



Grantmakers in the Arts

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Ideas and Information on Arts and Culture

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

This is a pre-publication draft of research articles slated for the Fall 2012 issue of the *GIA Reader*, to be published in late September and provided to registrants in the web conference. Contents include:

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Public Funding for the Arts: 2012 Update

Ryan Stubbs

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Foundation Grants to Arts and Culture, 2010

A One-year Snapshot

Steven Lawrence and Reina Mukai

Giving by US foundations stabilized in 2010 at almost \$46 billion but remained nearly \$1 billion below the peak level recorded in 2008. This overall stability masked the reductions in giving reported by a large share of this country's more than 76,000 grantmaking foundations. For some of these foundations, including those that had increased their payout rate in 2009 to shore up support for their grantees, their endowments remain below peak levels, necessitating adjustments to their long-range giving levels. Others reduced giving as they underwent strategic reviews of their grantmaking — a process that takes place in both more and less prosperous times. Conversely, some new and newly large foundations reported substantial growth in their giving, which helped to balance out reductions by other funders.

In contrast to the roughly unchanged level of foundation giving overall, the following analysis shows that a matched set of the nation's largest foundations decreased their grant authorizations by just over 9 percent between 2009 and 2010. While the majority of fields showed reductions in support, foundation commitments for arts and culture grew from the prior year. Despite this positive indicator, continued economic volatility means that it will take several more years to determine whether the Great Recession had a lasting impact on foundation funding for the arts. Prior experience and Foundation Center surveys during the crisis suggested that the arts would not suffer more than other fields. But more time will be needed to validate that conclusion.

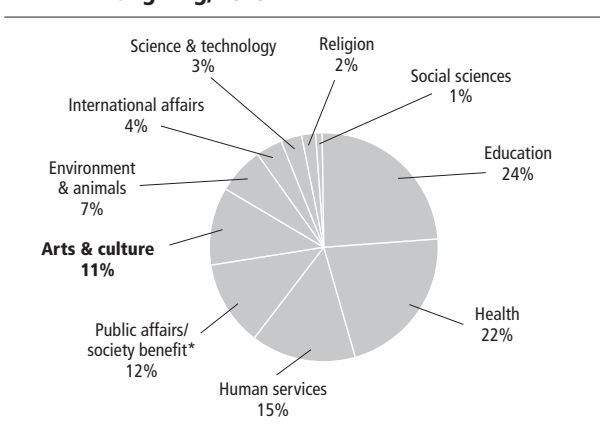
HIGHLIGHTS

The Foundation Center offers these key findings from GIA's eleventh snapshot of foundation giving to arts and culture. The definition of arts and culture used for this snapshot is based on the National Taxonomy of Exempt Entities and encompasses funding for the performing arts, museums, visual arts, multidisciplinary arts, media and communications, humanities, and historical preservation. Most importantly, the findings tell us about the *changes in foundation giving for the arts between 2009 and 2010 by a matched set of 470 funders*¹ and the distribution of 2010 arts and culture giving by a larger sample of 1,330 foundations. They are based on all arts grants of \$10,000 or more reported to the Foundation Center by these sets of the largest US foundations, hereafter referred to as "the sample."² The center has conducted annual examinations of the giving patterns of the nation's largest foundations for more than three decades.

Foundation funding for arts and culture increased in 2010. Arts funding was up 5.5 percent between 2009 and 2010, compared to a 9.2 percent reduction in overall giving by these foundations. Of the ten major funding areas, only human services, science and technology, the social sciences, and arts and culture posted growth in giving.

Arts funding held a slightly larger share of total dollars included in the full 2010 grants sample. Among the full set of 1,330 foundations included in the grants sample for 2010, arts giving totaled \$2.3 billion, or 11.1 percent of overall grant dollars. This share was up from 10.5 percent in 2009.

FIGURE 1. Percentage of grant dollars by major field of giving, 2010



Source: The Foundation Center, 2012. Based on all grants of \$10,000 or more awarded by a sample of 1,330 larger foundations representing approximately half of total giving by all US foundations. Due to rounding, figures may not total 100 percent.

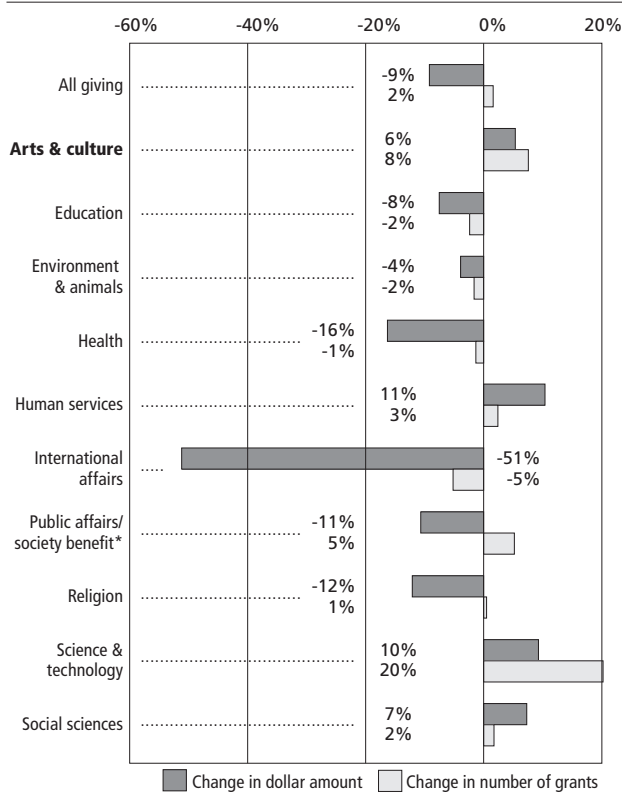
* Includes civil rights and social action, community improvement, philanthropy and voluntarism, and public affairs.

The size of the median arts grant remained unchanged. The median arts and culture grant size — \$25,000 — did not change from 2009 to 2010, although the real value of the median grant decreased due to inflation. The unadjusted value was also equal to the median amount for all foundation grants in the latest year and has not changed since 1993.

Large grants account for more than half of arts grant dollars. Large arts grants of \$500,000 and more captured nearly 55 percent of total grant dollars for the arts in the 2010 sample, down slightly from 56.1 percent in 2009.

Relative to other fields, a larger share of arts grant dollars provided operating support. In 2010, general operating support accounted for 32.4 percent of arts and culture grant dollars. This represented the largest share compared to the nine other major funding areas. While this share was down from 35 percent in 2009, just 13 percent of arts grant dollars in 1989 provided operating support.

FIGURE 2. Change in giving by major field of giving, 2009 to 2010



Source: The Foundation Center, 2012. Based on all grants of \$10,000 or more awarded by a matched sample of 470 larger foundations.

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

Top arts funders accounted for a smaller share of overall giving. The top twenty-five arts funders by giving amount provided 38.5 percent of total foundation arts dollars in 2010, up from the approximately 35 percent in 2009. The share of arts giving accounted for by the top funders remains well below the more than 50 percent shares recorded in the early 1980s.

Please note

It is important to keep in mind that the foundation grant-making examined here represents only one source of arts financing. It does not examine arts support from earned income, governments, individual donors, or the business community. This analysis also looks only at foundation arts support for nonprofit organizations, and not for individual artists, commercial arts enterprises, or informal and unincorporated activities. In addition, the analysis of changes in giving between 2009 and 2010 is based on a matched subset of 470 funders, while statistics on the distribution of funding and actual dollar amounts and numbers of grants are based on the full set of 1,330 grantmakers included in the Foundation Center’s 2010 grants sample (see note 1).

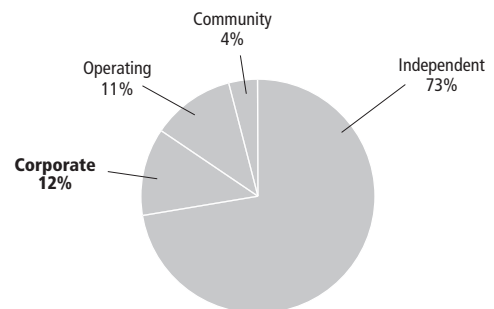
SPECIFIC FINDINGS

Overall foundation dollars for the arts. The 1,330 larger foundations included in the Foundation Center’s 2010 sample awarded 20,573 arts and culture grants totaling \$2.3 billion, or 11.1 percent of overall grant dollars (figure 1). Arts giving rose 5.5 percent between 2009 and 2010, compared to a 9.2 percent decline in grant dollars overall. Among the nine other major subject areas tracked by the center, only three other areas — human services, science and technology, and the social sciences — grew during this period. Among the six remaining areas, four registered double-digit declines in grant dollars, including public affairs/society benefit, religion, health, and international affairs (figure 2).

The impact of exceptionally large grants. Every year and in all funding areas, a few very large grants can skew overall totals, creating distortions in long-term grantmaking trends. In 2010, 16 arts and culture grants totaled at least \$10 million, and instances where these grants had a notable impact on grantmaking patterns are identified in the following analyses. Despite the potential fluctuations caused by these exceptional grants, Foundation Center data in all fields have always included them, providing consistency over time. (In addition, the Foundation Center provides statistics based on share of *number of grants*, which are not skewed by exceptionally large grants.)

Corporate foundations represent an important source of support for arts and culture. While corporate foundations account for less than 4 percent of US private and community foundations, the larger corporate foundations included in the 2010 grants sample provided 12.1 percent of grant dollars for the arts (figure 3). Actual grant dollars totaled \$276.1 million. By number, corporate foundations allocated 4,212 grants, or 20 percent of the overall number of arts grants in 2010.

FIGURE 3. Arts grant dollars by foundation type, 2010

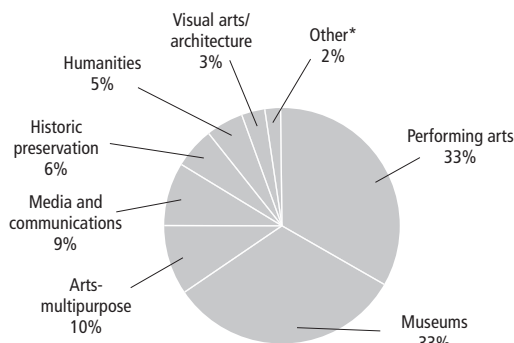


Source: The Foundation Center, 2012. Based on all grants of \$10,000 or more awarded by a sample of 1,330 larger foundations representing approximately half of total giving by all US foundations. Due to rounding, figures may not total 100 percent.

Grants by arts subfield

Funding for the performing arts (33.2 percent) and museums (32.6 percent) each accounted for roughly one-third of all foundation arts dollars in 2010 (figure 4). From the start of the 1980s until 1997, the performing arts consistently received more foundation support than museums. However, museums have surpassed the performing arts by share in several recent years (1998, 1999, 2001, 2004, 2005, 2008, and 2009). More study would be needed to adequately understand the underlying reasons for the shifts in share between these two fields of activity, for example, the entry onto the scene of new and large arts funders, extraordinarily large grants, the contribution of valuable art collections, and new capital projects at museums.

FIGURE 4. Arts and culture, giving to subfields, 2010



Source: The Foundation Center, 2012. Based on all grants of \$10,000 or more awarded by a sample of 1,330 larger foundations representing approximately half of total giving by all US foundations. Due to rounding, figures may not total 100 percent.

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

Giving to performing arts. In 2010, performing arts grant dollars increased 27.6 percent, although the number of grants rose much less (3.8 percent). A total of 8,344 grants was awarded for the performing arts by the overall set of 1,330 foundations — close to double the number reported for museums — and their value surpassed \$755 million. In general, the average performing arts grant tends to be smaller in size than the average museum grant. The largest share of giving to the performing arts supported the performing arts generally (including performing arts centers and education), and music (including symphony orchestras and opera), followed by theater and dance. The largest arts grant in the latest sample was a \$53.3 million award from the Donald W. Reynolds Foundation to the Nevada-based Smith Center for the Performing Arts to construct a building shell for a children's discovery museum and construction of the Donald W. Reynolds Symphony Park.

Giving to museums. Grant dollars allocated to museums declined by nearly 33 percent between 2009 and 2010. However, the number of grants they received increased 11.4 percent. The 1,330 foundations included in the full sample awarded 4,396 grants totaling \$742.1 million for museums in 2010. Among museum types, nearly half of funding (48.7 percent) supported art museums.

Giving to multidisciplinary arts. The share of arts giving for multidisciplinary arts³ increased to 9.5 percent in 2010. Actual dollars awarded for multidisciplinary arts was also up 11.7 percent from 2009.

Giving to media and communications. Support for media and communications⁴ represented 8.9 percent of arts funding in 2010, down from 11.2 percent in 2009. However, grant dollars rose just over 26 percent in the latest year.

Giving to historic preservation. Support for historic preservation increased 3.3 percent between 2009 and 2010, although the number of grants declined 4 percent. Within the full set of grantmakers, historic preservation benefited from \$126.6 million in 2010.

Giving to the humanities. Funding for the humanities⁵ rose to 5.1 percent of arts grant dollars in 2010 up from 3 percent in 2009. Support for the field rose over threefold during this period.⁶ The increase was due in part to a rise in the number of larger grants in 2010 for the humanities.

Giving to the visual arts. Grant dollars for the visual arts and architecture was up 56.7 percent between 2009 and 2010, and the number of grants for the field increased 26 percent. Within the full set of grantmakers, visual arts and architecture benefited from \$72.8 million in 2010, down slightly from \$74.9 million in 2009.

Grants by types of support

An important caveat to a report on the allocation of foundation dollars by specific types of support is that for roughly 22 percent of arts grant dollars in the 2010 Foundation Center sample, the type of support could not be identified. This means that modest differences in percentages — that is, variations under 10 percent — may not be reliable. (The grant records available to the Foundation Center often lack the information necessary to identify the type of support. For example, it is often the case that the only source of data for this sample on foundations' grants is the 990-PF tax return, and this tends to be less complete than other forms of grant reporting.)

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

TABLE 1. Arts grants by types of support, 2010*

Type of support	Dollar value of grants	%	No. of grants	%
General support	\$736,254,418	32.4	7,522	36.6
General/operating	645,540,196	28.4	6,5253	1.7
Management development	47,441,11	42.1	426	2.1
Income development	35,089,405	1.5	476	2.3
Annual campaigns	8,183,703	0.4	95	0.5
Program support	916,160,315	40.3	8,297	40.4
Program development	590,332,657	25.9	4,972	24.2
Collections management / preservation	28,657,703	1.3	146	0.7
Exhibitions	76,093,526	3.3	675	3.3
Electronic media/online services	37,371,006	1.6	279	1.4
Performance/productions	50,795,961	2.2	845	4.1
Faculty/staff development	23,526,129	1.0	258	1.3
Film/video/radio	33,906,087	1.5	307	1.5
Curriculum development	19,005,140	0.8	124	0.6
Seed money	4,904,892	0.2	37	0.2
Publication	18,759,861	0.8	215	1.0
Conferences/seminars	17,789,675	0.8	301	1.5
Commissioning new works	8,986,900	0.4	121	0.6
Professorships	6,030,778	0.3	17	0.1
Capital support	495,694,617	21.8	1,597	7.8
Building/renovations	241,381,699	10.6	718	3.5
Capital campaigns	71,877,543	3.2	328	1.6
Endowments	94,010,560	4.1	151	0.7
Collections acquisition	52,478,817	2.3	56	0.3
Equipment	14,904,813	0.7	207	1.0
Land acquisition	2,495,000	0.1	5	0.0
Computer systems/equipment	11,347,725	0.5	111	0.5
Debt reduction	7,198,460	0.3	21	0.1
Professional development	67,275,342	3.0	641	3.1
Fellowships/residencies	40,790,501	1.8	277	1.3
Awards/prizes/competitions	15,606,217	0.7	145	0.7
Student aid	656,250	0.0	16	0.1
Scholarship funds	8,372,116	0.4	155	0.8
Internship funds	1,850,258	0.1	48	0.2
Other support	68,570,957	3.0	369	1.8
Research	59,135,534	2.6	259	1.3
Technical assistance	5,250,053	0.2	61	0.3
Emergency funds	1,868,250	0.1	28	0.1
Program evaluation	2,317,120	0.1	21	0.1
Not specified	497,531,913	21.9	5,153	25.1
Qualifying support type**				
Continuing	923,450,811	40.6	8,113	39.5
Matching or challenge	26,090,373	1.1	216	1.1

Source: The Foundation Center, 2012. Based on all grants of \$10,000 or more awarded by a sample of 1,330 larger foundations.

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

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

where program support consistently accounts for the largest share of funding.

General operating support accounted for the second largest share of arts grant dollars in 2010 (32.4 percent). The shares of grant dollars and number of grants allocated for this type of support in 2010 were higher for arts and culture (32.4

percent and 36.6 percent, respectively) than for all other fields. Moreover, the portion of grant dollars allocated to this type of support has risen markedly over the past two decades; operating support represented only 13 percent of arts funding in 1989.

Capital support captured roughly 22 percent of the share of arts grant dollars in 2010, up from 20.3 percent in 2009. The share of grant dollars allocated for this type of support was higher for arts and culture than for all but one field (science and technology). Grants for capital support are larger on average than awards for program and general operating support, and exceptionally large capital grants can have a pronounced effect on the distribution of funding by type of support. In fact, arts dollars allocated to capital support have fluctuated more than arts dollars to the other two primary categories of support: in 1986 the share allocated to capital was about 44 percent; in 1993 it was about 30 percent; and in 1999 it was about 41 percent. (In general, the share of capital support is highest in periods of strong foundation asset growth.)

Arts grants by specific types of support. Table 1 provides a breakdown of more specific types of support within the larger support categories and lists both the specific dollar value and number of grants made in each type. As with all data in the *Snapshot*, it is important to keep in mind that this table includes only grants of \$10,000 or more awarded to organizations by a sample of 1,330 larger foundations. It is also important to note that approximately 22 percent of the arts grant dollars in this sample were not specified for a type of support.

Grants by grant size

Median grant size. The median or “typical” grant amount⁷ for arts and culture in 2010 was \$25,000, which matched the median amount for all foundation grants (\$25,000). This amount has remained unchanged since 1993. If this amount were adjusted for inflation, however, it would have lost value in real dollars. More study would be required to determine whether the unchanged median means that foundation arts grants simply are not keeping pace with inflation, or whether, in combination with the increased number of

TABLE 2. Arts grants by grant size, 2010

Grant range	No. of grants	%	Dollar amount	%
\$5 million and over	38	0.2	\$526,003,985	23.1
\$1 million–under \$5 million	287	1.4	488,045,595	21.4
\$500,000–under \$1 million	379	1.8	233,548,401	10.3
\$100,000–under \$500,000	3,126	15.2	573,134,938	25.2
\$50,000–under \$100,000	3,202	15.6	194,218,915	8.5
\$25,000–under \$50,000	4,635	22.5	140,123,779	6.2
\$10,000–under \$25,000	8,906	43.3	121,254,526	5.3
Total	20,573	100.0	\$2,276,330,139	100.0

Source: The Foundation Center, 2012. Based on all grants of \$10,000 or more awarded by a sample of 1,330 larger foundations.

TABLE 3. Twenty-five largest arts, culture, and media funders, 2010

Rank	Foundation	State	Arts as % of grant dollars*	Total grant dollars*	Arts as % of total dollars	Number of arts grants
1.	Andrew W. Mellon Foundation	NY	\$117,257,377	\$221,179,366	53.0	246
2.	Donald W. Reynolds Foundation	NV	69,294,825	121,825,129	56.9	12
3.	Walton Family Foundation	AR	55,215,682	355,492,564	15.5	34
4.	Freedom Forum	DC	54,850,380	54,850,380	100.0	4
5.	Arison Arts Foundation	FL	51,074,905	51,584,905	99.0	17
6.	Bill & Melinda Gates Foundation	WA	48,159,134	2,106,255,684	2.3	11
7.	Greater Kansas City Community Foundation	MO	47,917,274	136,227,882	35.2	211
8.	Annenberg Foundation	CA	38,999,504	124,858,052	31.2	125
9.	Ford Foundation	NY	37,774,396	405,114,900	9.3	167
10.	William Penn Foundation	PA	32,677,011	93,901,118	34.8	77
11.	John S. and James L. Knight Foundation	FL	29,500,800	76,610,987	38.5	143
12.	Muriel McBrien Kauffman Foundation	MO	29,436,566	30,094,066	97.8	91
13.	Edward C. Johnson Fund	MA	28,680,326	29,986,186	95.6	23
14.	Walt and Lilly Disney Foundation	CA	28,185,000	28,315,000	99.5	6
15.	Kresge Foundation	MI	26,664,940	155,032,112	17.2	115
16.	Bank of America Charitable Foundation	NC	23,954,728	150,536,560	15.9	446
17.	Lucasfilm Foundation	CA	20,573,322	26,233,322	78.4	4
18.	James Irvine Foundation	CA	19,809,000	60,065,000	33.0	114
19.	Silicon Valley Community Foundation	CA	18,635,014	241,200,532	7.7	306
20.	Shubert Foundation	NY	17,235,000	17,762,500	97.0	358
21.	Lilly Endowment	IN	17,066,100	200,656,174	8.5	26
22.	Mitchell P. Rales Family Foundation	VA	16,994,956	18,328,256	92.7	5
23.	Sherman Fairchild Foundation	MD	15,791,889	49,035,889	32.2	17
24.	Houston Endowment	TX	15,710,000	63,108,100	24.9	91
25.	New York Community Trust	NY	15,637,301	115,018,400	13.6	341
	Total		\$877,095,430	\$4,933,273,064	17.8	2,990

Source: The Foundation Center, 2012. Based on all grants of \$10,000 or more awarded by a sample of 1,330 larger foundations. Excluding the Bill & Melinda Gates Foundation, grant dollars for arts as a share of total dollars among top funders would be 29.3 percent.

grants, it means that foundations are choosing to distribute funds more broadly to a larger number of recipients.

Small and mid-sized grants. Two-thirds (66 percent) of all arts grants in the 2010 sample were for amounts between \$10,000 and \$49,999 (table 2), almost identical to the 2009 share. The share of mid-sized arts grants (\$50,000 to \$499,999) also remained fairly consistent at just over 30 percent.

Large grants. The share of larger arts grants (\$500,000 and over) also held steady over the same period: larger grants represented 3.4 percent of the total number of arts grants in 2010, compared to 3.5 percent in 2009. Their share of total grant dollars was nearly unchanged at 54.8 percent, compared to 56.1 percent in 2009. Overall, foundations in the sample made 93 arts grants of at least \$2.5 million in 2010, up from 85 in 2009.

In addition to the \$53.3 million grant from the Donald W. Reynolds Foundation to the Smith Center for the Performing Arts (noted earlier), examples of other especially large grants in the 2010 sample included the Bill & Melinda Gates Foundation's \$30 million award to the Smithsonian Institution for its Youth Access Endowment; the Muriel McBrien Kauffman Foundation's \$20 million grant for the Kauffman Center for

the Performing Arts; and the Amon G. Carter Foundation's \$10.5 million operating grant for the Amon Carter Museum of Western Art.

The twenty-five largest arts funders. The top twenty-five arts funders by giving amount provided 38.5 percent of the total arts dollars in the Foundation Center's 2010 sample (table 3), up from 35.3 percent in 2009. Overall, the share of giving accounted for by the top twenty-five arts funders has fluctuated between 33 and 39 percent since the end of the 1990s. By comparison, in the early 1980s the top twenty-five arts funders accounted for more than half of the grant dollars in the sample. This suggests that the base of large arts funders has widened since that time, making arts funding less concentrated among a small number of foundations.

Top foundations by share of arts giving out of overall giving. Of the foundations that committed large percentages of their grant dollars to arts and culture, many are the smaller foundations in the sample (table 4). Among the top 100 foundations ranked by share of arts giving out of total giving, two-thirds of foundations (66) gave less than \$5 million in total arts grant dollars in 2010. This share would be greater if grants of less than \$10,000 were included,

TABLE 4. Top thirty-five foundations by share of arts giving out of overall giving, 2010

Rank	Foundation	State	Foundation type*	Total grant dollars	Arts grant dollars	Arts as % of total dollars	Number of arts grants
1.	Freedom Forum	DC	OP	54,850,380	54,850,380	100.0	4
2.	J. Paul Getty Trust	CA	OP	8,547,910	8,547,910	100.0	68
3.	Samuel H. Kress Foundation	NY	IN	3,636,600	3,636,600	100.0	97
4.	Terra Foundation for American Art	IL	OP	4,016,635	4,016,635	100.0	42
5.	Eugene Victor Thaw Art Foundation	NM	OP	1,700,350	1,700,350	100.0	1
6.	Walt and Lilly Disney Foundation	CA	IN	28,315,000	28,185,000	99.5	6
7.	Colburn Foundation	CA	IN	6,246,000	6,206,000	99.4	31
8.	Arison Arts Foundation	FL	IN	51,584,905	51,074,905	99.0	17
9.	Packard Humanities Institute	CA	OP	12,723,008	12,523,008	98.4	34
10.	Jerome Foundation	MN	IN	1,960,464	1,928,417	98.4	71
11.	Muriel McBrien Kauffman Foundation	MO	IN	30,094,066	29,436,566	97.8	91
12.	Shubert Foundation	NY	IN	17,762,500	17,235,000	97.0	358
13.	SHS Foundation	NY	IN	4,765,412	4,615,412	96.9	17
14.	Clay Foundation	WV	IN	4,861,680	4,706,680	96.8	5
15.	Edward C. Johnson Fund	MA	IN	29,986,186	28,680,326	95.6	23
16.	Andy Warhol Foundation for Visual Arts	NY	IN	9,368,126	8,875,036	94.7	91
17.	Mitchell P. Rales Family Foundation	VA	IN	18,328,256	16,994,956	92.7	5
18.	Gertrude C. Ford Foundation	MS	IN	2,007,200	1,821,200	90.7	6
19.	William S. Paley Foundation	NY	IN	4,571,567	4,146,567	90.7	11
20.	Calderwood Charitable Foundation	MA	IN	11,679,195	10,329,195	88.4	9
21.	Dunard Fund USA	IL	CS	4,418,838	3,831,838	86.7	14
22.	Joukowsky Family Foundation	NY	IN	4,243,139	3,438,106	81.0	19
23.	Lee and Juliet Folger Fund	VA	IN	5,431,500	4,347,000	80.0	12
24.	Wortham Foundation	TX	IN	8,400,000	6,625,000	78.9	36
25.	Lucasfilm Foundation	CA	CS	26,233,322	20,573,322	78.4	4
26.	Charles M. Bair Family Trust	MT	IN	1,148,000	897,000	78.1	3
27.	Frist Foundation	TN	IN	6,805,301	5,190,000	76.3	8
28.	Fidelity Foundation	MA	CS	13,911,629	10,342,500	74.3	27
29.	Florence Gould Foundation	NY	IN	7,086,642	5,108,818	72.1	69
30.	W. L. Lyons Brown Foundation	KY	IN	1,494,232	973,916	65.2	13
31.	Eugene V. & Clare E. Thaw Charitable Trust	NM	IN	2,637,973	1,715,000	65.0	33
32.	Pat and Jay Baker Foundation	WI	IN	4,555,625	2,905,125	63.8	6
33.	Edward John Noble Foundation, Inc.	NY	IN	9,957,571	6,112,571	61.4	20
34.	Cumming Foundation	WY	IN	2,218,166	1,359,000	61.3	6
35.	Bonfils-Stanton Foundation	CO	IN	2,528,250	1,514,500	59.9	27

Source: The Foundation Center, 2012. Based on all grants of \$10,000 or more awarded by a sample of 1,330 larger foundations. Only includes those foundations that gave at least \$1 million in total grant dollars.

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

because some arts funders will either primarily or exclusively award arts grants of less than \$10,000 each.

Giving for international cultural exchange

Foundation grant dollars targeting international cultural exchange fell for the second year in a row, down 24.6 percent between 2009 and 2010. The Foundation Center's full 2010 grants set included 153 grants related to international

cultural exchange totaling \$11.8 million. Among the largest of these awards was a \$954,000 grant from the Andrew W. Mellon Foundation to the French American Cultural Exchange for the Partner University Fund, whose mission is to support innovative and sustainable partnerships between French and US institutions of research and higher education.

Steven Lawrence is the Foundation Center's director of research and Reina Mukai is the senior research associate.

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Public Funding for the Arts: 2012 Update

Ryan Stubbs

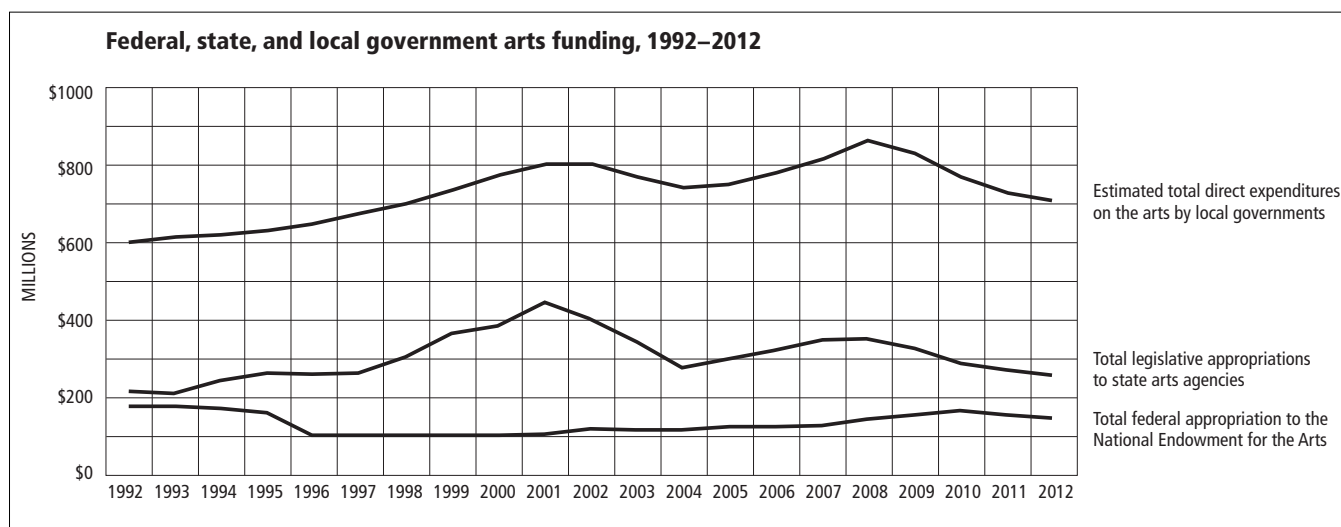
Government grant funding for the arts in the United States originates from three primary sources: federal appropriations to the National Endowment for the Arts (NEA), legislative appropriations to the nation's state arts agencies, and direct expenditures on the arts by local governments. All three public funding streams have experienced declines in the past decade, reflecting a recessionary economy and stagnant (or in some cases even declining) public revenues.

2012 Funding Levels

FY 2012 continued the overall trend of decline. The federal government, states, and localities appropriated a combined \$1.12 billion to the arts in FY 2012, for a total per capita investment of \$3.58 billion. Comprising this total was:

- \$146 million in appropriations to the NEA, a decline of almost 6 percent from 2011;

- Local government funding for the arts grew by 33 percent between 1992 and 2002 and reached an all-time high of \$858 million in 2008. Since 2008, local government funding has decreased by 18 percent, close to 1998 spending levels.
- Appropriations to state arts agencies grew by 110 percent between 1992 and 2001, reaching an all-time high of \$450.6 million in 2001 before decreasing to \$354 million in 2008. Since 2008, state appropriations have decreased by 27 percent, close to 1996 spending levels.
- Federal funding for the arts has been the smallest part of the public funding total and has been less volatile over time. Although NEA funding has fluctuated since 2008, the 2012 budget is less than 1 percent changed from the 2008 budget. In 1996, Congress cut the NEA's budget by more than 40 percent from the high point of \$176 million in 1992. Federal arts support has not fully recovered from that decrease in the two decades since. The greatest percentage of growth over a similar span of four years was the 28 percent increase in arts funding built up between 2005 and 2010. In the past



- \$260 million in legislative appropriations to state and jurisdictional arts agencies, a decline of about 5 percent from 2011;
- An estimated \$706 million in direct expenditures on the arts by county and municipal governments, a decline of around 3 percent from 2010.

Trends Over Time

Over the past 20 years, total public funding for the arts by federal, state, and local governments increased by 12 percent. Each layer of government, however, has displayed a slightly different pattern. These patterns are further illuminated by examining both 20-year and 5-year trends:

two years, small cuts have set the NEA budget back to its current level of \$146 million.

In addition to exhibiting reductions in aggregate terms, public funding for the arts has not kept pace with the cost of doing business. When adjusted for inflation, total government funding for the arts has contracted by 31 percent since 1992; congressional appropriations to the NEA declined by an inflation-adjusted 49 percent between 1992 and 2012. State funding declined by 25 percent and local funding declined by 28 percent during that same period.

Future Outlook

When examined over the last 45 years, arts funding typically has rebounded in the wake of economic recovery. However, continued economic uncertainty, structural weaknesses in public financing systems, and political uncertainty complicate predictions for future public funding of the arts. Due to the well-documented lag of public-sector budget recoveries, few government arts agencies are expecting rapid resource rebounds in the near future. Federal trends can be affected by national fiscal policy, which has the potential to adjust dramatically in an election year. The prospect of federal budget sequestration further clouds the near-term horizon, since the ripple effects of federal sequestration will be felt across all three tiers of government.

Nevertheless, some modestly encouraging news is developing for public arts funding in 2013. State legislatures increased total appropriations to the arts by 8.8 percent for the new fiscal year, and 14 agencies expect budget increases of 10 percent or more. While this is potentially positive news for the sector, the median percentage increase for all states was 0.5 percent, meaning we'll need more data before knowing whether or not this turnaround has momentum. Since both state and local government budgets

have followed economic conditions as reflected in longitudinal data on public arts funding, a turnaround in 2013 local arts expenditures could signal a more robust recovery.

Overall, consideration of current data along with current economic and political situations reflects a time of uncertainty for future public funding for the arts. These considerations underline the need to ascertain not only public funding levels but also how federal, state, and local agencies have adjusted to funding cuts. Monitoring both funding trends and structural adjustments to arts agencies and organizations will allow the field to continue to understand the implications of public funding cuts over time.

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This profile draws on local spending estimates from Americans for the Arts; NASAA's legislative appropriations surveys of the nation's state and jurisdictional arts agencies; and appropriations data from the National Endowment for the Arts. As of this writing, the most recent data available about federal and local funding for the arts is from 2012. FY 2013 forecasts for state arts agencies are available from www.nasaa-arts.org. Constant dollar adjustments for inflation are calculated using Bureau of Labor Statistics Consumer Price Index figures with a base year of 1992. Per capita calculations are based on national population estimates from the US Census Bureau.

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NOTES

1. Over time, the sample size has changed, which could also distort year-to-year fluctuations in grant dollars and grants targeting specific activities or populations. To account for these potential distortions year-to-year, the Foundation Center has analyzed changes in giving based on a matched set of funders.
2. Source of the data. The original research upon which this report is based was conducted by the Foundation Center. Specifically, the source for data was the Foundation Center's *Grants Stats* posted on the Gain Knowledge section of the center's website and the grants sample database. The data for "circa 2010" include all grants of \$10,000 or more awarded by 1,330 of the largest US foundations and reported to the Foundation Center between August 2010 and September 2011. Approximately three-fifths of grant dollars represent 2010 grant authorizations or payments, with the balance reflecting 2009 authorizations or payments. (The incorporation of "older" data reflects delays in the availability of timely grants information.) The grants sample typically represents about half of total grant dollars awarded annually by the more than 76,000 active US independent, corporate, and community foundations that the Foundation Center tracks. (The sample also captures roughly half of all foundation giving for arts and culture.) For community foundations, only discretionary and donor-advised grants were included. Grants to individuals were not included.
3. Includes support for multidisciplinary centers, ethnic/folk arts, arts education, and arts councils. For a detailed analysis of foundation funding for arts education, see L. Renz and J. Atienza, *Foundation Funding for Arts Education* (New York: Foundation Center, 2005.)
4. Includes support for the production and dissemination of one or more media forms, including film/video, television, radio, and print publishing; and support for journalism and communications centers.
5. Includes support for archeology, art history, modern and classical languages, philosophy, ethics, theology, and comparative religion.
6. For a detailed analysis of foundation humanities support, see L. Renz and S. Lawrence, *Foundation Funding for the Humanities* (New York: Foundation Center, 2004).
7. The median — meaning that half of the grants are above and half are below the amount — is generally acknowledged to be a more representative measure of the typical grant than the mean or "average," because the median is not influenced by extreme high or low amounts.