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

Foundation Grants to Arts and Culture, 2012: A One-year Snapshot

Steven Lawrence and Reina Mukai

Public Funding for the Arts: 2014 Update

Ryan Stubbs

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Foundation Grants to Arts and Culture, 2012

A One-Year Snapshot

Steven Lawrence and Reina Mukai

Overall US foundation giving reached nearly \$52 billion in 2012. After adjusting for inflation, foundation support surpassed slightly the previous peak level of giving reported in 2008. Driven by strong stock market returns and a continuing, albeit inconsistent, economic recovery, foundation funding showed consecutive years of positive gains following the worst economic downturn since the Great Depression.

What remains unclear is how foundation funding for the arts is faring. Among the 1,000 largest US foundations, arts and culture accounted for an unchanged 10 percent of grant dollars between 2011 and 2012. While this consistency is encouraging, the share remained below the roughly 11 to 12 percent share recorded over much of the prior decade. Actual arts grant dollars are likely to grow along with overall foundation giving. But the next several years will tell whether arts funding rebounds to its earlier share of overall foundation support or settles in at a lower level.

HIGHLIGHTS

Foundation Center offers these key findings from GIA's thirteenth 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 2011 and 2012 by a matched set of 714 funders* and the distribution of 2012 arts and culture giving by the 1,000 largest US foundations by total giving.¹ They are based on all arts grants of \$10,000 or more reported to 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 close to four decades.

Arts funding as a share of total dollars remained steady in the full 2012 grants sample. Among the 1,000 largest foundations included in the full grants sample for 2012, arts giving totaled \$2.2 billion, or 10 percent of overall grant dollars. This share remained unchanged compared to the share captured by the arts in 2011. Similarly, the share of number of arts grants — which is not affected by fluctuations in the size of grants — remained basically unchanged at 13.5 percent.

A reduction in arts funding by a matched subset of leading funders was balanced out by other grantmakers. Of the 1,000 foundations included in Foundation Center's grants samples for 2011 and 2012, a total of 714 funders were in both sets. Variations in the composition of the grants sample from year to year may mask broader trends, and an examination of changes in arts giving among this subset of foundations showed that their arts grant dollars declined 5 percent. Nonetheless, this reduction in giving by the matched set of funders was largely balanced out by a higher level of giving among the 286 other foundations included in the 2012 sample, compared to the 286 non-matched foundations included in the 2011 sample.

The size of the median arts grant remained unchanged. The median arts and culture grant size — \$25,000 — did not change from 2011 to 2012, although the real value of the median grant decreased due to inflation. The unadjusted value was below the \$30,000 median amount for all foundation grants in the latest year 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 52.2 percent of total grant dollars for the arts in the 2012 sample, down from 57 percent in 2011.

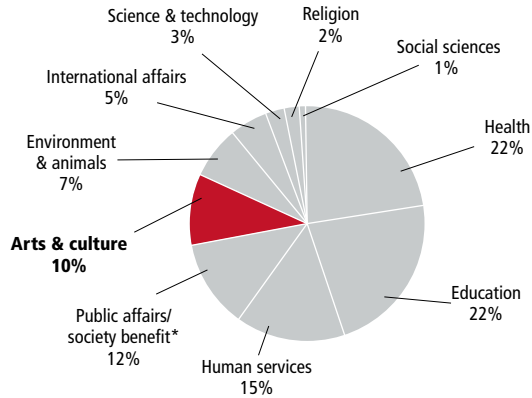
Relative to most other fields, a larger share of arts grant dollars provided operating support. In 2012, general operating support accounted for 31.2 percent of arts and culture grant dollars. By comparison, just 13 percent of arts grant dollars in 1989 provided operating support.

Top arts funders accounted for a larger share of overall giving. The top 25 arts funders by giving amount provided 33.7 percent of total foundation arts dollars in 2012, down from 37.3 percent in 2011. 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 2011 and 2012 is based on a matched subset of 714 funders, while statistics on the distribution of funding and actual dollar amounts and numbers of grants are based on the full set of 1,000 grantmakers included in Foundation Center's 2012 FC 1000 grants sample.

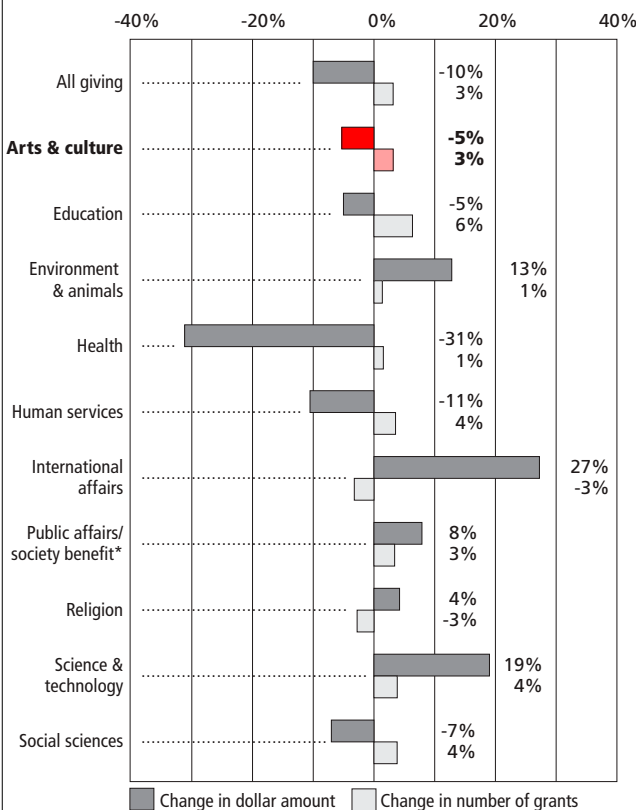
FIGURE 1. Percent of grant dollars by major field of giving, 2012



Source: Foundation Center, 2014. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations. Due to rounding, figures may not total 100 percent.

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

FIGURE 2. Change in giving by major field of giving, 2011 to 2012



Source: Foundation Center, 2014. Based on all grants of \$10,000 or more awarded by a matched sample of 714 of the largest US foundations.

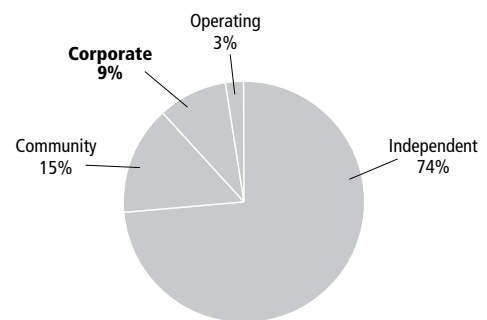
* Includes civil rights and social action, community improvement and development, philanthropy and voluntarism, and public affairs.

SPECIFIC FINDINGS

Overall foundation dollars for the arts. The 1,000 largest foundations by total giving included in Foundation Center's full 2012 sample awarded 20,412 arts and culture grants totaling \$2.2 billion, or 10 percent of overall grant dollars (figure 1). This share was consistent with 2011. By comparison, the share of number of arts grants remained nearly unchanged at 13.5 percent. Among a matched subset of 714 foundations in the sample, giving for the arts declined. Between 2011 and 2012, it decreased 5 percent, compared to a 10.3 percent reduction in grant dollars overall. Among the nine other major subject areas tracked by the Center, four areas registered a decline in funding, while five areas reported increases. Health, human services, the social sciences, and education all reported decreases in grant dollars, while international affairs, science and technology, the environment, public affairs, and religion showed increases (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 2012, nine arts and culture grants provided at least \$10 million, and instances where these grants had a notable impact on grantmaking patterns are identified throughout this analysis. Yet despite the potential fluctuations caused by these exceptional grants, Foundation Center data in all fields have always included them, providing consistency over time. (In addition, Foundation Center provides statistics based on share of *number* of grants, which are not skewed by exceptionally large grants.)

FIGURE 3. Arts grant dollars by foundation type, 2012



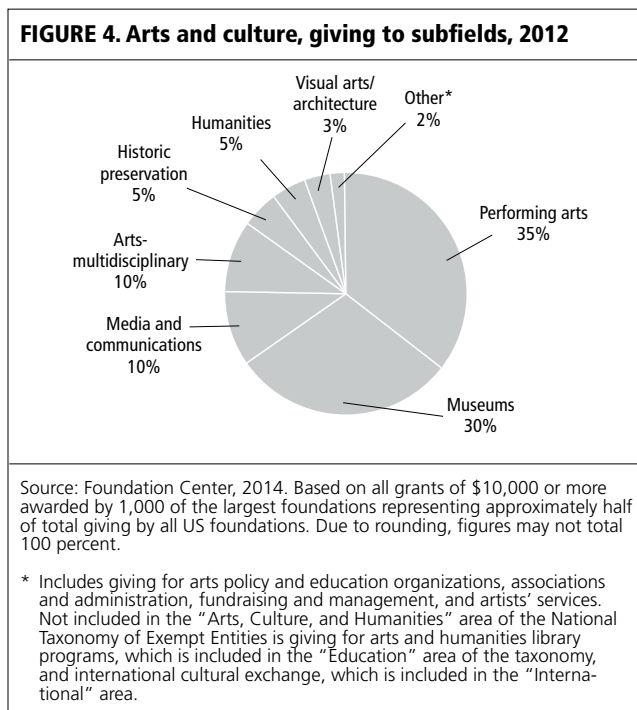
Source: Foundation Center, 2014. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations. Due to rounding, figures may not total 100 percent.

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 2012 grants sample provided 9.2 percent

of grant dollars for the arts (figure 3). Actual grant dollars totaled \$197.6 million. By number, corporate foundations allocated 3,795 grants, or 18.6 percent of the overall number of arts grants in 2012.

Grants by arts subfield

Funding for the performing arts accounted for over one-third (35.2 percent) of all foundation arts dollars in 2012 (figure 4), surpassing the share reported for museums (30.3 percent). 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.

Giving to performing arts. In 2012, performing arts grant dollars declined 7.2 percent among the matched subset of 714 funders, while the number of grants rose 1.2 percent. A total of 8,265 grants were awarded for the performing arts by the overall set of 1,000 largest foundations — close to double the number reported for museums. In general, the average performing arts grant tends to be smaller in size than the average museum grant. The largest share of giving to the performing arts supported performing arts centers

and theater, followed by symphony orchestras and opera. The biggest performing arts grant in the latest sample was an \$18 million award from the Minnesota-based Robina Foundation to Yale University to endow the Binger Center for New Theater. Included within the performing arts is support for performing arts education, which totaled \$37.6 million in 2012. (See "Giving to multidisciplinary arts" below for a figure on foundation grant dollars supporting other types of arts education.)

Giving to museums. In 2012, museums benefited from 4,206 grants totaling \$653.5 million awarded by the 1,000 largest foundations included in the full grants sample. Among museum types, about half of funding (44.8 percent) supported art museums. Among the matched subset of 714 foundations, grant dollars allocated to museums declined 3.4 percent between 2011 and 2012, while the number of grants awarded was up 4.8 percent.

Giving to media and communications. Support for media and communications represented 10.1 percent of arts funding in 2012, down from 10.8 percent in 2011.³ Among the matched subset of funders, grant dollars for media and communications fell 10.4 percent in the latest year.

Giving to multidisciplinary arts. The share of arts giving for multidisciplinary arts increased to 9.6 percent in 2012.⁴ Among the matched subset of foundations, grant dollars awarded for multidisciplinary arts was also up 12.2 percent from 2011. Among the various subcategories of multidisciplinary arts, arts education (excluding performing arts education) totaled \$49.9 million in the latest year.

Giving to historic preservation. Support for historic preservation increased 7.4 percent between 2011 and 2012 among the matched subset of funders. The number of grants awarded was also up 9 percent. Within the full set of the top 1,000 grantmakers, historic preservation benefited from \$103.7 million in 2012.

Giving to the humanities. Funding for the humanities accounted for 4.7 percent of arts grant dollars in 2012, down slightly from the 5.2 percent share captured in 2011.⁵ Overall dollars totaled \$102.2 million. Among the matched subset of funders, grant dollars for the humanities fell 13.6 percent, although the number of grants awarded was down just 1 percent. Included within the humanities is funding for art history, history and archaeology, classical and foreign languages, linguistics, literature, philosophy, and theology.

Giving to the visual arts. Among the matched subset of 714 foundations, grant dollars for the visual arts and architecture decreased 8.1 percent between 2011 and 2012, although the number of grants for the field was virtually unchanged. Within the full set of grantmakers, the visual arts and architecture benefited from \$89.5 million in 2012, up from \$72 million in 2011.

Grants by types of support

An important caveat to report on the allocation of foundation dollars by specific types of support is that for roughly 19 percent of arts grant dollars in the 2012 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 Foundation Center often lack the information necessary to identify the type of support. For example, it is often the case that the only source of data on grants is the 990-PF tax return, and this tends to be less complete than other forms of grant reporting.)

The arts compared to other foundation fields of giving. The three largest categories of support tracked by Foundation Center are 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, 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 2012. The shares of grant dollars and number of grants allocated for this type of support in 2012 were higher for arts and culture (31.2 percent and 38.5 percent, respectively) than for all other fields. Moreover, the portion of grant dollars allocated to this type of support is markedly higher than it was in the past. For example, operating support represented only 13 percent of arts funding in 1989.

Capital support captured 18.4 percent of the share of arts grant dollars in 2012, down from 22.7 percent in 2011. The share of grant dollars allocated for this type of support was higher for arts and culture than for all but two other fields (international affairs and 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 the top 1,000 foundations

TABLE 1. Arts grants by types of support, 2012*

Type of support	Dollar value of grants	%	No. of grants	%
Capital support	\$397,136,178	18.4	1,416	6.9
Building/renovations	200,759,106	9.3	711	3.5
Capital campaigns	65,779,026	3.0	274	1.3
Collections acquisition	51,653,206	2.4	72	0.4
Computer systems/equipment	15,300,839	0.7	105	0.5
Debt reduction	7,472,573	0.3	33	0.2
Endowments	65,490,372	3.0	110	0.5
Equipment	13,868,405	0.6	188	0.9
Land acquisition	3,447,235	0.2	5	0.0
General support	655,296,123	30.4	7,730	37.9
Annual campaigns	4,683,023	0.2	86	0.4
General/operating	584,607,146	27.1	6,859	33.6
Income development	34,315,064	1.6	490	2.4
Management development	48,180,774	2.2	430	2.1
Professional development	54,794,643	2.5	554	2.7
Awards/prizes/competitions	9,893,400	0.5	135	0.7
Fellowships/residencies	36,265,724	1.7	234	1.1
Internship funds	2,141,500	0.1	43	0.2
Scholarship funds	7,234,019	0.3	139	0.7
Student aid	2,535,000	0.1	17	0.1
Program support	864,522,336	40.1	8,357	40.9
Collections management/preservation	35,108,312	1.6	126	0.6
Commissioning new works	7,640,349	0.4	118	0.6
Conferences/seminars	21,403,447	1.0	278	1.4
Curriculum development	22,101,966	1.0	193	0.9
Electronic median/online services	47,393,533	2.2	323	1.6
Exhibitions	68,066,207	3.2	636	3.1
Faculty/staff development	21,258,327	1.0	178	0.9
Film/video/radio	30,815,950	1.4	326	1.6
Performance/productions	88,833,294	4.1	972	4.8
Program development	580,883,158	26.9	5,721	28.0
Professorships	1,658,466	0.1	11	0.1
Publication	16,730,843	0.8	164	0.8
Seed money	5,181,179	0.2	24	0.1
Other Support	86,067,871	4.0	373	1.8
Emergency funds	1,178,250	0.1	12	0.1
Program evaluation	2,813,875	0.1	24	0.1
Research	69,381,543	3.2	273	1.3
Technical assistance	13,718,653	0.6	72	0.4
Not specified	407,983,917	18.9	4,063	19.9
Qualifying Support Type**				
Continuing	951,592,433	44.1	7,831	38.4
Matching or challenge	26,641,789	1.2	200	1.0

Source: Foundation Center, 2014. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations.

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

** 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.

by total giving. It is also important to note that approximately 19 percent of the arts grant dollars in this sample were not specified for a type of support.

TABLE 2. Arts grants by grant size, 2012

Grant range	No. of grants	%	Dollar amount	%
\$5 million and over	35	0.2	\$302,434,609	14.0
\$1 million–under \$5 million	328	1.6	553,134,531	25.6
\$500,000–under \$1 million	435	2.1	272,023,504	12.6
\$100,000–under \$500,000	3,216	15.8	582,108,706	27.0
\$50,000–under \$100,000	3,135	15.4	190,132,667	8.8
\$25,000–under \$50,000	4,666	22.9	141,508,634	6.6
\$10,000–under \$25,000	8,597	42.1	116,953,613	5.4
Total	20,412	100.0	\$2,158,296,264	100.0

Source: Foundation Center, 2014. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations.

Grants by grant size

Median grant size. The median or “typical” grant amount for arts and culture in 2012 was \$25,000, which was below the median amount for all foundation grants (\$30,000).⁶ This amount has remained unchanged since 1993. More study would be required to determine whether the unchanged median means that foundation arts grants simply

are not keeping pace with inflation, or whether, in combination with the increased number of grants, it means that foundations are choosing to distribute funds more broadly to a larger number of recipients.

Small and midsized grants. Roughly two-thirds (65 percent) of all arts grants in the 2012 sample were for amounts between \$10,000 and \$49,999 (table 2), nearly unchanged from the 2011 share. The share of midsized arts grants (\$50,000 to \$499,999) also remained fairly consistent at about 31 percent.

Large grants. The share of larger arts grants (\$500,000 and over) decreased slightly to 3.9 percent of the total number of arts grants in 2012, compared to 4.2 percent in 2011. Their share of total grant dollars also declined to 52.2 percent, compared to 57.3 percent in 2011. Overall, foundations in the sample made 92 arts grants of at least \$2.5 million in 2012, down from 112 in 2011.

In addition to the \$18 million award from the Minnesota-based Robina Foundation to Yale University to endow the Binger Center for New Theater (noted earlier), examples of other especially large grants in the 2012 set included the

TABLE 3. Twenty-five largest arts, culture, and media funders, 2012

Rank	Foundation	State	Number of arts grants	Arts grant dollars	Total grant dollars	Arts as percent of total dollars	Arts capital support dollars*	Arts other types of support dollars*
1.	Andrew W. Mellon Foundation	NY	227	\$119,899,733	\$254,230,293	47.2	\$20,042,500	\$116,399,733
2.	Greater Kansas City Community Foundation	MO	282	80,384,450	151,589,201	53.0	210,000	330,000
3.	Ford Foundation	NY	191	56,144,511	471,403,757	11.9	14,320,000	53,604,511
4.	Edward C. Johnson Fund	NH	37	43,307,119	49,116,619	88.2	43,045,119	262,000
5.	Donald W. Reynolds Foundation	NV	19	41,100,683	169,172,213	24.3	9,194,978	38,312,196
6.	Freedom Forum	DC	3	28,300,754	28,327,754	99.9	0	28,290,754
7.	Kresge Foundation	MI	125	25,999,227	127,111,238	20.5	5,680,000	25,999,227
8.	Muriel McBrien Kauffman Foundation	MO	82	25,039,413	25,569,413	97.9	1,090,000	4,187,000
9.	John S. and James L. Knight Foundation	FL	163	23,065,146	55,941,101	41.2	487,000	22,788,146
10.	William Penn Foundation	PA	71	22,137,871	63,700,829	34.8	7,557,390	17,972,981
11.	Shubert Foundation	NY	442	20,280,000	20,515,000	98.9	0	20,280,000
12.	Silicon Valley Community Foundation	CA	260	20,116,021	269,619,741	7.5	0	0
13.	Bank of America Charitable Foundation	NC	418	19,904,146	167,283,929	11.9	0	19,904,146
14.	Brown Foundation	TX	172	18,945,008	52,661,961	36.0	6,205,004	16,440,007
15.	New York Community Trust	NY	433	18,763,276	115,105,891	16.3	3,534,782	15,420,494
16.	James Irvine Foundation	CA	96	18,753,600	63,375,073	29.6	225,000	18,753,600
17.	JPMorgan Chase Foundation	NY	278	18,299,807	128,253,974	14.3	975,000	14,418,307
18.	Robina Foundation	MN	1	18,000,000	26,427,609	68.1	18,000,000	0
19.	Lilly Endowment	IN	41	17,760,485	242,325,255	7.3	5,435,735	15,122,750
20.	Annenberg Foundation	CA	102	16,315,737	36,550,351	44.6	2,467,000	14,253,737
21.	Manton Foundation	NY	7	15,605,000	23,964,803	65.1	5,555,000	10,000,000
22.	Houston Endowment	TX	61	15,504,500	79,974,300	19.4	8,855,000	12,679,500
23.	William and Flora Hewlett Foundation	CA	88	14,977,075	301,810,727	5.0	920,000	14,677,075
24.	Richard King Mellon Foundation	PA	22	14,901,000	89,145,000	16.7	11,450,000	3,901,000
25.	Wyncote Foundation	PA	130	14,634,311	24,343,561	60.1	1,720,000	12,924,311
	Total		3,751	\$728,138,873	\$3,037,519,593	24.0	\$166,969,508	\$496,921,475

Source: Foundation Center, 2014. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations.

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

Freedom Forum's \$26.6 million continuing operating support grant to the Newseum (DC); the Edward C. Johnson Fund's \$12.1 million award to the Brookfield Arts Foundation (MA) for art acquisition; and the David H. Koch Charitable Foundation's \$10 million grants to the City Center of Music and Drama (NY) for renovations to New York State Theatre Building.

The twenty-five largest arts funders. The top twenty-five arts funders by giving amount provided 33.7 percent of the total arts dollars in Foundation Center's 2012 sample (table 3), down from 37.3 percent in 2011. 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

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TABLE 4. Top thirty-five foundations by share of arts giving out of overall giving, 2012

Rank	Foundation	State	Fdn type*	Number of arts grants	Arts grant dollars	Total grant dollars	Arts as percent of total dollars	Arts capital support dollars**	Arts other types of support dollars**
1.	David H. Koch Charitable Foundation	KS	IN	2	\$10,500,000	\$10,500,000	100.0	\$10,000,000	\$500,000
2.	Johnson Art and Education Foundation	NJ	IN	4	3,536,000	3,536,000	100.0	0	3,536,000
3.	Freedom Forum	DC	OP	3	28,300,754	28,327,754	99.9	0	28,290,754
4.	Jerome Foundation	MN	IN	85	2,765,650	2,775,700	99.6	67,500	2,718,150
5.	Shubert Foundation	NY	IN	442	20,280,000	20,515,000	98.9	0	20,280,000
6.	Walt and Lilly Disney Foundation	CA	IN	6	10,910,871	11,030,871	98.9	1,000,000	9,910,871
7.	Packard Humanities Institute	CA	OP	24	10,306,354	10,438,484	98.7	687,000	9,790,354
8.	Muriel McBrien Kauffman Foundation	MO	IN	82	25,039,413	25,569,413	97.9	1,090,000	4,187,000
9.	J. Paul Getty Trust	CA	OP	56	9,263,506	9,493,506	97.6	0	9,263,506
10.	SHS Foundation	NY	IN	24	5,341,763	5,494,285	97.2	0	15,000
11.	Roderick MacArthur Foundation	IL	IN	2	5,482,000	5,697,400	96.2	0	5,482,000
12.	Colburn Foundation	CA	IN	31	5,625,000	5,865,000	95.9	0	0
13.	Andy Warhol Foundation for Visual Arts	NY	IN	178	12,070,874	12,831,253	94.1	0	9,235,757
14.	Edward C. Johnson Fund	NH	IN	37	43,307,119	49,116,619	88.2	43,045,119	262,000
15.	Ann and Gordon Getty Foundation	CA	IN	127	4,083,000	4,794,000	85.2	0	4,083,000
16.	Florence Gould Foundation	NY	IN	52	4,887,732	6,515,497	75.0	383,333	4,662,732
17.	Sue and Edgar Wachenheim Foundation	NY	IN	14	3,979,800	5,479,800	72.6	0	3,979,800
18.	Frist Foundation	TN	IN	9	4,100,192	5,664,053	72.4	0	4,100,192
19.	Alex and Marie Manoogian Foundation	MI	IN	2	2,750,000	3,850,592	71.4	0	2,750,000
20.	WEM Foundation	MN	IN	13	6,115,000	8,615,000	71.0	0	0
21.	Calderwood Charitable Foundation	MA	IN	5	4,024,317	5,763,122	69.8	0	4,024,317
22.	Agnes Gund Foundation	OH	IN	92	4,722,143	6,821,243	69.2	0	4,722,143
23.	Robina Foundation	MN	IN	1	18,000,000	26,427,609	68.1	18,000,000	0
24.	Laurie M. Tisch Foundation	NY	IN	19	4,174,318	6,158,968	67.8	0	0
25.	Manton Foundation	NY	IN	7	15,605,000	23,964,803	65.1	5,555,000	10,000,000
26.	Speyer Family Foundation	NY	IN	17	4,248,000	6,528,833	65.1	298,000	548,000
27.	Adobe Foundation	DE	CS	75	5,275,343	8,343,452	63.2	80,450	5,244,893
28.	Monteforte Foundation	NY	IN	6	6,978,785	11,367,021	61.4	0	0
29.	Lee and Juliet Folger Fund	VA	IN	9	1,597,500	2,626,000	60.8	1,482,500	115,000
30.	Wyncote Foundation	PA	IN	130	14,634,311	24,343,561	60.1	1,720,000	12,924,311
31.	Bonfils-Stanton Foundation	CO	IN	27	1,514,500	2,528,250	59.9	500,000	1,014,500
32.	Davee Foundation	IL	IN	23	3,505,000	5,883,000	59.6	0	3,255,000
33.	Skirball Foundation	NY	IN	31	14,241,242	24,009,382	59.3	0	14,241,242
34.	Alphawood Foundation	IL	IN	111	7,861,000	13,455,154	58.4	1,530,000	6,361,000
35.	Herb Alpert Foundation	CA	IN	36	3,145,650	5,492,257	57.3	0	0

Source: Foundation Center, 2014. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations.

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

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

Public Funding for the Arts: 2014 Update

Ryan Stubbs

Public funding for the arts in the United States is most readily quantified through current and historical funding allocations to the National Endowment for the Arts (NEA), the nation's state arts agencies, and direct expenditures by local governments. Investments in and through these agencies have been the primary mechanisms for direct public support of the arts for nearly fifty years.

Fiscal year 2014 marked a year of aggregate increases at all three levels: state, local, and federal. This is the first time in six years that all three public funding sources increased over the prior fiscal year. Long-term fiscal pressures on government budgets remain, and revenue gains vary widely by geography. However, recent aggregate increases in arts funding and better economic conditions point to an improved environment for arts funding.

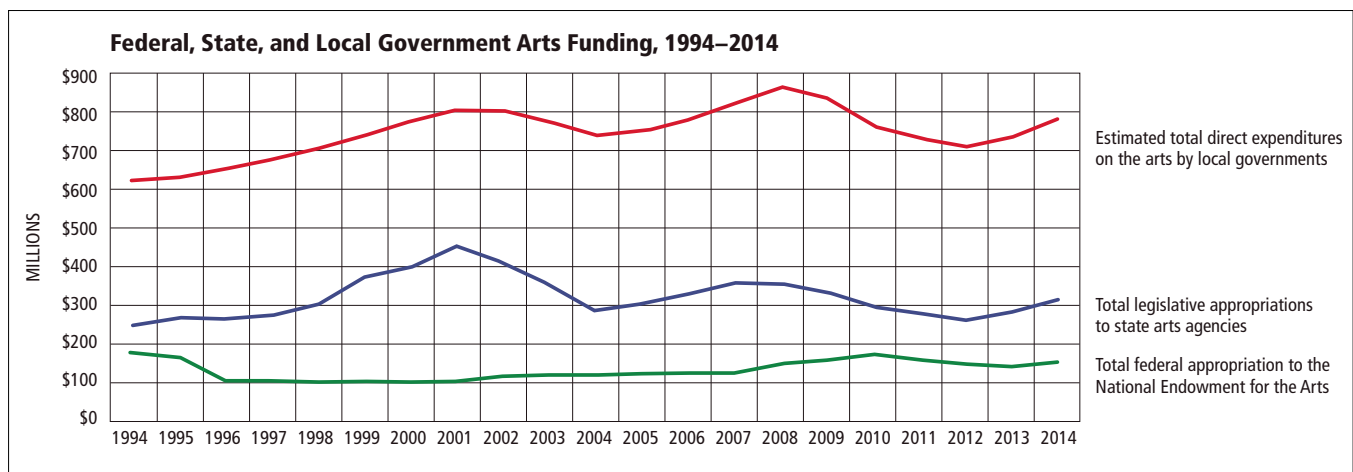
- an estimated \$777 million in direct expenditures on the arts by county and municipal governments, an increase of nearly 6.9 percent from FY2012.

Federal, State, and Local Government Arts Funding, 1994–2014

Federal funding for the NEA this year was affected by the process of cuts to federal domestic and defense spending known as sequestration. These were mandatory, across-the-board spending cuts that affected all federal agencies, including the federal cultural agencies.

Trends over Time

During the past twenty years, total nominal public funding for the arts by federal, state, and local governments increased by 19 percent. State and local funding patterns have largely corresponded with periods of economic growth and recession. State arts agency aggregate appropriations reached a high point in 2001, and local funding reached an apex in 2008. Federal funding for the NEA has displayed incremental growth after sustaining large cuts in the mid-1990s.



2014 Funding Levels

Fiscal year 2014 is the third consecutive year of growth when combining all three primary public funding sources. The federal government, states, and localities appropriated a combined \$1.23 billion to the arts in FY2014, for a total per capita investment of \$3.84. Comprising this total were:

- \$146 million in appropriations to the NEA, an increase of 5.3 percent over FY2013. (Note that this appropriation would have represented flat funding for the past three years without the sequestration reductions in FY2013.)
- \$307 million in legislative appropriations to state and jurisdictional arts agencies, an increase of 10.2 percent from FY2013.

Although the nominal increase over the past twenty-one years is positive, the landscape for public funding for the arts in this time period is much bleaker when accounting for inflation. In fact, after adjusting for inflation, public funding for the arts has decreased by more than 30 percent in this same period.

Despite these nominal increases, public funding for the arts has not kept pace with inflation. Using 1994 dollars, total public funding for the arts has actually decreased by 26 percent.

Federal, State, and Local Government Arts Funding, Nominal and Inflation Adjusted Dollars, 1994–2014

Note: Inflation-adjusted figures are represented by the corresponding dashed line below for each source. Inflation

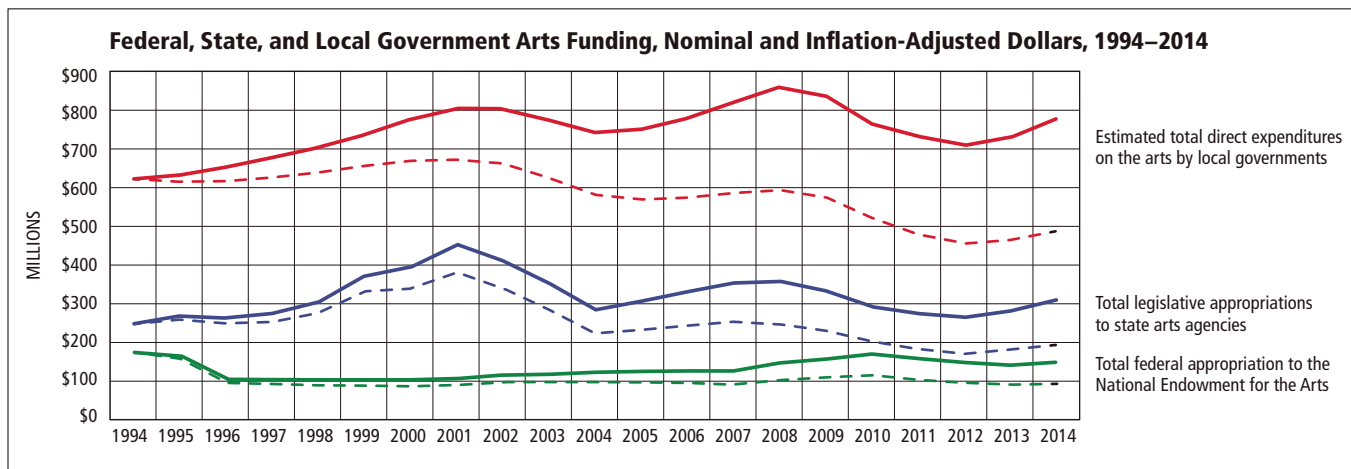
adjustments are calculated using Bureau of Labor Statistics Consumer Price Index (CPI) figures with a base year of 1994.

Future Outlook

Continued economic and political uncertainty complicates predictions for future public funding for the arts. Particularly worrisome is the continued flat funding pattern being seen at the federal level. Federal dollars help induce additional funds from public and private sources across the country. This relationship is directly observed through the 40 percent of the NEA's program funds distributed to state arts agencies. In turn, many state arts agencies also provide decen-

in recent years, but to date those proposals all have been overturned in favor of flat funding.

Although the current outlook is modestly positive, public arts agencies have experienced long-term cuts over many years, and the cost of doing business for artists and arts organizations has continued to rise. The result has been decreased grant budgets — and diminished leveraging power of those grants. The recent arts reinvestments by state and local governments are helping to address these issues in some areas, but rebounds are not occurring in every state and locality.



tralized funds to local arts agencies. The combination of these public funding sources and the many more matching private revenues that augment publicly funded arts projects and organizations contribute to tens of thousands of arts opportunities across the country. The lack of resource growth at the federal level hampers this ripple effect that could contribute to increased arts activities and their economic, educational, and civic benefits. Federal funding cuts also create a drag on different aspects of state and local budgets, which could lead to a more challenging fiscal climate for many services — including the arts — at other levels of government.

Preliminary data on FY2015 state arts agency budgets indicate a strong likelihood of continued growth in public funding for the arts next year. State arts agency revenues are projected to increase by more than 19 percent in FY2015. If the projection holds true, this would be the third year in a row that state arts agency appropriations have increased. Observed historical trends between state and local funding should predict continued increases for local government expenditures in FY2015. The political uncertainty in Washington, D.C., makes it difficult to forecast federal funding. Committees in the US House of Representatives have proposed major cuts to the NEA budget multiple times

The potential effects of these trends on the larger arts funding ecosystem are complex. Government dollars always have contributed a relatively small portion of total arts dollars in the United States, but public funds comprise a much higher percentage of support received by small, underserved, rural and grassroots groups. The erosion of public grant dollars and their buying power may have a disproportional effect on those communities. Certainly government arts funding declines have led to the elimination of numerous grant programs for small and large grantees alike. However, the declines also may have accelerated the development of other types of beneficial services and policy leadership roles that government agencies are uniquely situated to play.

Beyond Grants

Government arts agencies play many roles that constitute a significant investment in the arts but take a form other than a traditional grant outlay. Among these are the development and implementation of cultural policies that can have a substantial effect on the arts over the long term. For instance:

- Managing public art and percent for art policies and programs to include artworks in civic spaces and public buildings.

- Providing incentives (tax, relocation or promotional) for artist-run businesses in arts and cultural districts.
- Setting and helping communities implement K–12 curricula to ensure that all students receive a meaningful arts education.
- Forging partnerships with other public agencies to link the arts with other public services: veterans affairs, health care, transportation planning, etc.

Such activities can be harder to quantify over time than grants, but they are an important part of the public sector arts leadership portfolio.

The mosaic of funding and policies that support arts activities and arts infrastructure will continue to evolve. Part in parcel of these evolutions, the NEA, state arts agencies,

and local arts agencies should continue to exercise policy leadership and administrative nimbleness to steward public funding for the arts in the United States.

*Ryan Stubbs, Research Director,
National Assembly of State Arts Agencies (NASAA)*

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 2014. FY2015 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 (CPI) figures with a base year of 1994. Per capita calculations are based on national population estimates from the US Census Bureau.

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giving, over half of foundations (61) gave less than \$5 million in total arts grant dollars in 2012.

Giving for international cultural exchange

Grant dollars supporting international cultural exchange increased 67.7 percent between 2011 and 2012 among the matched subset of 714 funders. This follows three consecutive annual decreases of funding for this area tracked by Foundation Center. Within the full 2012 grants set, foundations made 188 grants related to international cultural exchange totaling \$30.6 million. The largest award was a \$10.8 million grant from the Ford Foundation to the Institute of International Education for Global Travel and Learning Fund to administer travel awards and other program-related learning activities. By comparison, the largest grant reported in 2011 for international cultural exchange was a \$1.7 million grant from the Houston Endowment to the Asia Society Texas Center for transitional support for its new facility.

Steven Lawrence is Foundation Center's director of research, and Reina Mukai is the research manager.

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, Foundation Center has analyzed changes in giving based on a matched set of funders.

2. Source of the data. This analysis is based on the Foundation Center's 2012 FC 1000 set, which includes all of the grants of \$10,000 or more reported by 1,000 of the largest US independent, corporate, community, and grantmaking operating foundations by total giving. For community foundations, the set includes only discretionary grants and donor-advised grants (when provided by the funder). The set excludes grants to individuals. This set accounts for approximately half of giving by all of the more than 86,000 active US grantmaking foundations. Grant amounts may represent the full authorized amount of the grant or the amount paid in that year, depending upon the information made available by each foundation. Grant records included in the set were reported to the Foundation Center between June 2013 and May 2014. Most foundations are represented with 2012 grants data and a few with 2011 grants data, if more current data were not available in time for inclusion in the set.
3. Includes support for the production and dissemination of one or more media forms including film/video, television, radio, and print publishing; and support for journalism and communications centers.
4. Includes support for multidisciplinary centers, ethnic/folk arts, arts education, and arts councils. For a detailed analysis of foundation funding for arts education, see L. Renz and J. Atienza, *Foundation Funding for Arts Education* (New York: Foundation Center, 2005).
5. Includes support for archaeology, art history, modern and classical languages, philosophy, ethics, theology, and comparative religion.
6. 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.