15 in 1983, 24 in 1986, and 32 in 1989 — out of thousands of recipients.

- *The share of dollars to the top 50 arts recipients declined*

While concentration of arts dollars in large grants favored leading institutions throughout the 1980s, the imbalance

was more striking at the start than at the end. Ranked by total dollars received, the top 50 arts groups — out of some 2,600 to 3,800 recipients — secured more than two out of five arts dollars in 1983, one out of three in 1986, and three out of ten in 1989. The top 50 institutions in 1989 represented just 1 percent of arts recipients.

- *More grants went to more recipients*

Between 1983 and 1989, the number of arts grants awarded by sampled foundations jumped from 5,000 to nearly 8,000, up by 60 percent. Increased demands on funders by more arts groups may have played a part; over the study period, the number of recipients grew by nearly half, from 2,600 to 3,800.

- *Two-thirds of grantmakers expect arts funding levels to stay steady*

As part of the benchmark study, the Foundation Center conducted a national survey of arts funders and grantees in 1992. More than two-thirds of surveyed grantmakers said their arts grants, as a proportion of overall funding, would not change over the next five years. Nearly one-fourth, however, reported that their arts grants would drop and only one-tenth looked forward to a larger share of funding for the arts. Among corporate donors, however, only two out of five expected their share of funding for the arts to remain steady; another two out of five expected that share to decline.

- *Competition for funds and risk taking are seen as major arts grantmaking issues today*

Grantmakers and grantees agree that the most serious issues in arts grantmaking today are competition for grants between the arts and other fields, competition among arts groups themselves, and the capacity of funders to take risks in their grantmaking policies.

In response to intensified competition for funds and to issues in the public sector, some arts groups expected to increase their fundraising efforts, others to engage in more advocacy on behalf of the arts, and still others to concentrate on audience outreach. Some grantmakers acknowledge that they would be likely to shift some resources to human services. Other funders expected that their arts funding would remain constant, but that proposals would be more rigorously evaluated.

- *Grantmakers and arts groups agree: operating support is most critical need*

The 1992 survey revealed that both populations viewed operating support, and especially unrestricted support, as the most critical funding need faced by arts organizations. Despite their agreement, far more grantees were emphatic about this need than grantmakers. The same held true for endowments: both grantmakers and grantees viewed endowment funding as a critical need of arts groups, but far more grantees than grantmakers said so.

continued on page 21

Studies and Reports

The Association of Research Libraries has released a new publication titled *University Libraries and Scholarly Communication*. The publication is the result of a study prepared for the Andrew W. Mellon Foundation. Authors are Anthony M. Cummings, Marcia L. White, William G. Bowen, Laura O. Lazarus, and Richard H. Ekman.

This 200-page study will be of interest to those in the library, publishing, and telecommunications fields. It is divided into two sections. Part 1 covers historical trends in collections, expenditures, and publications. This section includes several interesting charts with data about book and serial pricing, how library dollars have been allocated in the past, and the growth of and changes in library collections. Part 2 covers information needs and new technologies as they concern research libraries. Chapters include "Information as a Commodity," "Electronic Publishing," "Economic and Legal Issues," and "Networks and the National Telecommunications Infrastructure."

The Association of Research Libraries (ARL) "represents the 120 principal research libraries that serve major North American research institutions and is based in Washington, D.C. ARL's mission is to identify and influence forces affecting the future of research libraries in the process of scholarly communication. ARL articulates the concerns of research libraries and their institutions and promotes equitable access to recorded knowledge in support of teaching, research, and scholarship through coalitions for action, information policy development, and innovation in research library programs."

As research libraries continue to come to terms with the rapid technological developments in the telecommunications field, the nature of collections management is changing rapidly. In one example, the study explains how textbooks can now be assembled quickly using electronic networks to supply relevant information. This re-

port will bring readers up-to-date on current thinking in the library field. The study is among the most comprehensive collections of "information about information" to be developed and disseminated among U.S. foundations.

Copies may be obtained by writing to the Andrew W. Mellon Foundation, 140 East 62nd Street, New York, New York 10021.

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A Report on the Cultural Diversity of Arts & Cultural Organizations with a Focus on Boards of Trustees has been prepared by Rona Kluger and Yvonne Presha for the New York Foundation for the Arts (NYFA) with support from the Nathan Cummings Foundation. The report is the culmination of a year-long study of the diversity of the boards of mainstream arts organizations, their attitudes toward cultural diversity, and the ways board members are chosen. In general, the study finds that the arts lag behind the profit-driven business sector in recognizing and responding to demographic change. "The public show of unanimity in the arts field has been possible only when cultural diversity has been defined in a way that causes offense to no one, or when it is not defined at all. In fact, potentially explosive differences simmer just below the surface of polite public consensus."

The definition of what constitutes a culturally diverse board was found to be fluid, that is, the study found no consensus on whether the concept is limited to racial and ethnic considerations or extends to questions of economic class, gender, and sexual preference. The report makes a distinction "between a board that is truly diversified and one that is only 'integrated,' and also points out that 'some of the most outmoded and stereotypical thinking occurs in the area of board recruitment and selection.'" The final highlighted finding states, "The chief deterrent to expanded minority participation on mainstream boards is

not money, or influence, or interest, rather, it is the fundamental lack of communication that currently exists between different racial and ethnic communities in the United States."

The report includes a series of recommendations, many directed to foundations, as well as descriptions of four exemplary initiatives, and a short bibliography. The report will be available this summer from NYFA. To receive a copy, contact David Green, NYFA, 155 Avenue of the Americas, New York, NY 10013, 212-366-6900, ext. 212.

• • •

The GIA Newsletter was pleased to receive a copy of a *Report on Poetry Publishing*, commissioned by the National Poetry Series with funding from the Andrew W. Mellon Foundation. The report is the culmination of a year's research by New York-based arts consultant Didi Goldenhar, and is available by writing to Daniel Halpern at the National Poetry Series, P.O. Box G, Hopewell, New Jersey 08525.

In her report, Goldenhar describes how trends in trade publishing, university publishing, and small press publishing are affecting poetry publishing. She also discusses readership and audiences, and concludes with recommendations for ways to strengthen literary publishing. Grant-makers interested in poetry, literary, and small press publishing will find the report a succinct, readable summary of the field and its challenges.

We offer the following excerpts:

From the section on small press publishing:

"Many eminent poets have had their first or subsequent books published by small presses — Galway Kinnell, Adrienne Rich, Etheridge Knight, James Dickey, Philip Levine, Louis Simpson, Frank O'Hara, Denise Levertov, Robert Bly, and others. The history of contemporary American poetry cannot be written without the stories of the small press movement and the gifted poets and editors who started them."

"In the early years, small press publishing was a volatile field. The gifts some of these founding publishers and editors brought to their work proved to be their undoing, especially if they were more interested in making books than in selling them. Dozens of small presses jumped into the fray in the 1960s and 1970s, created a stack of exquisite volumes, then folded. Some presses, like Jargon or Station Hill (among many) elected to remain extremely narrow in their focus and built a small, dedicated readership. Most of the presses were chronically undercapitalized and operated from month to month, and from grant to grant. Ironically, success could deal the final blow; without the cash flow to reprint or warehouse books, an unexpected bestseller could put a press out of business."

"Over the last decade, the small press movement has stabilized and filled the gap in literary publishing left by the trade publishers. The diversity of their offerings has been paralleled by a growing sophistication in promotion and marketing: reports of 50%, 70% and 200% sales increases in recent years are not uncommon. Many small literary presses have joined together to market their books more effectively to booksellers and libraries; distributors like Bookslinger, Small Press Distribution, and Consortium have tailored their business to the needs of these presses, and the presses have professionalized their operations in kind."

From the section on readership and audiences:

"The popular notion in the poetry community is that people aren't willing to read difficult work. How can we explain, then, the "blockbuster" poetry books of the last decade? Carolyn Forché's 1983 book, *The Country Between Us*, sold 17,000 copies in thirteen months. Adrienne Rich's 1991 book, *An Atlas of the Difficult World*, sold 16,000 copies in less than one year. Philip Levine's book *What Work Is* sold 12,000 copies after it won the 1992 National Book Award. Galway Kinnell's *The Book of Nightmares* has sold over 50,000 copies since its publication in 1971. Books like these are testimony to the willingness of readers, despite

all expectations, to read challenging material; none of these books can be classified as light reading. However, these poets are also renowned for their readings and public persona as speakers, teachers, and political activists. And this indicates the distinction that can be drawn between the current poetry readership and poetry audience."

• • •

Building Community: The Arts and Baltimore Together is a report to the Baltimore Community Foundation issued in late 1992. The report presents the results of a community-wide assessment of the working conditions in Baltimore for arts organizations and artists, and of the kinds of arts programs and services available to area residents. Written by Ernest Boyer, the report concludes with six recommendations for future action. These are:

- The civic leaders of the Baltimore area should officially affirm the arts as vital to the building of community and to the region's quality of life, and should expand support for art and culture.
- Baltimore area schools should strengthen arts education at all levels and establish close connections with the region's art and cultural institutions.
- Public and private financial support for Central Maryland's art and cultural institutions should be increased, with special attention given to strengthening emerging institutions.
- All art and cultural institutions in Greater Baltimore should work together to coordinate their activities more effectively, seeking through collaboration to provide better service in the region.
- The art and cultural institutions in Greater Baltimore should respond aggressively to the cultural diversity of the region and commit themselves to serve all populations in the region more effectively.
- During the decade of the nineties, the theme "building community" should be a major commitment for all

of Greater Baltimore's art and cultural institutions as they work together to implement the recommendations of this report.

Copies of the full report may be obtained by writing to the Baltimore Community Foundation, 2 East Read Street, Baltimore, Maryland, 21202.

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The President's Committee of the Arts and Humanities has issued two new reports. *Coping with the Crisis in Theater Funding* is the transcript of a meeting convened by the Committee, and includes introductory comments by James D. Wolfensohn and short presentations by Konrad Matthaei, Susan Bloom, George White, Andre Bishop, Diane Paton, Gordon Davidson, John Moore, Anne-Imelda Radice, and several others.

A Report to the President contains six recommendations for federal arts policy as developed by the President's Committee, along with a report on the Committee's recent activities. For the record, the six recommendations are as follows:

1. The President's Committee, noting the bipartisan agreement achieved on the issue during 1992, strongly recommends that the full deductibility of donations of appreciated properties be restored.
2. Arts education is essential to every citizen and must be a vital part of the K-12 curriculum. The Committee recommends that arts education be given a high priority in any effort to reform American education.
3. The Committee recommends that federal awards in the arts and humanities should be reviewed to determine whether additional opportunities may exist to recognize patrons, and the Committee believes that existing awards honoring artists, scholars, and their sponsors should be better publicized to encourage increased private giving.
4. We recommend increased attention in both the public and private sectors to the conservation and preservation of our cultural heritage.

5. Recognizing the vital role of the arts and the humanities in international relations, and their contributions to our ability to compete in a global economy, we recommend increasing the level of support for international cultural exchanges and other international programs in the arts and humanities.

6. Finally, the President's Committee respectfully concludes that there is a continued need for a high-level commission or council to advise on government policy and to serve as a national advocate in the private sector for the arts and the humanities. This requirement might be met by the revitalization and reconstitution of the Federal Council on the Arts and the Humanities with the addition of members from the private sector or by the continuation of the President's Committee. Regardless of the institutional mechanism chosen, the role of the private sector cannot be overemphasized at a time when federal funds remain limited.

Copies of either report may be obtained by writing to the Committee at 1100 Pennsylvania Avenue, NW, Suite 526, Washington, D.C. 20506.

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In mid-February 1993, the National Cultural Alliance (NCA) released the findings of their national public opinion survey, *The Importance of the Arts and Humanities to American Society*. NCA commissioned the survey to provide a better understanding of U.S. attitudes about the value, importance, and availability of the arts and humanities. The survey was conducted by Research & Forecasts, Inc., a national public opinion and market research consulting firm, and was funded by The Getty Grant Program.

Overall, the findings show that the public understands the value of the arts and humanities to themselves as individuals, to their communities, and to U.S. society. The vast majority of adults — 81 percent — agree that "the arts and humanities contribute to the economic health and well-being of society," and 77 percent agree that

"the arts and humanities provide an anchor or reference point in a world of turmoil." Nine out of ten adults agree that the arts and humanities "help people learn about those of different cultural and ethnic groups," and 87 percent agree that they "help me in understanding and appreciating different types of peoples and cultures" and "help bring people together."

The study also found, however, that 57 percent of adult citizens say that the arts and humanities play only a minor role in their lives, with a lack of time being the biggest obstacle to their involvement. In addition, 41 percent agree that "the arts and humanities have little to do with my daily life," and 46 percent agree that "compared to other concerns in today's society, the arts and humanities have a low priority for me."

In response to these findings, J. Carter Brown, director emeritus of the National Gallery of Art and chairman of NCA's Leadership Council, said:

"Our country is in the midst of many changes. We are looking at new ways of getting things done and fresh ideas about old problems. The arts and humanities are a critical resource to help provide the new leadership and creative approaches. To learn that 57 percent of all adult Americans say that the humanities and the arts play only a minor role in their lives is troubling. The challenge is clear: we must find ways to connect this broad understanding [of value] to action that results in direct involvement in the arts and humanities. This is not just about selling tickets. It is about encouraging Americans in a more meaningful dialogue, opening up our notions of what constitutes the humanities and the arts and redefining involvement so that the outcome is stronger communities and healthier lives."

The survey contains many other findings. For the GIA newsletter, Ella King Torrey, GIA President, identified a few highlights that especially intrigued her.

"Blacks (44%) are more likely to view the arts and humanities as being a

major part of their lives than Whites (29%) and Hispanics (27%)."

Although most citizens understand the many benefits to free speech associated with the arts and humanities, a sizable minority find some of today's art objectionable. Over a third (38%) of those surveyed agree that "too much art and literature these days is suggestive or indecent. . . . Mainstream Protestants (43%) are more likely to agree with the above statement than Catholics (34%) or Born-Again Christians (37%)."

A surprisingly high 31% of the population said that they have written poetry, fiction or something else for pleasure in the past year, and 16% participated in a play or musical activity.

When identifying who was "doing the best job fostering an appreciation of the arts and humanities," 19% ranked individual artists as "excellent," second only to arts and humanities organizations ranked excellent by 20%.

An executive summary of the survey findings is available from the National Cultural Alliance, 1225 I Street, N.W., Suite 200, Washington, DC 20005, 202-289-6578. The NCA is a coalition of 41 national arts and humanities organizations representing broad cultural interests in the United States.

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In January 1993, the Council of Chief State School Officers issued a paper entitled, *ISSUES Concerning a National Assessment of Arts Education*. This paper is part of a process that will lead to the development of a "consensus framework" for a national assessment in arts education to be put in place in 1996 as part of the National Assessment of Educational Progress (NAEP).

The NAEP is designed to provide a broad-stroke look at what U.S. students know and are able to do in various subject areas; its assessments are charged with charting the educational progress of the country. In August 1991, the National Assessment Governing Board voted to include the arts

in the 1996 NAEP assessment. In September 1992, after a broad call for proposals, a contract was awarded to the Council of Chief State School Officers (CCSSO) to develop a "framework" for an arts assessment. The contract is supported by funding from the NEA in cooperation with the Getty Center for Education in the Arts, a program of the J. Paul Getty Trust. The assessment is to include the disciplines of music, visual arts, dance, theater, design, and the media arts as well as the full range of arts activity — performance, creation, history, criticism, judgment, and "the development of an artistic philosophy." The CCSSO, with the Council for Basic Education and the College Board as subcontractors, is charged with developing this framework through a national consensus process designed to include maximum opportunities for input from everyone interested in arts education.

Publication of the *ISSUES* paper was the first step in the development of a framework for an assessment of arts learning. The paper identifies and discusses the major questions that should be raised and explored in the design of this assessment:

- What are the special challenges in designing an arts education assessment?
- What counts as learning in arts education?
- What form might an arts education assessment take?
- What kind of contextual information should we gather?
- What are the most appropriate forms of reporting and sharing data?

Public hearings were held in February in San Francisco, Orlando, and New York City to allow public comment on the paper. The paper stresses that the CCSSO contract will result in a framework or blueprint for the design, not the actual assessment instruments or the assessment itself. For information about this project, contact Frank Philip, Coordinator, 1996 NAEP Arts Education Consensus Project, Council of Chief State School Officers, One Massachusetts Ave. N.W., Washington DC, 20001-1430.

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The Aspen Institute's program on Communications and Society issued a report titled *Assessing the Public Broadcasting Needs of Minority and Diverse Audiences*. The report is the compilation of comments by academics, filmmakers, and professionals in the public broadcasting field made at a roundtable meeting convened by the Communications and Society Program. The report documents the relatively low level of viewership and participation in public broadcasting by large segments of the U.S. population, particularly minority and low-income communities.

Grantmakers interested in public broadcasting, communications policy, and telecommunications may wish to join the Communications and Society Program mailing list. The Program frequently issues substantive reports. Recent topics have included "On-Line for Social Benefit," describing the use of computer networking by the non-profit community, and "A Preliminary View of the Communications Act," a report on a forum convened by the Program. For further information, contact Charles Firestone, Director, Communications and Society Program, The Aspen Institute, 1250 Connecticut Avenue, N.W., Washington, D.C. 20036.

Benchmark Study

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The full publication includes essays by historian Stanley Katz, arts administrator Mary Schmidt Campbell, as well as commentary by several artists. Copies of the book may be ordered from The Foundation Center, 79 Fifth Avenue, Department FV, New York, New York 10003-3076; or by calling toll-free (800) 424-9836. Cost is \$40.00 plus \$4.50 for shipping and handling.

Grantmakers in the Arts Newsletter

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Editors, Anne Focke and Sarah Lutman

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The newsletter is published twice a year. The next deadline will be August 1, 1993. News items will be edited and included in the newsletter on a space-available basis. Send submissions to:

Sarah Lutman, GIA Newsletter Committee,
c/o The Bush Foundation, E-900 First National Bank Bldg., St. Paul, MN 55101.

Grantmakers in the Arts (GIA) is a national membership organization of primarily private sector grantmakers interested in the arts and arts-related activities. GIA's purpose is to strengthen arts philanthropy and its role in contributing to a supportive environment for the arts nationwide. GIA is incorporated as a nonprofit 501(c)(3) organization and is an affinity group of the Council on Foundations.

Grantmakers in the Arts, Ella King Torrey, President, c/o Pew Fellowships in the Arts, The University of the Arts, 250 S. Broad Street, Suite 400, Philadelphia, PA 19102.

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News

Social Theory, Politics, and the Arts

The 19th Annual Conference on Social Theory, Politics, and the Arts, "Taking Stock in the Arts," will be held September 30 - October 2, 1993, at Northeastern University in Boston. At this international gathering, scholars in the social sciences and humanities along with artists and arts management professionals address a variety of concerns in the arts, society, and politics. This year's conference will be held in conjunction with the Cultural Economics Association and the 14th Annual John Coltrane Memorial Concert.

Joan Shigekawa of the Nathan Cummings Foundation, who attended the 1992 conference, reports that the group describes itself as an "organization without an organization." Founded by a group of sociologists in 1974, the group has been convening annually but operates without a formal organizational structure or staff. Joan Shigekawa felt the conference provided a good introduction to the specialized and somewhat marginalized field of academic arts policy work. Topics at the 1992 conference included "Culture, Community, and Public Policy," "Art and the Public Sphere," "The State of Policy Research on the Arts," "New Directions in Museums," "Arts Funding and Its Discontents," and "Art, Politics, and the Media."

For further information, contact Professor Ann M. Galligan, Department of Cooperative Education, 202 Stearns, Northeastern University, 360 Huntington Avenue, Boston, MA 02115, 617-437-3439, fax 617-437-4302.

Year of Indigenous Peoples

By General Assembly Resolution, the United Nations designated 1993 as the International Year of Indigenous Peoples. On December 10, 1992, Boutros Boutros-Ghali, U.N. Secretary General, stated, "We can no longer allow a single act of genocide to take place. Let us . . . organize a watch, and let us sound the alarm as soon as a civilization, a language or a culture

is in danger. This promise, which is made by the international community as a whole, in my view represents the historic scope of the International Year which is opening here this morning."

Christopher Peters, director of the Seventh Generation Fund, reports that the national theme adopted by Earth Day USA for 1993 is "Working with the Earth-Honoring Indigenous Peoples," in recognition of 1993 as the Year of Indigenous Peoples. In cooperation with the Seventh Generation Fund and the American Indian Religious Freedom Coalition, Earth Day 1993, April 22, will "honor the Earth and the unique ecological wisdom of the world's Indigenous Peoples." As part of the celebration, a personal pledge is being circulated:

"In our way of life . . . with every decision we make, we always keep in mind the Seventh Generation to come . . . When we walk upon Mother Earth we always plant our feet carefully, because we know that the faces of our future generations are looking up at us from beneath the ground. We will never forget them."

- Oren Lyons
Faithkeeper of the Onondaga

For information about Earth Day '93 plans, contact Chris Peters, Seventh Generation Fund, P.O. Box 2550, McKinleyville, CA 95521, 707-839-1178.

New Feature Available on Arts Wire

The subscriber base of Arts Wire, a computer-based arts information network, is growing, and with it the number of conferences also is increasing. A recent addition to Arts Wire's services is "NEA WATCH," a conference with up-to-the-minute advocacy news. With the NEA reauthorization process about to begin, those considering an Arts Wire subscription may be prompted to join. Active on the NEA Watch conference are People for the American Way, LitNet (a network of writers and literary organizations), National Campaign for Freedom of Expression, the National

Assembly of State Arts Agencies, and National Association of Artists' Organizations, among others. The NEA's own Public Affairs Office will soon be online as well.

Several arts grantmakers have also joined Arts Wire. In addition to numerous public agencies, the Bush Foundation, Walter and Elise Haas Fund, San Francisco Foundation, The Pew Charitable Trusts, Pew Fellowships in the Arts, Andy Warhol Foundation for the Visual Arts, Robert Sterling Clark Foundation, and Andrew W. Mellon Foundation have accounts. A separate conference for grantmakers will open during 1993.

For information about Arts Wire, contact Anna Couey, 1077 Treat Avenue, San Francisco, CA 94110 or David Green, New York Foundation for the Arts, 155 Avenue of the Americas, 14th floor, New York, NY 10013.

People Changing Jobs

Adam Bernstein has left his position as Program Officer for the Fan Fox and Leslie R. Samuels Foundation "to pursue other interests in arts funding, including emerging arts organizations, multi-culturalism, and aesthetic diversity."

Ben Cameron, has been hired as Program Officer for the Dayton Hudson Foundation, effective February 1, 1993. Cameron had been Director of the New Century Program for the Theater Communications Group.

Cecilia Fitzgibbon has been appointed Executive Director of the New England Foundation for the Arts. She left her position as Director of the Delaware Division of the Arts in January 1993.

Lorraine Nakata-Garcia has left her position with the Marin Community Foundation. She has also left her position on the Grantmakers in the Arts board, though she remains active on the Program Committee for GIA's upcoming conference in November 1993.

Arts Programming

at the 1993 Council on Foundations Conference

The 1993 Council on Foundations Conference will take place April 26-28 at Loews Anatole Hotel in Dallas, Texas. For complete conference information, contact the Council on Foundations at 202-466-6512.

Events sponsored by Grantmakers in the Arts

Book Party Breakfast

8:30-10:30 a.m. Monday, April 26

Grantmakers in the Arts hosts a party to celebrate the publication of *Arts Funding: A Report on Foundation and Corporate Grantmaking Trends*. (An article about this report appears on page 17 of this newsletter.) Copies of the study, conducted by the Foundation Center and commissioned by GIA, will be available for the first time at the breakfast. Representatives of the Foundation Center staff, the benchmark study's national advisory committee, and board members of GIA will be available to answer questions and discuss ways the study can be used. A traditional Mexican *marienda* of chocolate & pasteles will launch this latest edition to the Foundation Center's benchmark series.

Funders Concerned About AIDS Annual Award Reception

5:00-7:00 p.m. Sunday, April 25

With the co-sponsorship of Grantmakers in the Arts and eight other affinity groups of the Council on Foundations, Funders Concerned About AIDS (FCAA) hosts a reception to honor the recipient of its 1993 Humanitarian Leadership Award. Each year at its Annual Reception, FCAA honors an individual or group for work that has resulted in greater public understanding and compassion in response to the AIDS pandemic. Live music and light refreshments will be provided. For more information, contact FCAA, 212-572-5533.

The Arts and Community Development Breakfast Roundtable

8:00-10:00 a.m. Tuesday, April 27

The relationship between the arts and community development is complex

and can be highly complementary. The roundtable will include discussion of diverse examples where the concerns of both arts and community development have been blended to mutual benefit. The roundtable host will be Christine Vincent, Ford Foundation.

Building Awareness of the Arts and Humanities Breakfast Roundtable

8:00-10:00 a.m. Tuesday, April 27

The National Cultural Alliance (NCA) is designed to assess and promote popular interest in the arts and humanities. Representatives of the NCA and several participating foundations will be on hand to discuss the Alliance and a recently conducted survey of popular perceptions about the arts and humanities. (An article about the survey appears on page 20 of this newsletter.) Tim McClimon, AT&T Foundation, will host this roundtable.

New American Art from a Chicano Space

6:00-8:00 p.m. Tuesday, April 27

Co-sponsored by Hispanics in Philanthropy and GIA and subtitled, "Perspectives on Politics, Culture and Funding," this panel will consider the following: How does the work of the new generation of Chicano artists differ from other American contemporary art as well as previous generations of Chicano artists? Is their work inherently political or not? Do they foreshadow the globalization of culture? Are mainline institutions "appropriating" or "mainstreaming" Chicano art? How does their relationship to private and public funding affect their work? Tomás Ibarra Frausto, The Rockefeller Foundation, will be the moderator, and Patricia Boero, MacArthur Foundation, will be commentator.

Other Programs of Interest to Arts Grantmakers

"Fires in the Mirror: Crown Heights, Brooklyn and Other Identities"

"Fires in the Mirror" is the nationally-acclaimed, award-winning theater work created by Anna Deavere Smith. Smith will perform excerpts from her work, embodying more than a dozen different characters, as she recounts the tragic 1991 events in Crown Heights from both the African-American and Jewish perspectives. Stubbornly refusing to take a side, Smith thoroughly infuses her performance with honesty, truth, and insight. A dialogue with the artist will follow. Marian Godfrey, The Pew Charitable Trusts, will host the session. Smith is a writer/actress and Associate Professor of Drama at Stanford University.

Museums, Libraries and Archives: keystones of Cultural Democracy

Libraries, museums, and archives play a central role in communicating the understanding that transcends cultural difference by collecting and making available our cultures. How do we decide what to save? Who decides? And how do we involve all citizens in using these resources. Gain lively insights into how these institutions help build community and bridge cultural boundaries, and how grantmakers can help in building local resources. The panel moderator will be Tomás Ibarra-Frausto, The Rockefeller Foundation.

Money and the Muse: The Future for Public Funding in the Arts

The NEA has been under fire from both its allies and detractors, and funding for state and local arts agencies has suffered deep cuts. Are the fundamental concerns — public subsidy and freedom of expression, quality and democracy — in basic conflict? Or is reconciliation possible? And with fresh leadership in Washington, can funders work toward an effective agenda in support of human creativity? Cynthia Mayeda, Dayton Hudson Foundation, will be the panel moderator.

News from Grantmakers in the Arts

Eighth Annual Conference November 3-5, 1993

"Alternative Futures: Designs for Philanthropy in the Arts", the eighth annual conference of Grantmakers in the Arts, will be held November 3, 4, and 5 at the Sheraton Grand Torrey Pines in La Jolla, California. The conference will have a retreat-type format, with an emphasis on dialogue among the attending grantmakers. Informal pre- and post-conference activities will give funders an opportunity to visit some of the diverse arts organizations in the La Jolla/San Diego area.

The conference program will be built around a series of commissioned essays that will consider both the history and future possibilities of arts philanthropy, the relationship of arts and democracy, and ways that arts and arts philanthropy can contribute to an increasingly pluralistic society. Essay authors — including bell hooks, Melanie Beene, Andrei Codrescu, and

others — will participate in the conference, and opportunities for direct conversations between them and grantmakers will be encouraged. Conference attendees will also work together to consider particular issues facing foundations today, and will be asked to design new programs or approaches for arts philanthropy in the future.

For further information, call Ella King Torrey at 215-875-2285 or Holly Sidford at 212-953-1265.

Join Grantmakers in the Arts

Members of Grantmakers in the Arts help sustain GIA programs while enjoying the following benefits:

- Preferential registration and reduced fees to annual conferences and other GIA programs,
- Exclusive subscription to the GIA newsletter,
- Reduced rates for GIA-sponsored publications,

- Access to reports generated by member organizations,
- Membership directory,
- Voting privileges at the GIA annual meeting.

There are two categories of membership: *institutional* and *affiliate*. All memberships are open to both staff and trustees. *Institutional membership* is open to private foundations, community foundations, corporate giving programs, and nonprofit cultural organizations whose primary activity is grantmaking. *Affiliate membership* is open to individuals active in the arts funding field whose organizations are not eligible for institutional membership, primarily public sector funders. All benefits and privileges of membership are available to affiliate members with the exception of voting rights at the annual meetings.

Annual fees for institutional members are based on a current year arts grants budget and range from \$100 to \$500. Annual fees for affiliate members are \$50. New membership forms will be available in May from the Membership Committee Chair, Myra Millinger, at the Flinn Foundation, 602-274-9000.

Grantmakers in the Arts Newsletter

c/o Pew Fellowships in the Arts
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