ARTS FUNDING
An Update on Foundation Trends, Third Edition
by Loren Renz and Steven Lawrence

The first half of the 1990s represented a period of instability in arts support. Dramatic cutbacks in federal funding and modest growth in giving from individual and corporate donors raised significant financial challenges for the arts community. Although they were but one part of a much larger funding mosaic, foundations represented a stable and growing source of funds. A buoyant stock market, gifts into endowments, and the creation of new philanthropies helped to raise foundation spending in all fields and bring substantial new resources to the arts field. Yet, despite a sharp rise in grant dollars, the arts’ share of all funding lost ground.

Arts Funding: An Update on Foundation Trends represents the Foundation Center’s third examination of the role of foundations in supporting arts and culture. The Center’s first study of national trends, Arts Funding: A Report on Foundation and Corporate Grantmaking Trends, mapped funding for the arts through the 1980s. Arts Funding Revisited: An Update on Foundation Trends in the 1990s, carried the analysis through 1992. This latest study updates the status of arts giving trends through 1996 and includes several new features. All of these reports were developed in collaboration with Grantmakers in the Arts (GIA), a membership organization of foundation and corporate donors.

The new report analyzes just over 11,300 arts grants awarded circa 1996 by a sample of larger private, corporate, and community foundations. This update compares changes in arts giving with all foundation giving, relates foundation funding trends to variations in government support, and provides extensive examinations of trends specific to the arts field, such as changes in distribution patterns by number of recipients and grant size, growth patterns by foundation type, differences in distribution patterns by state, funding trends by arts fields or disciplines, and patterns of giving by grant purpose or type of support.

Among the many enhancements included in the third edition of Arts Funding, the new report presents an overview of the “ecology” of all U.S. arts support, the Foundation Center’s first-ever analysis of grantmaking by self-identified family foundations, an extensive review of funding for children and youth, more detailed breakdowns of giving patterns by grant size, analyses of arts support by region, an examination of arts giving for intermediaries, an exploration of the overlap between giving for arts and community development, and several longitudinal graphics illustrating changes in arts funding since 1983.

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12.2 percent four years later. In the 1980s, the share of support ranged from 13 to 15 percent.

**Community and Corporate Foundations Increase Share of Arts Funding Relative to Overall Funding; Share Decreases for Independents.** The erosion in the arts’ share of all funding was tied to changes in funding patterns of larger independent foundations, which nevertheless provided the majority of overall funds. From 1992 to 1996, arts funding by independent foundations in the sample grew a robust $133.2 million, to $712.2 million. Yet arts giving as a share of all support by independents decreased from 13.0 percent in 1992 to 11.7 percent. In contrast, corporate and community funders both increased the share of their overall grant dollars committed to the arts (to 14.5 percent and 16.0 percent, respectively). Similarly, family foundations, a subset of independent foundations, increased their share of arts support to 14.6 percent.

**Family Foundations Represent a Strong Source of Growth for the Arts Field.** Between 1992 and 1996, arts giving by 125 self-identified family foundations in the sample jumped by nearly three-quarters (72.8 percent)—to $170.6 million. This fast pace far exceeded gains in arts support overall, and increases by all independent foundations, corporate funders, and community foundations. As a result of this faster growth, family foundations provided nearly one-fifth of all arts grant dollars in 1996, up from about one-seventh four years earlier. Nearly nine out of ten family foundations supported arts and culture in the latest year of analysis.

**Trends Among Arts Grantmakers**

**More than Four out of Five Foundations Make Arts Grants; 178 Funders Give One-Quarter or More of Their Grant Dollars for the Arts.** The arts maintained an unusually high level of involvement among funders. Out of 1,010 foundations included in the 1996 sample, 84.1 percent supported arts and culture, compared to 81.8 percent four years earlier. Moreover, a large number of foundations made the arts one of their top priorities. Fully 178 arts funders (21.0 percent) provided at least one-quarter of their funding for the arts.

**Regional Trends in Arts Funding**

**Mid-Atlantic Region Provides Two-Fifths of Overall Arts Funding; Southeast Reports Fastest Growth.** Foundations based in the Mid-Atlantic region accounted for the largest number of arts funders and provided the largest share of support for the arts in 1996—nearly two-fifths of grant dollars allocated by these foundations grew by more than one-third (35.5 percent) between 1992 and 1996, to $113.8 million.
dollars and more than two-fifths of the number of grants. The Midwest ranked second with over one-fifth of arts grant dollars and grants, followed by the West, South Central, Southeast, and New England regions. Yet the Mid-Atlantic region also realized the smallest growth in funding—about 2 percent over 1992. In contrast, the Southeast, which ranked fifth among the six regions by share of overall arts support, nearly doubled giving over the same period. The remaining regions also showed gains in arts funding that exceeded the 22.7 percent growth in arts support reported for the sample.

Funding Priorities in Mid-Atlantic, Midwest, and West Regions Remarkably Similar; Patterns Differ in Other Regions. Grantmakers in the nation’s three top-ranked arts funding regions—Mid-Atlantic, Midwest, and West—demonstrated remarkably similar spending patterns. Ranked in order of importance by share of dollars, their priorities in 1996 were identical: performing arts, museum arts, media, multidisciplinary arts, historic preservation, humanities, and visual arts. In the three remaining regions—New England, Southeast, and South Central—foundations tended to favor museum programs above the performing arts.

Trends by Arts Fields or Disciplines

Funding Grows Moderately for Museums and the Performing Arts; Arts-Related Humanities Support Slips. Between 1992 and 1996, performing arts and museum programs—very broad areas that encompass the majority of arts and culture activities and a large majority of funding—grew at a slower rate than overall arts funding. As a result, performing arts slipped from nearly two-fifths of arts dollars in 1992 to one-third. Museums dipped slightly to three-tenths of grant dollars. Arts-related humanities experienced a pronounced loss of share, decreasing from 5.4 percent to 3.9 percent of...
arts support, after grant dollars awarded for the field declined by nearly one-ninth.

**Media and Communications, Multidisciplinary and Community Arts, and Historic Preservation Realize Strongest Gains.** Funding for media and communications grew by nearly three-quarters between 1992 and 1996, while support for multidisciplinary and community arts gained by close to half, and grant dollars awarded for historic preservation increased by over one-quarter. These fields, which encompass fewer recipients and receive less funding, are generally more susceptible to sharp gains caused by exceptionally large grants. Other areas that experienced faster than average growth in funding included arts education, arts and community development, and arts and youth. In addition, arts supporting organizations that broadly serve the field, artists’ services, and arts funding intermediaries all reported strong gains.

### Arts Grant Recipients and Grant Size

**Number of Recipients Increases by One-Fifth, Suggests Broader Arts Support.** Between 1992 and 1996, the number of organizations receiving arts grants grew by roughly 800 to 4,814, a nearly one-fifth increase (19.2 percent). During this same period, the number of arts grants awarded rose by 18.6 percent. The slightly faster rate of growth in number of arts recipients suggests a possible reversal of the narrowing of arts support reported between 1989 and 1992. The absolute gain of nearly 800 recipients also clearly suggests funder interest in a wider distribution of arts support.

**Roughly Seven out of Ten Arts Grants Equal Less than $50,000.** The vast majority of arts grants in 1996—roughly seven-out-of-ten—ranged from $10,000 to $49,999. These awards totaled more than one-in-six grant dollars. By comparison, grants of at least $250,000 represented only 6.2 percent of grants, although they accounted for more than half of arts funding. Still, these larger awards grew at a more modest pace—especially compared with growth between 1989 and 1992.

### Types of Support for the Arts

**Unrestricted Operating Support Grows Faster than Program or Capital Support; Program Support Maintains Largest Share.** Unrestricted arts grant dollars grew by one-third between 1992 and 1996, faster than both program and capital support. As a result, unrestricted support increased to nearly 18 percent of arts grant dollars—the highest level reported since 1983. Arts programming continued to claim the largest share of support, but dipped to 34.7 percent of overall arts support, after a more than one-quarter gain in grant dollars.

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