

**Written Testimony in Support of FY08 Appropriations for the
National Endowment for the Arts**

Submitted by James D. Raisbeck

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House Appropriations Subcommittee on Interior, Environment & Related Agencies

“Role of the Arts in Creativity and Innovation”

Working Together, the NEA and the Arts Can Change Our International Image

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My name is James Raisbeck. It is my pleasure to come to Washington on behalf of Americans for the Arts on Arts Advocacy Day. I am testifying in favor of a Fiscal Year 2008 appropriation of \$176 million for the National Endowment for the Arts (NEA).

I am the CEO and Board Chairman of Raisbeck Engineering, which is headquartered adjacent to Boeing Field in Seattle, where it conducts airplane design, experimental and certification efforts. The company also does a significant amount of business in Wichita, the world capital of general aviation.

By way of background, I began my engineering career at Boeing in 1961. Raisbeck Engineering followed and has been doing business in one form or another since 1973. It is dedicated to increasing the safety, productivity, performance, utility, and cost effectiveness of business and commercial aircraft of all types. One example is our latest performance system for the Learjet family, where our engineers have decreased the airplane drag, and therefore fuel consumption, by over 10%. And, if you fly on JetBlue, you will note the enlarged overhead stowage bins. They are ours. All of these systems are sold and installed by a worldwide network of Raisbeck Engineering dealers.

My wife Sherry and I are involved with various arts organizations throughout the greater Seattle/Tacoma region. Together we serve on six 501(c)(3) boards of trustees: First is the ArtsFund, a greater Seattle “united way for the arts,” which solicits money from corporations and distributes it to various arts organizations in and around Seattle and Tacoma, Washington. Sherry is on the ArtsFund’s allocations committee. She also serves on the board of Seattle’s Cornish College of the Arts. In addition, I serve on the boards of The Seattle Opera, Seattle Symphony, Pacific Northwest Ballet, and the Museum Of Flight. We philanthropically support these and other organizations in the arts, education, and medical research fields to the best of our financial abilities.

My statement is first drawn from my experiences with these boards. Second, I am a businessman who believes that corporations have an obligation and civic duty to support the arts in their communities, and that government has a share in these responsibilities. Third and finally, I speak as an American citizen who is passionately committed to improving this country’s image abroad. I will say a few words about each of these roles and their relationship to government support of the arts.

United Arts Funds: in Washington State’s Puget Sound Region, ArtsFund is the central vehicle for driving private support to nonprofit arts organizations of all disciplines. It was created in 1969 by business leaders who valued the arts as vital to the health of the community. It is one of

the most respected and efficient vehicles for businesses and individuals to support the arts, and has grown into a powerful grant allocation machine, a common voice within the community, and a catalyst for important arts issues. ArtsFund currently raises more than \$4 million annually to provide general operating fund grants to over 70 King and Pierce County arts groups. And these numbers are growing. Tacoma and of course Seattle has and continues to benefit from these financial distributions.

ArtsFund is one of more than 60 united arts funds that currently exist in communities across the United States collectively raising more than \$100 million for the arts community, according to Americans for the Arts.

United arts funds are private nonprofit agencies that broaden support for the arts, promote high artistic quality and excellence in the arts and arts management, and help to ensure that deserving arts organizations are financially stable.

Communities with united arts fund organizations which are represented by this subcommittee's members include Binghamton, New York; Lexington, Kentucky; Sacramento, California; Wausau, Wisconsin; and of course Tacoma, Washington.

Back home in the Puget Sound region, our ArtsFund is further strengthening the structure and capacity of the arts through grants, constructive feedback to arts groups from the ArtsFund allocation process, and creating new generations of arts leadership.

Corporate Citizenship: Although united arts funds are efficient vehicles for attracting and channeling corporate support, there are still only sixty of them across the nation. In many other communities, corporations lack a central organization for allocating resources.

As might be expected, corporate giving takes many forms and occurs for multiple reasons. Besides direct philanthropic gifts of money from corporations and corporate foundations, other forms of company assistance include in-kind donations, employee matching gift programs, and volunteerism. Corporate giving generally results from a desire to improve the quality of life in communities where they do business and from a view that the arts are a means to celebrate and affirm community identity.

It goes without saying that the marketing departments of these corporations also see a distinct advantage in increasing their visibility locally, regionally, nationally, and internationally. It ultimately helps their bottom line

Business and government leaders in my own area recognize the value of the arts. In fact, our four-county Puget Sound Regional Council has embraced our cultural life as a "strategic competitive advantage" for our region and is pursuing measures to capitalize on that strength.

While Puget Sound may provide an example, I believe that the federal government can and should provide some leadership. It should send a powerful signal to corporate donors that the arts matter, that they are worthy of corporate support, and that the whole community should pull together with each sector doing its part. A significant funding increase for the NEA will send

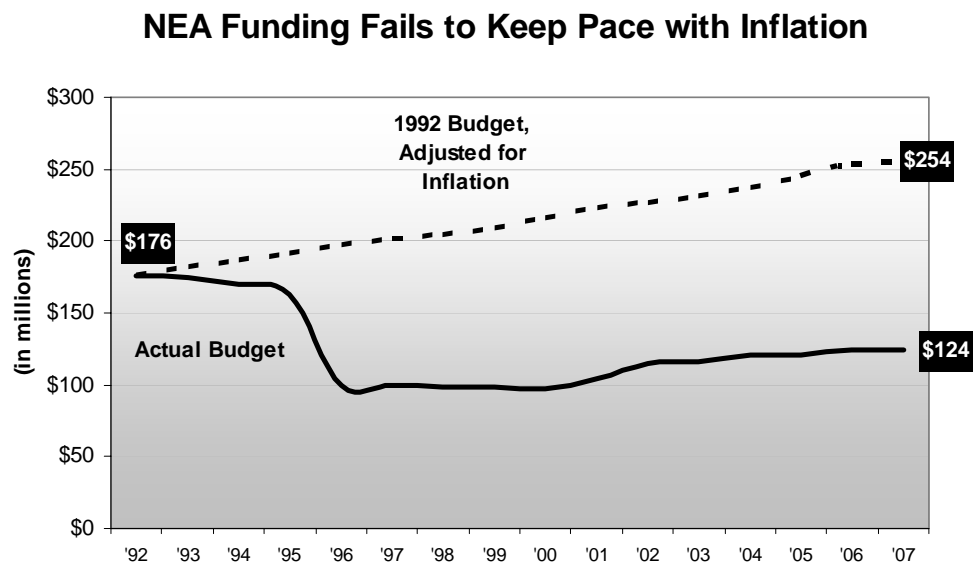
just such a signal, and its effect will be felt not only in corporate giving but also in giving to united arts funds, and perhaps even in gifts from individuals.

It takes team members to make a team. Private, corporate and government funding together make a powerful team, capable of fulfilling powerful goals.

The Decline of NEA Funding: Let me put the decline of NEA funding in stark and real terms. Six-figure grants from the NEA used to be commonplace. Now, unfortunately, because of decreased funding, the size of grants has markedly diminished. With smaller size comes a diminished power of leverage, making private funding more difficult to attract. Make no mistake, there is powerful symbolism in receiving an NEA grant, but symbolism alone has limited ability to swing a budget from red to black. Today's NEA grants lack the power to stabilize major organizations and to build their capacity to deliver more quality arts to larger audiences. Operating income derives from a diverse array of sources including earned income, individual gifts, corporate and foundation grants, as well as local, state, and federal funding, usually in that order. The Seattle Opera, for example, receives less than 3% of its funding from all government sources, including the current annual NEA contribution.

I believe in the free market system. Organizations need to and in fact do compete for NEA funding. But if we are asking the arts to fulfill their potential in fostering innovations and creativity, we must provide a larger pool of competitive NEA funds. Instead, these available funds have steadily shrunk in recent years.

The chart below shows what the NEA appropriation would be if it had remained constant since 1992, counting for inflation. In short, it would now be at \$254 million, instead of just \$124 million. Right now NEA funding is at less than half of what it was 15 years ago, again adjusted for inflation. Raising it to \$176 million, as the arts community recommends, would at least bring it to 70 percent of its 1992 inflation-adjusted level.



While hardly ideal, this level would at least rescue the federal role in the arts from bordering on being an embarrassment.

The Arts and America's Reputation Abroad: I would also like to mention my personal and professional interest in the role of the arts in restoring America's reputation abroad. As a businessman and supporter of the arts, I believe that both the arts and business can make a significant contribution in this regard, and that government support is an essential partner. I speak not only as the CEO of a firm with 126 installation centers around the world, but also as a person with five decades of experience in international business.

It pains me to say that the rest of the world increasingly fails to see that the United States cares about the arts. Even worse, they are questioning the involvement of the American people in the arts, not just the government. They see this lack of cultural involvement and curiosity as a significant difference between them and us. When we travel abroad, foreign friends and business associates have apparently all but forgotten our rightful and hard-earned place in the world's art collage. Americans are increasingly seen as having only two singular goals – the ability to make war, and the profit there from. While patently not true, image is still an overriding element of judgment, and our image abroad and in our neighboring nations could use a little broadening.

Government support, in the form of increased appropriations for the NEA, will send a powerful signal to the rest of the world. It might even begin to break down our image as a latter-day Sparta. Our job is to whittle away at that image, and to enhance it with more perceived federal government involvement in the arts and humanities.

This is not merely an embarrassment. It does real harm to our ability to do business abroad.

We have a unique opportunity here to strengthen our government's image through enhanced support of the arts as practiced and polished in the United States.

Conclusion: I believe in federal support for the arts that is limited but meaningful and consistent. The federal government should help to stabilize the quality of large arts organizations and breathe life into smaller ones. In doing so, our government can help to refine and polish its image internationally, and join us in the private and business sectors in promoting mutual appreciation of the arts, to everyone's benefit.

Thank you very much for the opportunity to testify. I would be happy to answer any questions you might wish to ask.