



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

Foundation Grants to Arts and Culture, 2018

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Public Funding for the Arts, 2020

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Foundation Grants to Arts and Culture, 2018

A One-Year Snapshot

Reina Mukai

In 2018, giving by the approximately 86,000 active US private and community foundations rose 4% to \$80.7 billion. Among the largest US independent, corporate, community, and grantmaking operating foundations included in Candid's 2018 Foundation 1000 data set, overall giving was down 2% among a matched set of funders, however, arts and culture funding was up 7%. Arts and culture remained among top foundation funding priorities ranking fifth following human services.

Highlights

Candid offers these key findings from GIA's nineteenth snapshot of foundation giving to arts and culture. The definition of arts and culture used for this snapshot is based on Candid's Philanthropy Classification System and encompasses funding for the performing arts, museums, visual arts, multi-disciplinary arts, humanities, historical activities, arts services, folk arts, public arts, and cultural awareness. The findings in this snapshot are based on analysis of two closely related data sets. The analysis of the distribution of 2018 arts and culture giving uses the latest Foundation 1000 dataset,¹ while the analysis of changes in foundation giving for the arts between 2017 and 2018 use a matched set of foundations that are consistent between the Foundation 1000 for each of those two years.²

The foundation grantmaking examined here represents only one source of arts financing. It does not examine arts support from earned income, governments, individual donors, or the business community. This analysis also looks only at foundation arts support for nonprofit organizations, and not for individual artists, commercial arts enterprises, or informal and unincorporated activities.

Arts funding as a share of total dollars was up in 2018.

Among the 1,000 largest foundations included in Candid's grants sample for 2018, arts giving totaled \$3 billion, or 9% of overall grant dollars. Compared to the previous year, share of dollars was up slightly and share of number of grants remained basically unchanged.

Foundation funding for arts and culture was up in 2018.

Among a matched set of leading funders, arts funding increased 7% between 2017 and 2018 compared to a 2% decline in overall giving by these foundations.

The size of the median arts grant was up.

The median arts and culture grant size — \$28,150 — increased from \$27,500. This was below the \$35,000 median amount for all foundation grants in the latest year.

Large grants account for more than half of arts grant dollars.

Large arts grants of \$500,000 and more captured 65% of total grant dollars for the arts in 2018, up from 63% in 2017.

Relative to overall giving, a larger share of arts grant dollars was for general operating support.

In 2018, general operating support accounted for 25% of arts and culture grant dollars. The share is significantly higher than the 19% share awarded for general operating support for overall giving.

Top arts funders accounted for a larger share of overall giving than in 2017.

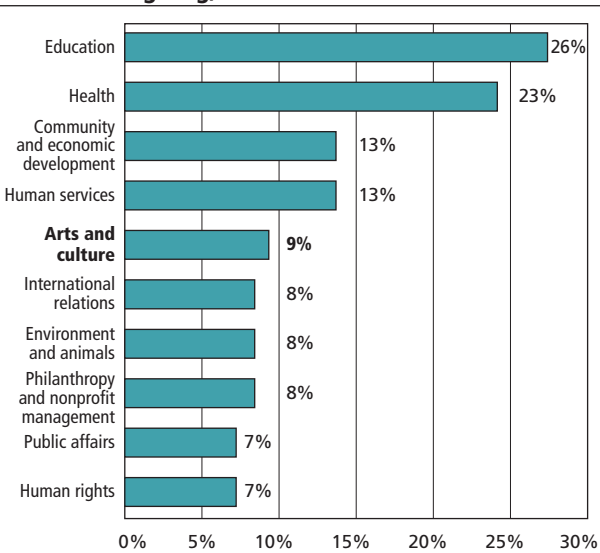
The top twenty-five arts funders by giving amount provided 42% of total foundation arts dollars in 2018, up from the 38% share reported in 2017. The share of arts giving accounted for by the top funders has remained relatively consistent for the past decade.

Specific Findings

Overall foundation dollars for the arts.

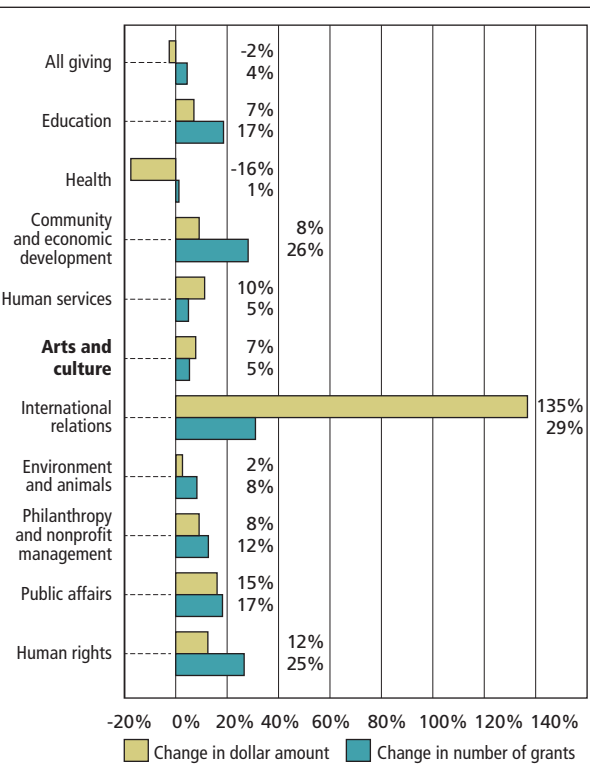
The foundations included in Candid's 2018 Foundation 1000 data set awarded 19,074 arts and culture grants totaling \$3 billion, or 9% of overall grant dollars. Compared to the previous year, the share for arts dollars was up slightly (8% in 2017), while the share of number of grants remained basically unchanged. Among a matched subset of 839 funders, grant dollars for the arts was up 7% between 2017 and 2018, compared to a 2% decrease in grant dollars overall. Among the top-ranked subject areas by grant dollars, international relations, public affairs, human rights, and human services reported the fastest increases in dollars.

FIGURE 1. Percentage of grant dollars by major field of giving, 2018



Source: Candid, 2021. 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 private and community foundations. Includes areas of giving representing at least 5% of grant dollars. Grants may occasionally be for multiple issue areas and would thereby be counted more than once.

FIGURE 2. Change in giving by major field of giving, 2017 to 2018



Source: Candid, 2021. Based on all grants of \$10,000 or more awarded by a matched sample of 839 of the largest foundations. Includes areas of giving representing at least 5% of grant dollars in 2018. Grants may occasionally be for multiple issue areas and would thereby be counted more than once.

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 2018, 22 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, Candid data in all fields have always included them, providing consistency over time.³

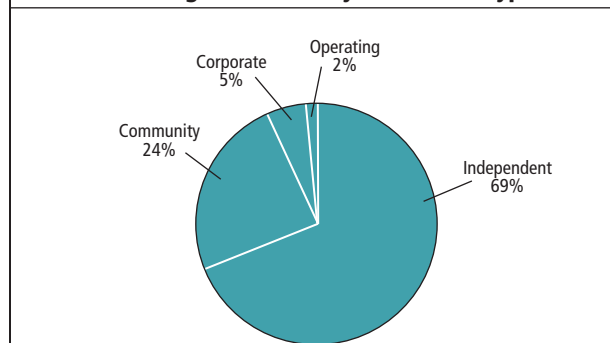
Corporate foundations represent an important source of support for arts and culture.

Corporate foundations account for roughly 8% of overall US private and community foundation giving, and these larger corporate foundations included in the 2018 grants sample provided 5% of grant dollars for the arts. Actual grant dollars totaled \$153 million. By number, corporate foundations allocated 1,619 grants, or 9%, of the overall number of arts grants in 2018. These figures do not include direct corporate giving; the amount that corporations contribute to the arts is undoubtedly higher.

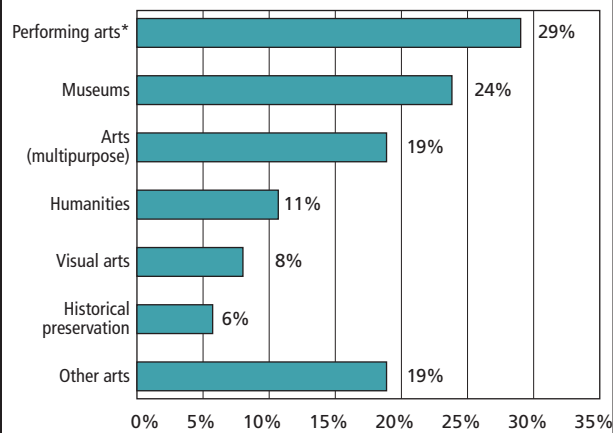
Grants by Arts Subfield

Funding for performing arts accounted for close to one-third of all foundation art dollars in 2018, surpassing the share reported for museums (24%). From the start of the 1980s until 1997, the performing arts have consistently received more foundation support than museums. However, museums surpassed the performing arts by share in the late 1990s to early 2000s and several times in recent

FIGURE 3. Arts grant dollars by foundation type, 2018



Source: Candid, 2021. 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 private and community foundations.

FIGURE 4. Arts and culture, giving to subfields 2018

Source: Candid, 2021. 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 private and community foundations. Grants may occasionally be for multiple issue areas and would thereby be counted twice.

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

years (2010, 2013, and 2014). The shifts in share between these two fields of activity from year to year could be due to 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 2018, among a matched set of funders, performing arts grant dollars was down 1% compared to 2017, while the number of grants increased 5%. A total of 7,729 grants were awarded for the performing arts by foundations in the set — more than double the number reported for museums. In general, the average performing arts grant tends to be smaller in size than the average museum grant (around \$112,000 versus \$221,000 in 2018). The largest share of giving to the performing arts supported theaters and performing arts centers. Among the largest performing arts grant in the latest sample was a \$10 million general support award from the Community Foundation of Greater Memphis to Ballet Memphis. Included within the performing arts is support for performing arts education, which totaled \$54.8 million in 2018. For more detail of foundation grant dollars supporting other types of arts education, see "Giving to multidisciplinary arts."

Giving to museums.

In 2018, museums benefited from 3,228 grants totaling \$714 million awarded by the 1,000 largest foundations included in the Foundation 1000 data set. Nearly half of funding supported art museums. Among a matched set of funders,

grant dollars allocated to museums was down 8% between 2017 and 2018, while the number of grants declined 4%. The largest museum grant in 2018 was a \$48.9 million grant from Silicon Valley Community Foundation to the Flying Heritage and Combat Armor Museum.

Giving to the humanities.

In 2018, the humanities benefited from 1,871 grants totaling \$328 million awarded by the 1,000 largest foundations included in the Foundation 1000 data set.⁴ Funding for this area accounted for 10% of arts grant dollars in 2018, consistent with the share captured in 2017. Among a matched set of funders, grant dollars awarded for the humanities increased 8%, while the number of grants awarded was up 39%.

Giving to historic preservation.

Support for historic preservation declined 23% between 2017 and 2018 among a matched set of funders, while the number of grants awarded remained the same.⁵ Among the largest grants awarded for historic preservation in the latest year was a \$5 million grant from the Andrew W. Mellon Foundation to Equal Justice Initiative for the construction of a center of education, interpretation, and art at the National Memorial for Peace and Justice, and the development of programs that will disseminate knowledge about the history of slavery in the United States. Overall, historic preservation benefited from 1,318 grants totaling \$165.2 million in 2018.

Giving to multidisciplinary arts.

The share of arts giving for multidisciplinary arts went up to 19% in 2018 from 11% in 2017.⁶ Grant dollars awarded for multidisciplinary arts also increased 76% between 2017 and 2018 among the matched set of funders. Within multidisciplinary arts, arts services generally, defined as a provision of services to arts organizations, including facilities or touring assistance, saw a significant increase. Among the various subcategories of multidisciplinary arts, arts education (excluding performing arts education) totaled \$92 million in the latest year.

Giving to the visual arts.

Among a matched set of funders, grant dollars for the visual arts and architecture increased 37% between 2017 and 2018, while the number of grants for the field was up 6%. The visual arts and architecture benefited from \$229 million in 2018, including a \$4 million grant from the Bernard and

TABLE 1. Distribution of grants by support strategy, 2018

Support strategy	Dollar amount	%	No. of grants	%
Capacity-building and technical assistance	160,832,374	5.4	568	3.0
Capital and infrastructure	417,322,898	14.0	1,347	7.1
Building acquisitions	960,000	–	4	–
Building and renovations	189,187,374	6.3	385	2.0
Capital campaigns	86,442,087	2.9	255	1.3
Collections acquisitions	19,124,295	0.6	113	0.6
Collections management and preservation	15,534,439	0.5	25	0.1
Equipment	8,196,260	0.3	131	0.7
Facilities maintenance	4,800,996	0.2	9	–
Information technology	11,609,961	0.4	55	0.3
Land acquisitions	6,158,598	0.2	11	0.1
Rent	–	–	–	–
Other capital and infrastructure	100,149,411	3.3	431	2.3
Financial sustainability	189,794,065	6.3	755	4.0
Annual campaigns	25,107,753	0.8	119	0.6
Debt reduction	2,928,242	0.1	5	–
Earned income	145,000	–	4	–
Emergency funds	33,930,032	1.1	19	0.1
Endowments	101,780,830	3.4	136	0.7
Financial services	365,000	–	2	–
Fundraising	21,539,902	0.7	285	1.5
Sponsorships	7,563,945	0.3	27	0.1
Other financial sustainability	23,708,329	0.8	171	0.9
General support	745,868,643	24.9	5,057	26.5
Individual development and student aid	125,957,986	4.2	679	3.6
Leadership and professional development	41,447,058	1.4	199	1.0
Network-building and collaboration	77,665,592	2.6	385	2.0
Participatory grantmaking	400,000	–	1	–
Policy, advocacy, and systems reform	59,518,610	2.0	260	1.4
Advocacy	19,878,809	0.7	93	0.5
Coalition building	360,000	–	2	–
Equal access	25,013,708	0.8	140	0.7
Ethics and accountability	497,500	–	9	–
Grassroots organizing	625,000	–	8	–
Litigation	60,000	–	2	–
Public policy and systems reform	3,185,663	0.1	30	0.2
Other policy, advocacy, and systems reform	14,603,414	0.5	51	0.3
Publishing and productions	348,318,505	11.6	2642	13.9
Product and service development	2,361,160	0.1	15	0.1
Program support	714,436,680	23.9	4,451	23.3
Public engagement and marketing	125,936,034	4.2	399	2.1
Research and evaluation	78,997,094	2.6	202	1.1
Other specified strategies	119,129,625	4.0	284	1.5
Not specified	528,240,754	17.7	4,655	24.4
Total	2,989,899,989	100.0	19,074	100.0

Source: Candid, 2021. 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 private and community foundations. Grants may occasionally be for multiple support strategies, e.g., for new works and for endowment, and would thereby be counted twice.

Anne Spitzer Charitable Trust to the City College of New York for the Bernard and Anne Spitzer School of Architecture.

Grants by Support Strategy

An important caveat to report with regard to the allocation of foundation dollars by specific support strategy is that for roughly one-fifth of arts grant dollars in the 2018 Candid sample, the support strategy could not be identified. This means that modest differences in percentages may not be reliable.⁷

The arts compared to other foundation fields of giving.

The three largest categories of support tracked by Candid are general operating support, program support, and capital support.

General operating support received the largest share of arts grants dollars in 2018 (25% of all arts funding). The shares of grant dollars and number of grants allocated for this support strategy in 2018 were higher for arts and culture (25% and 27%, respectively) than the overall share directed to general operating support by the Foundation 1000 foundations, which accounted for 19% of grant dollars and 22% of the number of grants.

Program support accounted for the second largest share of arts grant dollars in 2018 (24% of all arts funding). Special programs and projects typically receive one of the largest shares of arts and culture grant dollars and grants. In fact, the same is true in most of the major fields, such as health and education, where program support consistently accounts for one of the largest shares of funding.

Capital support accounted for the third largest share of arts grant dollars. Similar to general support, the share of grant dollars allocated for this type of support was also higher for arts and culture

TABLE 2. Arts grants by grant size, 2018

Grant range	No. of grants	%	Dollar amount	%
\$5 million and over	71	0.4	\$810,458,054	27.1
\$1 million – under \$5 million	453	2.4	774,077,922	25.9
\$500,000 – under \$1 million	581	3.0	362,906,089	12.1
\$100,000 – under \$500,000	3,302	17.3	628,599,154	21.0
\$50,000 – under \$100,000	2,952	15.5	181,671,077	6.1
\$25,000 – under \$50,000	4,174	21.9	128,053,190	4.3
\$10,000 – under \$25,000	7,541	39.5	104,134,503	3.5
Total	19,074	100.0	\$2,989,899,989	100.0

Source: Candid, 2021. 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 private and community foundations.

TABLE 3. Twenty-five largest arts, culture, and media funders, 2018

Rank	Foundation	State	No. of arts grants	Arts grant dollars	Total grant dollars	Arts as % of total dollars	Arts capital support dollars	Arts other support dollars
1.	The Andrew W. Mellon Foundation	NY	261	\$192,902,274	\$310,707,774	62.1	\$29,971,000	\$181,992,274
2.	Silicon Valley Community Foundation	CA	465	150,488,180	1,946,989,438	7.7	325,000	8,146,037
3.	Greater Kansas City Community Foundation	MO	95	97,440,146	249,460,563	39.1	10,200	28,774,459
4.	Windgate Charitable Foundation, Inc.	AR	146	82,689,051	110,295,901	75.0	22,750,000	67,545,251
5.	Lilly Endowment Inc.	IN	76	73,002,997	509,982,399	14.3	3,051,756	69,400,951
6.	The Columbus Foundation	OH	252	55,691,333	170,259,769	32.7	56,212	54,227,770
7.	Bloomberg Philanthropies, Inc.	NY	20	40,755,700	560,123,788	7.3	22,750,000	17,574,700
8.	Doris Duke Charitable Foundation, Inc.	NY	64	39,928,600	88,183,842	45.3	10,000,000	29,393,600
9.	136 Fund	NY	3	39,000,000	39,000,000	100.0	-	38,750,000
10.	Walton Family Foundation	AR	62	37,266,810	480,632,074	7.8	-	34,709,894
11.	Eli & Edythe Broad Foundation	CA	19	37,184,478	153,502,455	24.2	1,000,000	36,975,328
12.	NoVo Foundation	NY	44	35,387,500	226,692,745	15.6	-	33,537,500
13.	Drue Heinz Trust	PA	8	35,158,451	37,750,451	93.1	-	35,158,451
14.	The Davee Foundation	IL	19	35,120,000	93,579,500	37.5	-	35,120,000
15.	Ford Foundation	NY	118	31,979,000	503,632,619	6.3	2,300,000	29,979,000
16.	The Grainger Foundation Inc.	IL	26	30,852,072	66,887,652	46.1	5,276,336	30,567,072
17.	Dodge Jones Foundation	TX	14	30,716,796	109,250,072	28.1	303,250	30,625,796
18.	Community Foundation of Greater Memphis	TN	174	28,933,871	200,542,919	14.4	6,146,782	25,474,219
19.	The San Francisco Foundation	CA	131	28,318,624	145,937,247	19.4	14,591,053	21,433,138
20.	The Shubert Foundation Inc	NY	484	27,925,000	29,525,000	94.6	-	27,870,000
21.	The Freedom Forum, Inc.	DC	1	26,583,292	34,787,030	76.4	-	26,583,292
22.	John S. and James L. Knight Foundation	FL	122	26,233,183	87,000,340	30.2	500,000	19,080,816
23.	The Brown Foundation, Inc.	TX	163	25,423,305	63,487,053	40.0	14,581,271	22,508,379
24.	The William and Flora Hewlett Foundation	CA	129	24,514,500	418,365,964	5.9	1,250,000	24,414,500
25.	Charles Stewart Mott Foundation	MI	12	24,089,490	122,674,079	19.6	19,750,000	4,339,490
	Total		2,908	\$1,257,584,653	\$6,759,250,674	18.6	\$154,612,860	\$934,181,917

Source: Candid, 2021. 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 private and community 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.

(14%) than for grants overall (8%). Grants for capital support are larger on average than awards for program and general operating support, and exceptionally large capital grants can have a pronounced effect on the distribution of funding by support strategy.

Arts grants by specific types of support.

Table 1 provides a breakdown of more specific support strategies within the larger support categories and lists both the specific dollar value and number of grants made in each type. As for all data in the "snapshot," it is important to keep in mind that this table includes only grants of \$10,000 or more awarded to organizations by a sample of the top 1,000 foundations by total giving. It is also important to note that about one-fifth of the arts grant dollars in this sample did not have a specified support strategy.

Grants by Grant Size

Median grant size.

The median or "typical" grant amount for arts and culture in 2018 was \$28,150, which was below the median amount for all foundation grants (\$35,000).⁸ While this is the fourth consecutive year that the median arts grant amount has exceeded \$25,000* more study would be required to determine whether this is a lasting upswing in the size of arts grants.⁹

Small and midsized grants.

Roughly two-thirds (61%) of all arts grants in the 2018 sample were for amounts between \$10,000 and \$49,999, nearly unchanged from the 2017 share. The share of midsized arts grants (\$50,000 to \$499,999) also remained consistent, accounting for one-third of arts grants.

TABLE 4. Top thirty-five foundations by share of arts giving out of overall giving, 2018

Rank	Foundation	State	Foundation type*	No. of arts grants	Arts grant dollars	Total grant dollars	Arts as % of total dollars	Arts capital support dollars**	Arts other types of support dollars**
1.	136 Fund	NY	CS	3	\$39,000,000	\$39,000,000	100.0	–	\$38,750,000
2.	Jerome Foundation Inc.	MN	IN	91	4,433,000	4,433,000	100.0	–	4,433,000
3.	Johnson Art and Education Foundation	NJ	IN	2	3,750,000	3,750,000	100.0	–	3,750,000
4.	Hsu Family Foundation Inc.	FL	IN	1	1,250,000	1,250,000	100.0	–	1,250,000
5.	The William C. and Susan F. Morris Foundation	NY	IN	1	100,000	100,000	100.0	–	100,000
6.	The Harriet and Esteban Vicente Foundation, Inc.	NY	IN	2	100,000	100,000	100.0	–	100,000
7.	The Querrey Simpson Charitable Foundation	FL	IN	1	31,441	31,441	100.0	–	31,441
8.	The Walt and Lilly Disney Foundation	CA	IN	4	9,399,901	9,534,901	98.6	–	100,000
9.	The SHS Foundation	NY	IN	56	5,802,300	6,052,300	95.9	25,000	2,862,300
10.	The Shubert Foundation Inc	NY	IN	484	27,925,000	29,525,000	94.6	–	27,870,000
11.	Muriel McBrien Kauffman Foundation	MO	IN	71	12,794,446	13,724,446	93.2	610,000	11,929,924
12.	Drue Heinz Trust	PA	IN	8	35,158,451	37,750,451	93.1	–	35,158,451
13.	Lloyd Rigler Lawrence E. Deutsch Foundation	CA	IN	8	5,892,590	6,337,590	93.0	–	–
14.	The Riggio Foundation	NY	IN	15	4,055,000	4,654,105	87.1	2,320,000	1,720,000
15.	Dunard Fund USA, Ltd.	IL	CS	14	2,920,474	3,429,875	85.1	–	2,920,474
16.	Howard Gilman Foundation	NY	IN	153	15,815,000	18,988,750	83.3	925,000	15,500,000
17.	J. Paul Getty Trust	CA	OP	107	8,631,000	10,601,222	81.4	2,635,307	8,380,500
18.	Ann and Gordon Getty Foundation	CA	IN	88	7,455,000	9,192,500	81.1	–	134,500
19.	Terra Foundation for American Art	IL	IN	38	9,085,182	11,273,477	80.6	35,000	7,112,346
20.	The Packard Humanities Institute	CA	OP	8	4,760,275	5,944,275	80.1	–	4,435,000
21.	The Christensen Fund	CA	IN	14	4,342,900	5,434,900	79.9	–	4,307,900
22.	The Florence Gould Foundation	NY	IN	31	4,348,110	5,501,047	79.0	524,460	3,698,110
23.	Bonfils-Stanton Foundation	CO	IN	48	2,627,500	3,392,500	77.5	810,000	1,917,500
24.	The Lee and Juliet Folger Fund	VA	IN	13	3,953,000	5,163,000	76.6	3,338,000	2,911,000
25.	The Freedom Forum, Inc.	DC	OP	1	26,583,292	34,787,030	76.4	–	26,583,292
26.	Arison Arts Foundation	FL	IN	37	17,053,599	22,403,599	76.1	–	17,053,599
27.	Windgate Charitable Foundation, Inc.	AR	IN	146	82,689,051	110,295,901	75.0	22,750,000	67,545,251
28.	Millicent and Eugene Bell Foundation	MA	IN	4	66,500	91,500	72.7	–	66,500
29.	The Sidney E. Frank Foundation	CA	IN	44	11,037,505	15,710,455	70.3	305,000	10,877,275
30.	The Goatie Foundation	OH	IN	11	6,025,000	8,955,000	67.3	4,025,000	5,135,000
31.	The Laurie M. Tisch Foundation, Inc.	NY	IN	57	12,922,500	19,915,431	64.9	3,350,000	5,420,000
32.	The Andrew W. Mellon Foundation	NY	IN	261	192,902,274	310,707,774	62.1	29,971,000	181,992,274
33.	O'Donnell Foundation	TX	IN	5	1,888,333	3,058,676	61.7	–	1,888,333
34.	The Hsieh Family Foundation	CA	IN	4	557,500	903,490	61.7	–	557,500
35.	First Horizon Foundation	TN	CS	127	3,634,710	5,896,417	61.6	–	3,609,710

Source: Candid, 2021. 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 private and community 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.

Large grants.

The share of larger arts grants (\$500,000 and over) remained consistent, between 5–6% of the total number of arts grants in 2018. Their share of total grant dollars remained roughly the same accounting for 65%. Overall, foundations in the sample made 158 arts grants of at least \$2.5 million in 2018, up from 126 grants in 2017.

In addition to the \$10 million general support award from the Community Foundation of Greater Memphis to Ballet Memphis noted earlier, examples of other especially large grants in 2018 include Bloomberg Philanthropies \$20 million grant for support and maintenance for the Shed NYC, a cultural center that commissions, produces, and presents a wide range of activities in performing arts, visual arts, and pop culture; a \$5.4 million grant from the Doris Duke Charitable Foundation

to the New England Foundation for the Arts to support the National Dance Project, which enables artists to create, present and tour new dance work; and a \$3 million award from the Avenir Foundation to the Denver Art Museum for the museum's Vision 2021 campaign.

The twenty-five largest arts funders.

The top twenty-five arts funders by giving amount provided 42% of the total arts dollars in Candid's 2018 sample, above the 38% share from 2017.

Overall, the share of giving accounted for by the top twenty-five arts funders has fluctuated between roughly 30–40% since the end of the 1990s.

Top foundations by share of arts giving out of overall giving.

Of the foundations that committed large percentages of their grant dollars to arts and culture, many are smaller foundations in the sample. Among the top one hundred foundations ranked by share of arts giving out of total giving, one-third (or 32 funders) gave less than \$5 million in total arts grant dollars in 2018.

Giving for international cultural exchange

Grant dollars supporting international cultural exchange was down 14% between 2017 and 2018 among a matched subset of funders. In 2018, foundations awarded 131 grants related to international cultural exchange totaling \$14.5 million. Among the larger awards was a \$1 million grant from the Andrew W. Mellon Foundation to Mid Atlantic Arts Foundation for its USArtists International program which supports performances by US artists at impactful international festivals and performing arts marketplaces outside the United States and its territories.

Reina Mukai currently serves as manager on the Global Projects & Partnerships team at Candid (formerly Foundation Center and GuideStar). In this role, she works on a range of research and data-driven projects. Mukai has authored numerous reports on national, regional, and special-topic trends in the field of philanthropy, among them, Giving in Illinois, Arts Funding Snapshot: GIA's Annual Research on Support for Arts and Culture, and the Key Fact Sheet series. She also works with partners on custom data consulting services and research projects.

NOTES

1. Candid's 2018 Foundation 1000 set includes all 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 roughly 86,000 active US-based private and community foundations. Grant amounts may represent the full authorized amount of the grant or the amount paid in that year, depending on the information made available by each foundation.
2. Between 2017 and 2018 the composition of the Foundation 1000 has changed, which could distort year-to-year fluctuations in grant dollars targeting specific issue areas. To account for these potential distortions year to year, Candid has analyzed changes in giving based on a subset of 839 funders for which we had 2017 and 2018 data.
3. Candid provides statistics based on share of number of grants, which are not skewed by exceptionally large grants.
4. Included within the humanities is funding for art history, history and archaeology, classical and foreign languages, linguistics, literature, philosophy, and theology.
5. Includes support for archaeology, art history, modern and classical languages, philosophy, ethics, theology, and comparative religion.
6. Includes support for multidisciplinary centers, arts councils, artist's services, arts administration, arts exchange, and arts education.
7. The grant records available to Candid often lack the information necessary to identify the support strategy. For example, it is often the case that the only source of data on grants is the 990-PF tax return, and this tends to be less complete than other forms of grant reporting.
8. 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.
9. Prior to 2015, the median amount had remained consistent at \$25,000 since the early 1990s.

Public Funding for the Arts 2020

Ryan Stubbs and Patricia Mullaney-Loss

Public funding for the arts in the US is allocated from federal, state, and local governments. Congressional allocations to the NEA, legislative appropriations to state arts agencies and local government funds going to local arts agencies reported in Fiscal Year (FY) 2020 provide useful indicators of public support for the arts and culture before the Covid-19 pandemic. Together, these agencies and organizations distribute grants and services to artists and cultural organizations across the nation.

2020 Funding Levels

The federal government, states, and localities appropriated a combined \$1.47 billion to the arts in FY2020, for a total per capita investment of \$4.42. Comprising this total were:

- \$162.3 million in appropriations to the NEA, an increase of 4.7% from FY2019.
- \$435.4 million in legislative appropriations to state and jurisdictional arts agencies (SAAs), an increase of 21% from FY2019.
- \$860.0 million in funds allocated by municipal and county governments to local arts agencies (LAAs),¹ which remained flat from FY2019.

Trends over Time

Before the pandemic, aggregate funding for the arts reached a new high water mark of the last two decades, an increase of almost 17% during the past 20 years. State and local funding patterns correlate with periods of economic growth and recession. After the longest economic expansion in recent history,² enacted appropriations almost surpassed the FY2001 funding levels (without

adjusting for inflation). Local funding reported maintaining a historic high point over the last two fiscal years. Federal funding for the NEA has displayed incremental growth after sustaining cuts during the last recession.

Public funding for the arts has not kept pace with inflation despite nominal increases. When adjusting for inflation, total public funding decreased by 19% during the past 20 years. In constant dollar terms, state arts agency appropriations decreased by 33%, local funding contracted by 14%, and federal funds have increased by 7%.

Serving a Growing Population

Inflation measures how far each dollar stretches today compared to decades past. Measuring public funding relative to the population shows how much each tax dollar is stretched to benefit all residents. As populations grow, public arts agencies need to serve more people. Combined, federal, state, and local arts funding yielded a per capita investment of \$4.42 per person in 2020. Federal, state, and local funding each contribute \$0.49, \$1.32, and \$2.61, respectively. Combined per capita appropriations have been increasing since 2012 and just surpassed nominal 2001 in FY2020. When taking inflation into consideration, total per capita appropriation equaled \$3.06 in 2020. This analysis shows that the decreasing value of the dollar, coupled with an increasing population, limits the services and programs public agencies can deliver to constituents.

Looking Forward and the Implications of Covid-19

Before the pandemic hit the US last February, the majority of states were expecting positive revenue increases to continue into FY2021. Following a decade of economic expansion, states were at an all-time aggregate high in rainy-day funds and were better off financially than they were before the Great Recession. However, in the wake of Covid-19, state revenues declined for the first time since the Great Recession. All states are experiencing or expecting significant budget cuts and the worse is yet to come as state tax collections and state spending are slower to respond to economic cycles. Since most states have balanced budget restrictions, cuts are expected to be as high as 15–20% in the next two fiscal years.³ The Center for Budget and Policy priorities estimates that state budget shortfalls could reach \$400 billion by FY2022,⁴ particularly if the federal government issues no further direct state relief.⁵ This estimate does not account for the rise in healthcare costs

FIGURE 1. Federal, state, and local government per capita appropriations, 2020

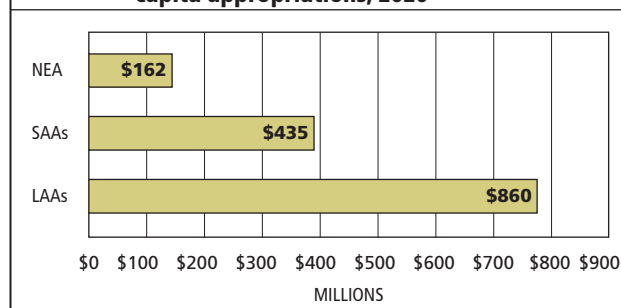
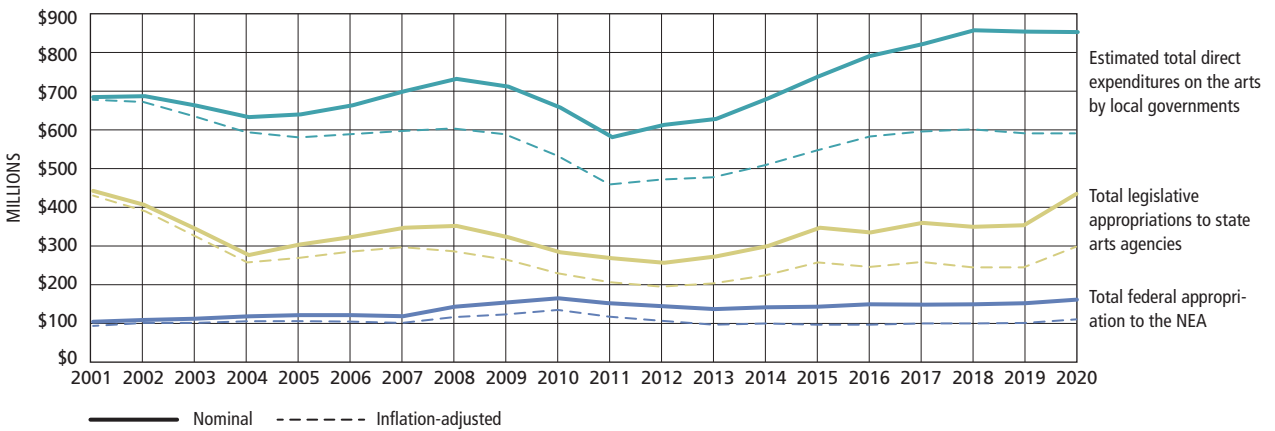


FIGURE 2. Federal, state, and local government arts funding, nominal and inflation-adjusted dollars, 2001–2020



Federal, state, and local government arts funding, nominal and inflation-adjusted dollars, 2001–2020. Inflation-adjusted figures are represented by corresponding lines below each source. Inflation adjustments are calculated using Bureau of Labor Statistics Consumer Price Index (CPI) figures with a base year of 2001.

related to Covid-19, nor the sustained assistance citizens need during the ongoing pandemic.

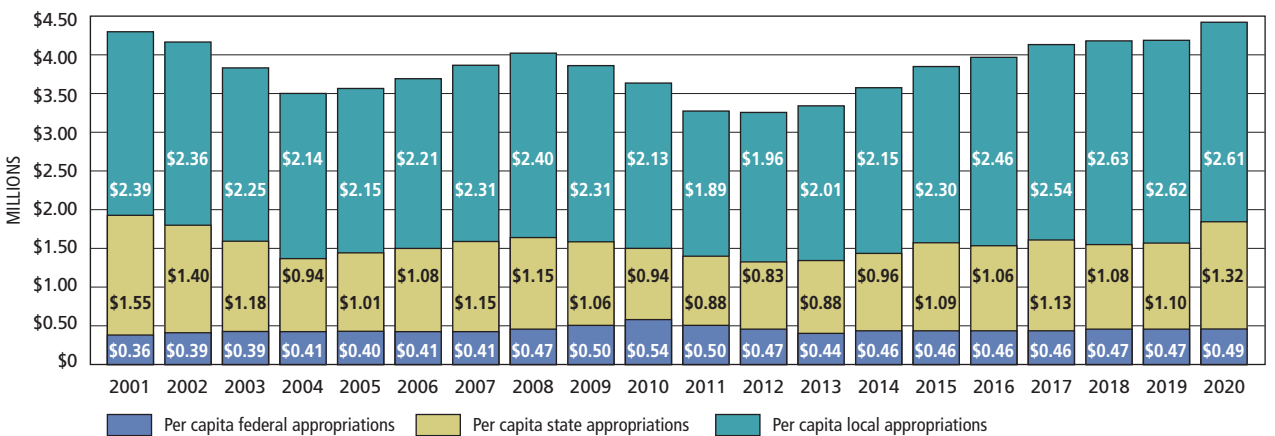
Appropriations to state art agencies are directly linked to state revenue. Based on preliminary estimates for FY2021, aggregate funding to states arts agencies is projected to significantly decrease. Thirty-six states will likely experience flat or decreased funding, compared to 17 in FY2020. Additionally, 32 states are expected to invest less than \$1.00 per capita for the arts.⁶

In Americans for the Arts’ Local Arts Agency 2019 Census, 64% of LAAs reported operating budgets increasing or remaining flat.⁷ However, given FY2020 and FY2021 financial realities, one can expect fewer budget increases for LAAs over the next few years. Most of LAA’s revenue is derived from earned or contributed income and from

local government revenue. All of these sources are expected to decrease in the wake of the recession. Local governments in particular have been hit hard with Covid-related expenses. According to a survey by the National League of Cities, general fund revenue growth was near zero in FY2020 and 90% of cities surveyed will be less able to meet the fiscal needs of residents.⁸

States and localities are looking to the federal government for relief and assistance during this crisis. At the time of this writing, the Congress has passed two Covid-relief bills, but has not passed a full FY2021 budget. The first stimulus bill, the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed back in March, gave additional funds to the NEA for emergency grants and direct funding to states. Further details on how CARES funding has affected the arts and cultural sector is detailed below. Congress

FIGURE 3. Federal, state, and local government per capita appropriations, 2001–2020



Per capita appropriations from federal, state, and local government for the past 20 years showing consistently the largest proportion of funding coming from local government and the smallest proportion of funding coming from the federal government, per capita.

recently passed a second Covid stimulus bill that includes direct aid to individuals, but no additional aid for states and localities.

Federal support through the CARES Act has been an important part of the toolkit that federal and state governments are using to address losses caused by Covid-19 in the cultural sector. The CARES Act included \$75 million in funds distributed through the NEA granted to arts organizations directly. By law, 40% of those dollars were allocated to SAAs and regional arts organizations, which are regranteeing them through state level arts relief programs. Apart from these funds, the CARES Act also included \$150 billion in aid to states and localities. Some states elected to use some of these funds for grants or loans to mitigate economic harm caused by the pandemic. At the time of this publication, 29 states are in the process of tapping into this aid for the cultural sector. Most of these CARES Act dollars are going to emergency relief grants for organizations and individuals in the cultural sector. In the upcoming year, it is likely that more states will allocate portions of federal relief funding to arts institutions and artists, but that is also contingent on whether further federal relief is distributed states and localities in 2021.

Implications for Grantmaking

Over the last ten months, public and private sectors have had to adapt to new public health and economic realities. Aside from the additional federal assistance to the cultural sector described above, agencies at all levels of government have had to modify existing grant programs or quickly create new grants to serve organizations and individuals in crisis. Grantmaking adaptations due to the pandemic have yielded a range of strategies to serve constituents in need. Universally, SAAs allowed for flexibility in the administration of grant funds for programs that were suddenly unable to be conducted as originally conceived. Examples of adaptations included: allowing grantees to utilize project support for operating support; allowing for proposed programming to switch from in-person to online activities; extending deadlines over a longer period; and reducing matching requirements. At the federal level, the NEA allowed for flexibilities such as deadline extension and reasonable programmatic adjustments. Public funders are also grappling with the extent to which program adjustments should be continued in a post-Covid environment.

Before the pandemic, direct federal grants from the NEA totaled 2,227 at \$55.9 million in FY2019.

Another \$51.5 million, or about 40% of the NEA's appropriation, was awarded to state and regional agencies for further grantmaking and related services. SAAs awarded 24,984 grants and \$315.1 million in award dollars in FY2019 using a combination of state and federal funds.

In turn, state arts agencies work in partnership and provide funding and services with many local government arts agencies. SAAs invest almost \$37 million in local arts agencies. These grants help them secure additional public and private dollars at the local level.⁹ A large portion of SAA grants to local agencies (31%) is for operating support — flexible dollars that can be used to support community arts activities and operations in accordance with local needs and circumstances.¹⁰ In addition to funding performances, exhibitions, and other programs, some SAAs also fund decentralized grantmaking through local arts agencies.

Local governments invest more dollars on arts and culture when compared to states and the NEA, but LAAs are less likely to focus their services on grantmaking. According to the 2019 local arts agency census, 58% of local arts agencies operate direct grantmaking programs.¹¹ Larger percentages of LAAs support direct culture programming (84%) and manage cultural facilities (62%), while 28% also provide non-grant contracts to organizations.

Grantmaking across Sectors

Grantmaking across public and private sectors provide funding for a diverse array of programs, organizations, and services. However, there is not an exact alignment when comparing data. LAAs, for instance, do not currently use a standard data collection process across the nation. To understand relative investments across public and private funders, we can use published data from state arts agencies, the NEA, and Candid's 2018 data on the 1,000 largest foundations.

Like per capita calculations, analyzing the number and size of awards proves useful when assessing how public funds serve the entire population. The distribution of grants from publicly funded art agencies reflect the priority of reaching more communities across the country. In order to reach more constituents with the amount of appropriations a public entity receives, many of these grants will be small in size. To illustrate this, SAAs have a median award value of \$5,000. Although the median award amount from the NEA is \$20,000, 51% of all awarded NEA grants are less than \$25,000 in size. In contrast, the 1,000 largest foundation award

higher levels of grant dollars, 92% of which are above \$50,000.

Another important point of comparison is types of support strategies employed by public and private funders. Foundations and SAAs make significant grant investments in operating support. Foundations spent approximately 25% of their arts and culture grant dollars on operating support in 2018. In terms of the percentage of dollars invested, both foundations and SAAs make the largest commitment to operational support — 30.5% of state arts agency grant dollars and 20% of all state arts agency awards went to operational supporting FY2019.

Although the NEA's statute prohibits the agency from awarding operating support grants, over \$50 million dollars are invested in SAAs and regional art organizations. These dollars enable state and local arts agencies to make investments in operating support by increasing the total dollars agencies have available for grants and services.

Outside of operating support, it is possible to compare a few other grant categories and activity types. Foundations, SAAs, and the NEA all make investments in museums and arts education. A key contrast between public and private sectors is investment in capital construction and physical infrastructure. Foundations bear the load for funding physical cultural infrastructure in the US, with 14% of foundation grant dollars going to capital and infrastructure.

Another challenging topic for grantmakers is investment in individual artists and fellowships.¹² At the local level, 39% award grants to individual artists and 42% of LAAs provide non-grant contracts to individual artists. In FY2019, state arts agencies made 2,600 awards to individual artists.¹³ When compared to other types of applicants, awards to individual artists were the second most frequent type of award made by SAAs. The NEA makes a few selected investments in individual artists — through National Heritage Fellows, Jazz Masters, and Literature Fellowships — but is otherwise statutorily restricted from awarding grant funds to individual artists. Private foundations also fund individuals, but comparison data is not available.

Private and public funders fulfill different roles within the arts and cultural ecosystem. This complementary array of support strategies is necessary for the cultural sector to thrive. While the private sector provides the lion's share of support, public funds support different grantmaking patterns to reach the needs of their constituencies and public mandates.¹⁴ Government support at the federal, state, and local levels makes access to arts and culture across the nation possible.

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NOTES

1. Americans for the Arts substantially changed the methodology for collecting local arts agency investments through the local arts agency census in 2016. Annual estimates are used prior to 2011 and after 2016.
2. <https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions>
3. <http://budgetblog.nasbo.org/budgetblogs/blogs/shelby-kerns1/2020/09/08/state-revenues-decline-for-first-time-since-the-gr>
4. <https://www.cbpp.org/research/state-budget-and-tax/pandemics-impact-on-state-revenues-less-than-earlier-expected-but>
5. <http://budgetblog.nasbo.org/budgetblogs/blogs/shelby-kerns1/2020/09/08/state-revenues-decline-for-first-time-since-the-gr>
6. Trend data on legislative arts funding in every state and jurisdiction can be found at https://nasaa-arts.org/nasaa_research/8306/.
7. https://www.americansforthearts.org/sites/default/files/pdf/2019/networks_and_councils/local_arts_network/profile/2019_LocalArtsAgencyProfile_FullReport_FINAL.pdf
8. NCL, City Fiscal Conditions 2020 https://www.nlc.org/wp-content/uploads/2020/08/City_Fiscal_Conditions_2020_FINAL.pdf
9. <https://nasaa-arts.org/wp-content/uploads/2017/03/LAA-Grant-Making-Fact-Sheet.pdf>
10. National Assembly of State Arts Agencies, Support for Local Arts Agencies, FY2019. https://nasaa-arts.org/nasaa_research/laa-grant-making-fact-sheet/
11. Americans for the Arts, Local Arts Agency Profile, 2019 https://www.americansforthearts.org/sites/default/files/pdf/2019/networks_and_councils/local_arts_network/profile/2019_LocalArtsAgencyProfile_FullReport_FINAL.pdf
12. Grantmakers in the Arts, Support for Individual Artists <http://www.giarts.org/support-individual-artists>
13. NASAA, State Arts Agency Support for Individual Artist Fact Sheet https://nasaa-arts.org/nasaa_research/indivartistgrantmakingfactsheet0316/
14. Andrew W. Mellon Foundation, Better Together; Public and Private Funding for the Arts, Pam Breaux <https://mellon.org/resources/shared-experiences-blog/better-together-public-and-private-funding-arts/>