

Vital Signs Snapshots of Arts Funding

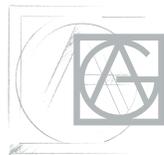
Grantmakers in the Arts, in partnership with the Foundation Center, has provided an annual snapshot of foundation arts funding since 2001. To draw a more complete picture, this year we also provide trend information about government arts funding.

Foundation Grants to Arts and Culture, 2005 A One-year Snapshot

Produced through a partnership of Grantmakers in the Arts and the Foundation Center

Public Funding for the Arts: 2007 Update

Provided by the National Assembly of State Arts Agencies



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Vital Signs

Anne Focke

The *Reader's* annual Vital Signs presents patterns that emerge in arts philanthropy among foundations and public agencies. The picture here includes foundation giving to the arts based on data from the Foundation Center and trends on public funding for the arts provided by the National Assembly of State Arts Agencies (NASAA).

In reviewing the information, it is important to keep in mind that these two sources represent only part of the whole story. *Giving USA*, for instance, reports that of private philanthropy to all fields in 2006, foundations accounted for only 12.4 percent of the total \$296 billion. By far the largest portion comes from individuals, the balance from corporations and bequests. On the other hand, if we look at the revenue streams of nonprofit arts organizations, private philanthropy from all sources (individuals, foundations, corporations, and bequests) has typically equaled about 40 percent of total revenues, public sources about 10 percent, and earned revenues about 50 percent.

GIA has worked with the Foundation Center since 1993, and in 2001 we began to publish a few key findings in annual "snapshots" of foundation arts giving. This approach was recommended by a team of GIA members who have been a consistent eye on the data for us since then: Kelly Barsdate, NASAA; Cynthia Gehrig, Jerome Foundation; Marian Godfrey, the Pew Charitable Trusts; and Edward Pauly, the Wallace Foundation; and James Allen Smith, Robert Sterling Clark Foundation.

The 2005 data used in the snapshot here, tells us that foundation funding for arts and culture continues to be stable as a share of all foundation giving. In a recent phone call, advisors Godfrey and Pauly suggested that, rather than treat this as "no news," we should recognize that it is, in fact, indicative of an

important trend. Given how frequently we hear reports of the arts being "in crisis," continued evidence of stability in foundation funding levels is good news. Crisis there may well be, but not because of fluctuations in foundation funding. We need to look elsewhere.

In our phone conversation, GIA's advisors referred to a study that focused on the underlying causes of the current condition of the arts sector in California, and they suggested that its findings pertain beyond state borders. *Critical Issues Facing the Arts in California* was conducted by Holly Sidford of AEA Consulting with support from the James Irvine Foundation. A search for the source of "crisis" could begin with the opening paragraph of study excerpts published in the *Reader* (Winter 2006):

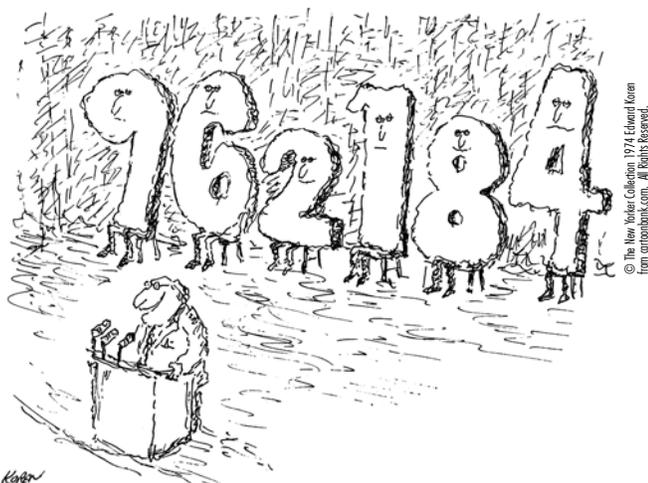
The cultural sector does not exist in a vacuum. It is being challenged by major demographic, economic, technological, and social factors outside its immediate control. While the commercial arts and individual artists are also struggling to adapt to these changes, for a variety of reasons the nonprofit arts sector has been particularly slow to respond effectively.

GIA will be taking a closer look at many of these factors in upcoming months. The next issue of the *Reader* (a special "double-wide" edition available September 2007) will contain essays by thirteen creative thinkers and provocateurs commissioned in conjunction with GIA's upcoming conference in northern New Mexico. (See page 14.) Taken as a whole, the essays look at where the arts field has been, challenges it faces today, and profound changes that lie ahead.

In one essay, Adrian Ellis, principal of AEA Consulting, carries further one of the themes of the California study. He focuses on characteristics of 501(c)(3) nonprofit organizations and identifies shortcomings that he believes affect their ability to respond to a context of rapid change. He also challenges the funding community to give thought to how its decisions can help address the shortcomings. His challenge takes aim not so much at the level of funding as at the decisions underlying how and where resources are allocated.

Michael Morgan (music director, Oakland East Bay Symphony) takes a different tack by challenging funders to be bolder and more trusting of their instincts in their approach to changing contexts. He calls on them to find their "Inner Caribbean Woman." "Your rhythm is not in your head...I would like to actually see more...more heart in the work of the grantors."

As with the other eleven, these two essays will provide starting points for discussion – discussion we will encourage at our conference; in GIA's first online, web-based conversation (a first for us, you'll find instructions with the essays); and among *Reader* readers wherever you are. We look forward to following your conversations.



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"Tonight, we're going to let the statistics speak for themselves."

Foundation Grants to Arts and Culture, 2005

A One-year Snapshot

Steven Lawrence

Highlights

The Foundation Center offers these key findings from GIA's seventh snapshot of foundation giving to arts and culture. The definition of arts and culture used for this snapshot is based on the National Taxonomy of Exempt Entities and encompasses funding for the performing arts, museums, visual arts, multidisciplinary arts, media and communications, humanities, and historical societies/historical preservation. Most importantly the findings tell us about the changes in foundation giving for the arts between 2004 and 2005 and the distribution of 2005 giving among arts and cultural institutions and fields of activity. They are based on arts grants of \$10,000 or more reported to the Foundation Center by 1,154 of the largest U.S. foundations, hereafter referred to as "the sample." (footnote 1) The Center has conducted annual examinations of the giving patterns of the nation's largest foundations for almost three decades.

Foundation funding for arts and culture increased slightly in 2005, although it lagged behind growth in overall giving. Unadjusted grant dollars awarded for arts and culture by the 1,154 larger foundations in the sample increased by \$75.1 million, from \$1.98 billion in 2004 to \$2.05 billion in 2005. (footnote 2) This 3.8 percent gain, or a nearly unchanged 0.4 percent after inflation, followed a 10.1 percent rise in unadjusted giving in 2004. The latest year's growth also fell below the 6.1 percent unadjusted increase in all funding reported for these foundations.

Despite the absence of a single exceptionally large arts grant in 2005, arts and culture giving did not decline. Arts funding in 2004 had been boosted by an exceptional \$189.8 million grant. Given the absence of any grants approaching this magnitude in the 2005 sample, it is notable that overall funding did not decline and, in fact, increased slightly.

The proportion of foundation grantmaking for arts and culture decreased slightly. The arts and culture share of total grant dollars from the 1,154 larger foundations in the sample was 12.5 percent in 2005, down slightly from 12.8 percent in 2004. This share of grant dollars was marginally less than the average share for the past decade (12.7 percent), while matching the median share (12.5 percent). However, by region, the share varied from 15.8 percent for foundations in the Northeast to 8.8 percent for grantmakers in the West.

Most larger foundations support arts and culture, while more than half show a strong commitment to the arts. More than four out of every five (82.8 percent) of the larger 1,154 foundations made grants supporting the arts and culture in 2005. Committed arts funders – i.e., those providing at least 10 percent of their 2005 giving for the arts – represented over half of sampled arts funders (53.9 percent).

The number of arts and culture grants increased minimally, with no change in median grant size. The median arts and culture grant size – \$25,000 – did not change from 2004 to 2005, although the real value of the median grant decreased slightly due to inflation. The number of arts grants in the sample increased by 182, from 18,516 in 2004 to 18,698 in 2005. However, this 1 percent increase was less than the 3.5 percent growth in the overall number of grants reported in the sample.

Large grants represent more than half of all grant dollars. Large arts grants of \$500,000 and more captured about 55 percent of total grant dollars for the arts in the 2005 sample, unchanged from 2004, and they are concentrated in a relatively small share (3.8 percent) of the total number of grants.

Operating support accounted for a larger share of arts funding than in the prior year. In 2005, general operating support accounted for 26.9 percent of arts and culture grant dollars, up from 24.3 percent in 2004, but down from 30 percent in 2003. However, just 13 percent of arts grant dollars in 1989 provided operating support, and 2005 grant dollars for general operating support represented a higher percentage for arts and culture than for many other fields.

Top arts funders represented a consistent share of overall giving. The top 25 arts funders by giving amount provided 34.3 percent of total foundation arts dollars in 2005, a share that has remained roughly consistent since the end of the 1990s. By comparison, the top 25 arts funders accounted for more than 50 percent of giving in the early 1980s.

Please note: It is important to keep in mind that the foundation grantmaking examined here represents only one source of arts financing. It does not examine arts support from earned income, governments, individual donors, or the business community. This analysis also looks only at foundation arts support for nonprofit organizations, and not for individual artists, commercial arts enterprises, or informal and unincorporated activities.

Specific Findings

Arts Grants Compared to All Grants in the Sample

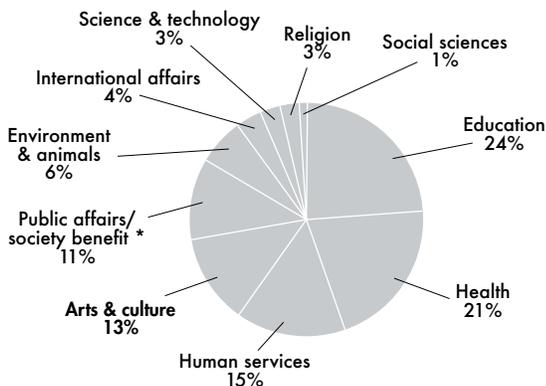
Overall foundation dollars for the arts. Unadjusted grant dollars for arts and culture from the 1,154 larger foundations in the Foundation Center's sample increased by \$75.1 million, from \$1.98 billion in 2004 to \$2.05 billion in 2005. (footnote 3) This growth in grant dollars was slower than for six of the ten other major funding areas (figure 1).

Funding for arts and culture increased 3.8 percent before inflation between 2004 and 2005. (With an inflation rate of more than 3 percent, this reflected a real increase of 0.4 percent.) This gain also fell below the 6.1 percent increase in unadjusted funding reported for foundations in the sample overall.

The impact of exceptionally large grants. Every year and in all funding areas, a few very large grants can skew overall totals, creating distortions in long-term grantmaking trends. Nonetheless, Foundation Center data in all fields have always included these exceptional grants, providing consistency over time. (In addition, the Foundation Center provides statistics based on share of *number of grants*, which are not skewed by exceptionally large grants.)

In 2004, a single \$189.8 million grant in the form of forty works of art from the American Art Foundation to the Whitney Museum of Art accounted for the entire increase in unadjusted grant dollars for arts and culture from the foundations included in the sample. By comparison, the largest arts and culture grant reported in 2005 was a \$45 million award from the Donald W. Reynolds Foundation to the Smithsonian Institution to purchase the Lansdowne portrait of George Washington, tour it nationally, and renovate an exhibition space. In the absence of any arts and culture grants of the magnitude of the

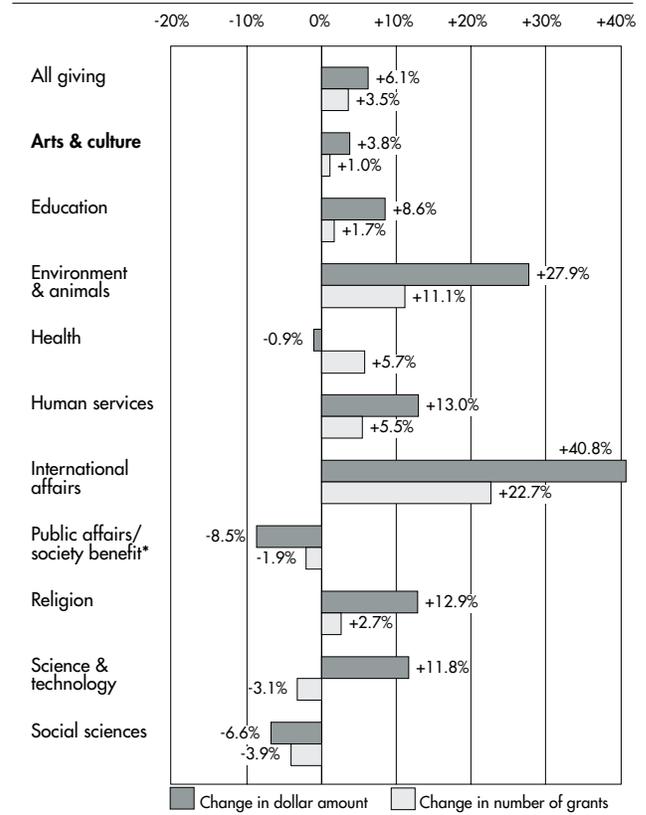
FIGURE 2. Percent of grant dollars by major field of giving, 2005*



Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations.

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

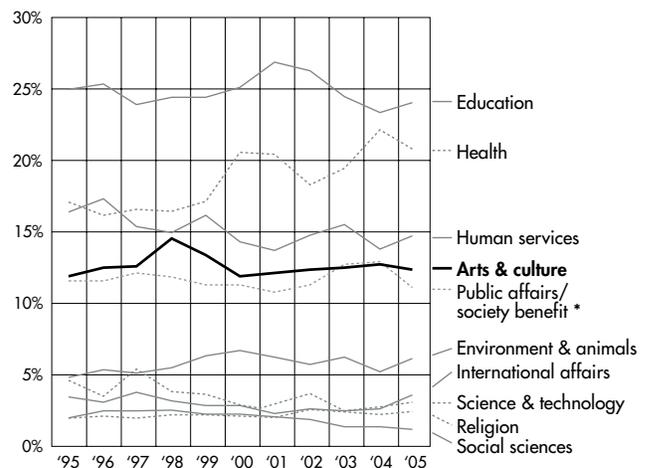
FIGURE 1. Growth of giving by major field of giving, 2004 to 2005*



Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations.

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

FIGURE 3. Giving trends by major field of giving, 1995 - 2005



Source: The Foundation Center, 2007, based on annual samples of more than 1,000 larger foundations.

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

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

American Art Foundation award in the latest year, a reasonable expectation would be that arts and culture giving would decline. However, the stability of overall grants dollars in 2005 suggests that a number of arts funders ramped up their giving in the latest year, thereby compensating for the absence of a single exceptionally large grant.

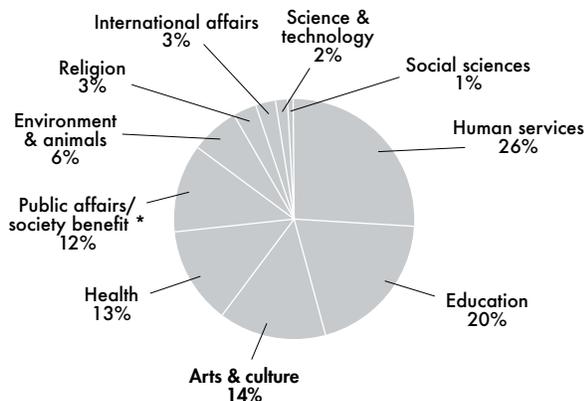
The arts’ share of all foundation grant dollars.

In 2005, arts grant dollars represented 12.5 percent of all grant dollars in the Foundation Center sample (figure 2). This percentage was slightly lower than the arts’ 2004 share and the 12.7 percent average for the past decade (figure 3). From 1995 through 2005, the arts’ share of all foundation grant dollars ranged from lows of 12 percent in 1995 and 2000 to a high of 14.8 percent in 1998.

Arts funding by region. Foundations in the Northeast provided a larger share of their overall 2005 giving for arts and culture (15.8 percent) than did foundations in other regions. The Northeast was followed by the Midwest (13.5 percent), South (11.3 percent), and West (8.8 percent) regions of the United States. Organizations in the Midwest and Northeast received the largest share of arts grant dollars out of overall giving (15.6 percent and 15.5 percent, respectively), followed by those in the West (11.9 percent) and South (10.3 percent). In addition, 3.2 percent of grant dollars funding organizations located outside of the United States supported the arts.

Number of grants. In terms of the number of foundation grants given rather than the total dollar amount, the arts’ share of all foundation grants was down slightly to 14.3 percent in 2005, compared to 14.6 percent in 2004 (figure 4). The actual number of grants increased by a modest 182, from 18,516 to 18,698. However, this total surpassed the previous peak of 18,674 arts and culture grants reported in 2002.

FIGURE 4. Percent of number of grants by major fields of giving, 2005*



Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations.

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

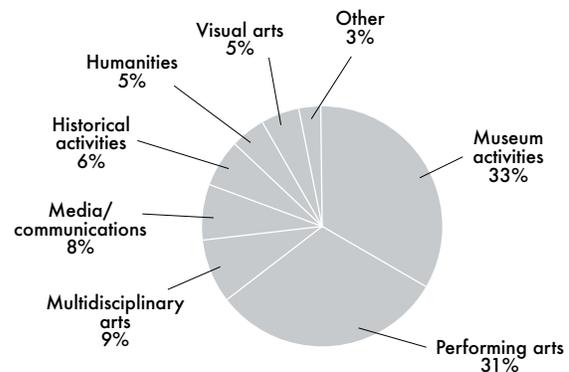
Share of foundations funding the arts. In the 2005 sample, about 83 percent of funders supported arts and culture – 956 of 1,154 foundations. However, some of these foundations do not maintain a consistent commitment to the arts. Among sampled arts funders showing a stronger commitment to the arts, over half (515) provided at least 10 percent of their 2005 grant dollars for the arts, while one-fifth (195) gave at least 25 percent.

Grants by arts subfield

Funding for museums accounted for about one-third (33 percent) of all foundation arts dollars in 2005 (figure 5), surpassing the share reported for the performing arts (31 percent). From the start of the 1980s until 1998, the performing arts consistently received more foundation support than museums. In the mid-1980s, the two fields received nearly equal shares of funding. This lasted for only a short period of time, and between the late-1980s and the mid-1990s the performing arts regained its earlier lead. However, in 1998, grant dollars to museums increased significantly, surpassing those going to the performing arts. They achieved this larger share of support again in 1999, 2001, and 2004. The underlying reasons for the shifts in share between these two fields of activity are complex. More study would be needed to adequately understand the role played, for example, by the entry onto the scene of new and large arts funders, extraordinarily large grants, the contribution of valuable art collections, and new capital projects at museums.

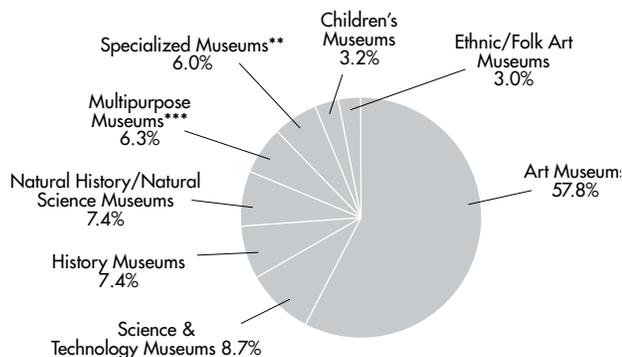
Giving to museums. Grant dollars allocated to museums decreased by 4.1 percent between 2004 and 2005, from \$711.7 million to \$682.7 million. However, the number of grants increased by 5.4 percent, from 3,791 to 3,994. Among museum types (figure 6), the largest share of 2005 funding

FIGURE 5. Arts and culture, giving to subfields, 2005



Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations.

FIGURE 6. Giving to museums, 2005*



Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations.

* Giving to museums constitutes 33 percent of all giving to the arts and culture subcategory.

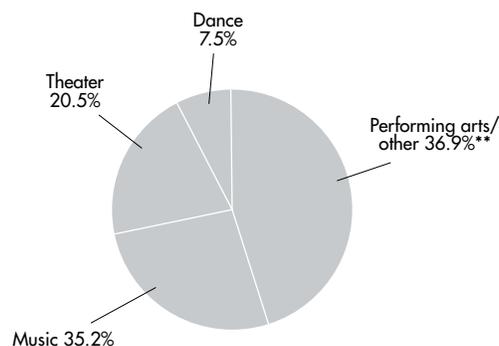
** Includes museums such as the Smithsonian Institution and general purpose museum programs.

supported art museums (57.8 percent), although this share was down notably from the previous year (63.7 percent). As a result, the shares of funding recorded for all other museum types increased. Actual grant dollars also increased between 2004 and 2005 for multipurpose museums, (footnote 4) children's museums and other specialized museums, (footnote 5) ethnic/folk arts museums, science and technology museums, and marine/maritime museums. By comparison, grant dollars decreased for history museums, natural history/natural science museums, and sports/hobby museums. In the Foundation Center's 2005 sample, 64 percent of all funders supported museum activities.

Giving to performing arts. In 2005, performing arts grant dollars increased by 2.4 percent, from \$626.7 million to \$641.6 million. The largest share of giving to the performing arts (figure 7) supported the performing arts generally (including performing arts centers and education), followed by music (including symphony orchestras and opera), theater, and dance. The performing arts received less arts funding than museums in 2005 based on share of arts grant dollars. However, the performing arts benefited from a larger share of the number of arts grants (41.4 percent vs. 21.4 percent). In general, the average performing arts grant tends to be smaller in size than the average museum grant. In 2005, 65 percent of all funders in the Foundation Center sample supported the performing arts.

Giving to multidisciplinary arts. The share of arts giving for multidisciplinary arts (footnote 6) declined to 9 percent in 2005, down from 11 percent in 2004. Actual grant dollars for these activities declined by 15 percent, from \$211.8 million to \$180.1 million. The number of multidisciplinary arts grants also decreased, from 2,335 in 2004 to 2,215 in 2005. Yet despite this second consecutive decrease in grant dollars for multidisciplinary arts, the 2005 total remained above the giving levels reported prior to 2003.

FIGURE 7. Giving to performing arts, 2005*



Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations.

* Giving to performing arts constitutes 31 percent of all giving to the arts and culture subcategory.

** Performing arts/other includes performing arts centers, performing arts schools, and other multidisciplinary performing arts programs.

Giving to media and communications. Support for media and communications (footnote 7) represented 8 percent of arts funding in 2005, up from 7 percent in 2004. Actual grant dollars rose 19.2 percent, from \$132.4 million to \$157.9 million. Ten grants of at least \$2.5 million were made in the media and communications field in 2005, up from one in the previous year.

Giving to the humanities. Funding for the humanities (footnote 8) totaled 5 percent of arts grant dollars in 2005, down from 6 percent in 2004 and 2003. Actual humanities grant dollars decreased by 9.3 percent. The number of humanities grants also declined by 8 percent, from 880 to 810. (footnote 9)

Giving to other arts and culture subfields. Support for the visual arts and architecture jumped 69.7 percent in the latest year, from \$59.1 million to \$100.3 million – the highest amount recorded since 2001. Among other arts and culture fields, support for historic preservation rose to more than 6 percent of arts grants dollars in 2005. Actual grant dollars grew 24.8 percent, from \$102.9 million to \$128.4 million, while the number of historic preservation grants increased 9.7 percent, from 1,145 to 1,256. However, this total remained below the peak of 1,325 historic preservation grants reported in 2000.

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 17 percent of all grant dollars in the 2004 Foundation Center sample, the type of support could not be identified. This means that modest differences in percentages – that is, variations under 10 percent – may not be reliable. (The grant records available to the Foundation Center often lack the information necessary to identify the type of support. For example, it is often the case that the only source of data for this sample on smaller foundations' grants is the 990-PF tax return, and this tends to be less complete than other forms of grant reporting.)

The arts compared to other foundation fields of giving. The three largest categories of support tracked by the Foundation Center are program support, general operating support, and capital support. See figure 8 for a comparison in these three categories of dollars going to arts and culture with grant dollars going to other major foundation subject areas.

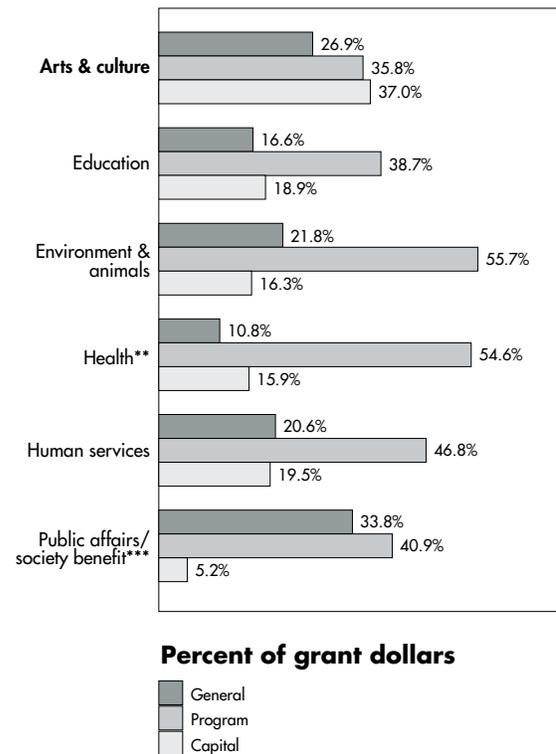
Of the three main categories of support, special programs and projects typically receive the largest share of arts and culture grant dollars. In fact, the same is true in most of the major fields, such as health and education, where program support consistently accounts for the largest share of funding.

In 2004 and again in 2005, however, capital support accounted for the largest share of arts funding (37 percent), boosted in the latter year by the Donald W. Reynolds Foundation's \$45 million grant to the Smithsonian Institution (noted earlier). Arts dollars allocated to capital support have fluctuated more than arts dollars to the other two primary categories of support: in 1986 the share allocated to capital was about 44 percent; in 1993 it was about 30 percent; and in 1999 it was about 41 percent. (In general, the share of capital support is highest in periods of strong foundation asset growth.)

Program support represented the second largest share of arts and culture grant dollars in 2005 (35.8 percent) and the largest share of number of grants (35.3 percent). (By comparison, capital support accounted for a far more modest 10.8 percent of the number of grants.)

Grant dollars allocated for general operating support in 2005 were higher for arts and culture (26.9 percent) than for many other fields. Moreover, while this share was down from 30 percent in 2003, it matched the 27 percent share reported in 2002 and surpassed the 24.3 percent share reported in 2004. The portion of grant dollars allocated to operating support has more than doubled in the last roughly fifteen years; operating support represented only 13 percent of arts funding in 1989. Helping to boost the overall level of operating support in the latest year was a \$20 million unrestricted grant from the Ernest and Rosemarie Kanzler Foundation to the Detroit Institute of Arts – the second largest operating support arts grant tracked in the 2005 sample.

FIGURE 8. General, program, and capital support grant dollars by major subject area, 2005*



Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations.

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

** Research support accounted for 22.9 percent of grant dollars in Health.

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

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 1,154 larger foundations. It is also important to note that for nearly 19 percent of the arts grant dollars in this sample, the type of support was not specified.

TABLE 1. Arts grants by types of support, 2005*

Type of support	Dollar value of grants	%	No. of grants	%
General support	\$553,670	26.9	6,228	33.3
General Operating	477,756	23.3	5,307	28.4
Annual Campaigns	10,662	0.5	74	0.4
Income Development	28,709	1.4	457	2.4
Management Development	36,543	1.8	390	2.1
Program support	736,091	35.8	6,602	35.3
Program Development	417,713	20.3	3,944	21.1
Conferences/Seminars	17,485	0.9	251	1.3
Faculty/Staff Development	22,125	1.1	246	1.3
Professorships	5,149	0.3	23	0.1
Film/Video/Radio	23,132	1.1	189	1.0
Publication	17,526	0.9	197	1.1
Seed Money	10,910	0.5	57	0.3
Curriculum Development	17,246	0.8	123	0.7
Performance/Productions	40,507	2.0	655	3.5
Exhibitions	96,794	4.7	508	2.7
Collections Management/Preservation	21,687	1.1	128	0.7
Commissioning New Works	16,185	0.8	135	0.7
Electronic Media/Online Services	29,632	1.4	146	0.8
Capital support	760,705	37.0	2,016	10.8
Capital Campaigns	103,545	5.0	379	2.0
Building/Renovation	373,385	18.2	979	5.2
Equipment	16,654	0.8	200	1.1
Computer Systems/Equipment	6,640	0.3	112	0.6
Land Acquisition	8,047	0.4	28	0.1
Endowments	156,887	7.6	179	1.0
Debt Reduction	2,512	0.1	28	0.1
Collections Acquisition	93,036	4.5	111	0.6
Professional development	66,483	3.4	532	2.8
Fellowships/Residencies	46,298	2.3	229	1.2
Internships	5,192	0.3	54	0.3
Scholarships	5,467	0.3	109	0.6
Awards/Prizes/Competitions	8,267	0.4	112	0.6
Unspecified	1,259	0.1	28	0.1
Other Support	35,198	1.7	350	1.8
Research	21,766	1.1	205	1.1
Technical Assistance	10,893	0.5	111	0.6
Emergency Funds	885	0.0	9	0.0
Program Evaluation	1,654	0.1	25	0.1
Not specified	384,455	18.7	4,865	26.0
Qualifying Support Type**				
Continuing	710,173	34.6	6,701	35.8

Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations.

* Dollar figures in thousands; grants may occasionally be for multiple types of support, e.g., for new works and for endowment, and would thereby be counted twice.

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

TABLE 2. Arts grants by grant size, 2005 (dollar amount in thousands)

Grant Range	of grants	%	amount	%
\$5 million and over	42	0.3	\$398,542	19.4
\$1 million-under \$5 million	307	1.6	517,979	25.2
\$500,000-under \$1 million	352	1.9	210,890	10.3
\$100,000-under \$500,000	2,874	15.4	516,096	25.1
\$50,000-under \$100,000	2,887	15.4	175,619	8.5
\$25,000-under \$50,000	4,266	22.8	127,692	6.2
\$10,000-under \$25,000	7,970	42.6	107,809	5.2
Total	18,698	100.0	\$2,054,627	100.0

Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations

Grants by grant size

Median grant size. The median or "typical" grant amount (see footnote 10) for arts and culture in 2005 was \$25,000. This amount has remained unchanged since 1993. If this amount were adjusted for inflation, however, it would have lost value in real dollars. The figure also fell below the median amount for all foundation grants (\$26,000) for the first time in 2005. More study would be required to determine whether the unchanged median means that foundation arts grants simply are not keeping pace with inflation, or whether, in combination with the increased number of grants, it means that foundations are choosing to distribute funds more broadly to a larger number of recipients.

Small and mid-sized grants. Two-thirds (65.4 percent) of all arts grants in the 2005 sample were for amounts between \$10,000 and \$49,999 (table 2), slightly less than the 2004 share. By comparison, the share of mid-sized arts grants (\$50,000 to \$499,999) increased slightly to 30.8 percent.

Large grants. The share of larger arts grants (\$500,000 and over) was up just slightly over the same period: larger grants represented 3.8 percent of the total number of arts grants in 2005, compared to 3.5 percent in 2004. Their share of total grant dollars remained unchanged at 55 percent. Overall, foundations in the sample made 97 arts grants of at least \$2.5 million in 2005, up markedly from 71 in 2004.

In addition to the \$45 million grant from the Reynolds Foundation to the Smithsonian Institution and the \$20 million grant from the Kanzler Foundation to the Detroit Institute of Arts, examples of other especially large 2005 grants included a \$25 million grant from the Starr Foundation to the World Trade Center Memorial Foundation for construction, operation, and maintenance of the World Trade Center Site Memorial Complex; a \$16.2 million grant from the W.K. Kellogg Foundation to the Institute of American Indian Arts to create a home and place of permanency for learning for diverse tribal communities in the United States and worldwide; and a \$10 million grant from the Ford Foundation to the Partnership for Artists in the 21st Century to launch a new national funding collaborative in Los Angeles committed to supporting the work of America's finest artists through direct grants.

TABLE 3. 25 largest arts, culture, and media funders, 2005

Rank	Foundation	State	Arts grant dollars*	Total grant dollars	Art as % of total dollars	No. of arts grants
1.	Annenberg Foundation	PA	\$83,534,484	\$240,162,703	34.8	134
2.	Andrew W. Mellon Foundation	NY	69,574,735	210,418,869	33.1	119
3.	Donald W. Reynolds Foundation	NV	60,616,312	84,781,273	71.5	14
4.	Ford Foundation	NY	59,386,539	519,013,965	11.4	215
5.	Overture Foundation	WI	41,540,537	41,540,537	100.0	28
6.	Starr Foundation	NY	38,742,600	198,499,210	19.5	85
7.	Kresge Foundation	MI	26,575,000	121,415,545	21.9	31
8.	William and Flora Hewlett Foundation	CA	23,123,000	166,912,510	13.9	123
9.	Doris Duke Charitable Foundation	NY	22,980,031	70,394,190	32.6	12
10.	Brown Foundation	TX	22,393,915	52,109,991	43.0	104
11.	Wallace Foundation	NY	22,070,000	66,411,000	33.2	19
12.	Ernest and Rosemarie Kanzler Foundation	MI	20,000,000	20,000,000	100.0	1
13.	Freedom Forum	VA	18,911,777	22,420,345	84.4	15
14.	W. K. Kellogg Foundation	MI	18,796,184	162,608,351	11.6	24
15.	Edward C. Johnson Fund	MA	18,588,069	22,255,333	83.5	29
16.	William Randolph Hearst Foundation	NY	16,735,000	38,515,000	43.5	48
17.	Caroline Wiess Law Foundation	TX	16,694,603	16,694,603	100.0	2
18.	James Irvine Foundation	CA	16,512,000	54,538,935	30.3	143
19.	Ford Motor Company Fund	MI	16,294,203	71,225,278	22.9	116
20.	New York Community Trust	NY	16,203,361	100,366,276	16.1	398
21.	Bill & Melinda Gates Foundation	WA	15,308,532	1,548,966,088	1.0	8
22.	William Penn Foundation	PA	15,095,894	67,824,515	22.3	71
23.	John S. and James L. Knight Foundation	FL	14,938,300	73,388,087	20.4	55
24.	McKnight Foundation	MN	14,575,500	86,137,440	16.9	110
25.	Skirball Foundation	NY	14,572,592	31,898,258	45.7	24
	Total		\$703,763,168	\$4,088,498,302	17.2	1,928

Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations.

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

The 25 largest arts funders. The top 25 arts funders by giving amount provided close to 34 percent of the total arts dollars in the Foundation Center's 2005 sample (table 3), down from 39 percent in 2004. Overall, the share of giving accounted for by the top 25 arts funders has remained fairly consistent at between 33 and 39 percent since the end of the 1990s. While the share recorded for the latest year remains substantial, in the early 1980s the top 25 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 grant dollars out of total giving, 61 foundations gave less than \$5 million in total arts grant dollars in 2005. This number would be greater if grants of less than \$10,000 were included, because some arts funders will either primarily or exclusively award arts grants of less than \$10,000 each.

Arts giving by the 25 largest funders overall.

Among the 25 largest foundations by overall giving in the sample, only one made no grants for arts and culture in 2005. (table 5) Nonetheless, levels of arts funding varied widely, with 11 foundations allocating at least 10 percent of their overall giving for the arts, while six provided 1 percent or less.

Steven Lawrence is the Foundation Center's senior director of research.

TABLE 4. Top 35 foundations by share of arts giving out of overall giving, 2005

Rank	Foundation	State	Fdn. type*	Total grant dollars	Arts grant dollars	Arts as % of total dollars	Number of arts grants
1.	Overture Foundation	WI	IN	\$41,540,537	\$41,540,537	100.0	28
2.	Ernest and Rosemarie Kanzler Foundation	MI	IN	20,000,000	20,000,000	100.0	1
3.	Caroline Wiess Law Foundation	TX	IN	16,694,603	16,694,603	100.0	2
4.	American Art Foundation	NY	OP	4,900,000	4,900,000	100.0	1
5.	Philip and Muriel Berman Foundation	PA	IN	6,590,000	6,570,000	99.7	5
6.	Robert Lehman Foundation	NY	IN	3,531,077	3,511,077	99.4	13
7.	Leon Black Family Foundation	NY	IN	5,911,000	5,776,000	97.7	4
8.	Crawford Taylor Foundation	MO	IN	5,869,579	5,729,579	97.6	7
9.	Colburn Foundation	CA	IN	6,522,705	6,287,705	96.4	24
10.	Shubert Foundation	NY	IN	14,165,000	13,532,500	95.5	291
11.	Andy Warhol Foundation for the Visual Arts	NY	IN	4,643,280	4,427,000	95.3	55
12.	Jerome Foundation	MN	IN	2,411,118	2,291,818	95.1	76
13.	Behring Foundation	FL	IN	11,499,055	10,734,055	93.4	3
14.	Stockman Family Foundation Trust	NM	IN	928,790	846,000	91.1	16
15.	Walt and Lilly Disney Foundation	CA	IN	9,102,682	8,282,682	91.0	5
16.	V. O. Figge and Elizebeth Kahl Figge Charitable Foundation	IA	IN	5,053,950	4,542,422	89.9	10
17.	Holland Foundation	NE	IN	9,265,871	8,255,631	89.1	14
18.	W. Paul & Lucille Caudill Little Foundation	KY	IN	1,317,869	1,150,794	87.3	4
19.	Muriel McBrien Kauffman Foundation	MO	IN	10,195,418	8,715,668	85.5	87
20.	Riley Foundation	MS	IN	7,046,510	6,018,500	85.4	6
21.	Harold & Mimi Steinberg Charitable Trust	NY	IN	4,107,300	3,503,900	85.3	63
22.	Peter Norton Family Foundation	CA	IN	4,514,865	3,824,865	84.7	46
23.	Freedom Forum	VA	OP	22,420,345	18,911,777	84.4	15
24.	Edward C. Johnson Fund	MA	IN	22,255,333	18,588,069	83.5	29
25.	Martin Bucksbaum Family Foundation	IA	IN	2,828,417	2,311,542	81.7	14
26.	Packard Humanities Institute	CA	OP	12,092,298	9,733,798	80.5	30
27.	Edward John Noble Foundation	NY	IN	10,227,700	8,162,408	79.8	24
28.	J. Roderick MacArthur Foundation	IL	IN	4,581,302	3,650,000	79.7	3
29.	Richard & Jane Manoogian Foundation	MI	IN	8,214,140	6,536,640	79.6	8
30.	Ann and Gordon Getty Foundation	CA	IN	16,551,112	12,693,538	76.7	129
31.	Florence Gould Foundation	NY	IN	6,303,788	4,759,438	75.5	101
32.	J. Paul Getty Trust	CA	OP	16,500,093	12,365,940	74.9	87
33.	Gertrude C. Ford Foundation	MS	IN	2,401,176	1,795,176	74.8	9
34.	Harman Family Foundation	DC	IN	3,967,150	2,936,400	74.0	8
35.	Burnett Foundation	TX	IN	11,574,606	8,370,000	72.3	15

Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations.

*IN = Independent; OP = Operating

TABLE 5. 25 largest funders with share of arts giving out of overall giving, 2005

Rank	Foundation	State	Total grant dollars*	Arts grant dollars	Arts as % of total dollars	Number of arts grants
1.	Bill & Melinda Gates Foundation	WA	\$1,548,966,088	\$15,308,532	1.0	8
2.	Ford Foundation	NY	519,013,965	59,386,539	11.4	215
3.	Lilly Endowment	IN	433,029,739	11,615,540	2.7	25
4.	Robert Wood Johnson Foundation	NJ	314,026,241	1,075,000	0.3	3
5.	Annenberg Foundation	PA	240,162,703	83,534,484	34.8	134
6.	Gordon and Betty Moore Foundation	CA	224,059,027	3,839,954	1.7	7
7.	Andrew W. Mellon Foundation	NY	210,418,869	69,574,735	33.1	119
8.	Starr Foundation	NY	198,499,210	38,742,600	19.5	85
9.	William and Flora Hewlett Foundation	CA	166,912,510	23,123,000	13.9	123
10.	W. K. Kellogg Foundation	MI	162,608,351	18,796,184	11.6	24
11.	David and Lucile Packard Foundation	CA	161,031,098	4,990,902	3.1	73
12.	John D. and Catherine T. MacArthur Foundation	IL	154,777,942	5,107,500	3.3	26
13.	California Endowment	CA	147,893,509	350,000	0.2	6
14.	Kresge Foundation	MI	121,415,545	26,575,000	21.9	31
15.	Charles Stewart Mott Foundation	MI	120,721,991	11,111,087	9.2	18
16.	Duke Endowment	NC	119,836,721	0	0.0	0
17.	Rockefeller Foundation	NY	105,268,437	14,105,517	13.4	27
18.	Annie E. Casey Foundation	MD	104,724,278	197,000	0.2	10
19.	Robert W. Woodruff Foundation	GA	101,030,268	9,648,742	9.6	9
20.	New York Community Trust	NY	100,366,276	16,203,361	16.1	398
21.	Walton Family Foundation	AR	98,140,900	8,442,677	8.6	19
22.	Harry and Jeanette Weinberg Foundation	MD	97,781,452	447,500	0.5	10
23.	Ave Maria Foundation	MI	91,922,306	100,275	0.1	1
24.	Carnegie Corporation of New York	NY	86,347,000	12,346,000	14.3	224
25.	McKnight Foundation	MN	86,137,440	14,575,500	16.9	110

Source: The Foundation Center, 2007, based on a sample of 1,154 larger foundations.

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

Notes for Foundation Grants to Arts and Culture.

1. Source of the data. The original research upon which this report is based was conducted by the Foundation Center. Specifically, the source for data was the Foundation Center's *Foundation Giving Trends: Update on Funding Priorities* (2007) report and the grants sample database. The data for 2005 include all grants of \$10,000 or more awarded by 1,154 of the largest U.S. foundations and reported to the Foundation Center between June 2005 and July 2006. Grants were awarded primarily in 2005. These grants represented half of total grant dollars awarded by the more than 71,000 active U.S. independent, corporate, and community foundations that the Foundation Center tracks. (The sample captures roughly half of all foundation giving for arts and culture.) For community foundations, only discretionary and donor-advised grants were included. Grants to individuals were not included.

2. "Unadjusted grant dollars" refers to the value of giving before inflation is taken into account. Adjusting for inflation allows for more accurate comparisons of changes in giving, as inflation-adjusted figures reflect actual buying power at different points in time.

3. In addition to the nearly \$2.1 billion supporting the arts in 2005, foundations in the sample provided 99 grants totaling \$17,481,853 for arts and humanities library programs, and 129 grants totaling \$9,004,010 for international cultural exchange.

4. Includes museums such as the Smithsonian Institution and general purpose museum programs.

5. Includes maritime, sports, and hobby museums and specialized museums.

6. 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.

7. Includes support for production and dissemination of one or more media forms including film/video, television, radio, and print publishing; support also for journalism and communications centers.

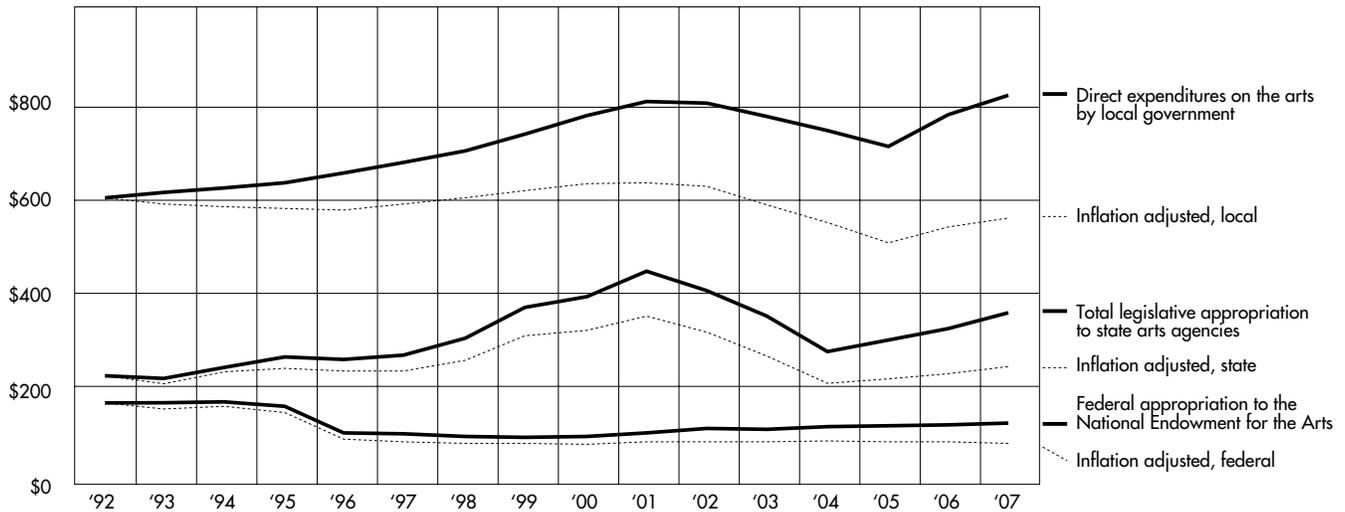
8. Includes support for archeology, art history, modern and classical languages, philosophy, ethics, theology, and comparative religion.

9. For a detailed analysis of foundation humanities support, see L. Renz and S. Lawrence, *Foundation Funding for the Humanities*, New York: Foundation Center, 2004.

10. 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.

Public Funding for the Arts: 2007 Update

Kelly Barsdate



Current Funding: The three primary sources of government support for the arts in the United States - federal appropriations to the National Endowment for the Arts, legislative appropriations to the nation's state arts agencies, and direct expenditures on the arts through county and municipal governments - all grew in 2007. Combined, these three public funding streams account for \$1.3 billion in arts support, about \$4.34 per capita. Public sector grantmakers use these funds to encourage community creativity and make the arts highly accessible to the public. In 2007, public performances and exhibitions, arts education, youth programming, "creative economy" initiatives, audience development efforts, operating support for cultural institutions, and support and recognition activities for individual artists were among the grant priorities. Capital construction/renovation dollars and "art in public places" programs also received significant investments, especially at the local level.

Trends Over Time: Congressional funding for the National Endowment for the Arts has increased slightly in each of the last six years, but remains at lower levels than in the early 1990s. State and local spending on the arts is recovering after sharp contractions in the economy forced government funding cutbacks across many policy areas between 2001 and 2004. Although the long-term growth in total public funding is a notable achievement in a competitive fiscal environment, government arts support at all three levels has been challenged to

keep pace with the costs of living and doing business. Despite recent increases, only state arts agency appropriations currently exceed 1992 funding levels when adjusted for inflation.

Outlook: Fiscal conditions at the state and local levels are much healthier now than they have been in prior years, and public arts managers are alert to emerging funding and partnership opportunities. However, fiscal analysts cite long-term concerns about tax structures and the inexorable escalation of health care, retirement and education costs. Combined, these trends suggest that all discretionary public spending - arts or otherwise - will remain squeezed in the years ahead. Public sector grantmakers continue to underscore the need for vigorous advocacy from citizens, the cultural community and private sector leaders. All of these voices are needed to help elected officials understand support of the arts as sound public policy that returns multiple benefits to our cities and towns, our states and our nation.

Source: Kelly J. Barsdate, Chief Program and Planning Officer, National Assembly of State Arts Agencies (NASAA). This profile draws on local spending estimates from Americans for the Arts, NASAA's Legislative Appropriations Annual Survey, Fiscal Year 2007 survey, and information from the National Endowment for the Arts. Constant dollar adjustments for inflation are calculated using Bureau of Labor Statistics Consumer Price Index (CPI) figures with a base year of 1992, the apex year of highest federal funding for the National Endowment for the Arts.