



Arts Facts . . . Business Support to the Arts

With billions in arts funding, businesses play a key role in ensuring the health and vitality of the nation’s arts sector. The share of corporate philanthropy directed to the arts increased in 2008. The long-term trend, however, has been decidedly downward over the past decade.

Businesses Support for the Arts Changes with the Economy

According to the 2010 BCA Triennial Survey of Business Support to the Arts, total arts giving decreased by 14 percent between 2006 and 2009. Several reasons for this, likely motivated by the turbulent economic climate, include:

- The percentage of all businesses contributing to any philanthropic cause decreased from 70 percent in 2006 to 52 percent in 2009.

Business Contributions to the Arts		
	2006	2009
Percent change from 2006 in total arts giving	-	-14%
Percent of all businesses contributing to any philanthropic cause	70%	52%
Percent of all businesses contributing to the arts in 3 year period (cash/non-cash)	43%	28%
Median contribution to the arts per business	\$800	\$750
Percent the arts received of total philanthropic contributions	13%	15%

Source: Americans for the Arts' Business Committee for the Arts, 2010.

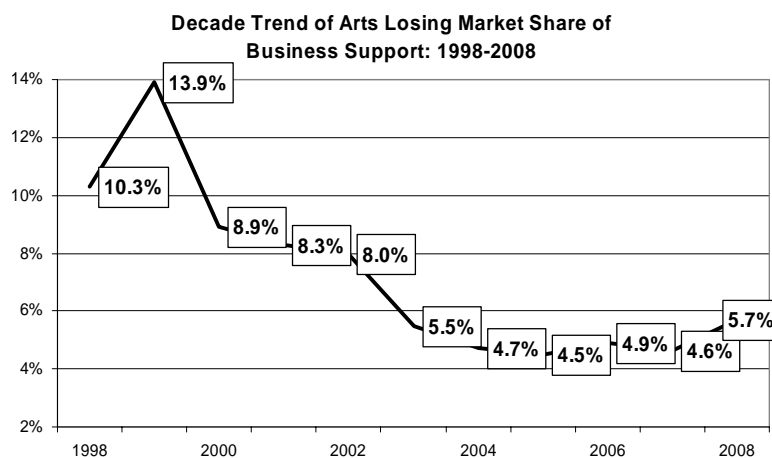
- The percent of all businesses contributing to the arts during this period decreased from 43 percent in 2006 to 28 percent in 2009. In addition the median contribution to the arts per business across all business sizes decreased from \$800 to \$750.
- Despite the negative numbers, there is some encouraging news. The report shows that the percentage the arts receive of total philanthropic contributions is up slightly from 13 to 15 percent. So while funding is dropping, the arts are getting a slightly bigger piece of the pie.
- Also, among the decreased number of businesses that continue to support the arts, median giving rose among small businesses (from \$500 to \$700) and mid-sized businesses (from \$2,000 to \$2,250). As a result, small and mid-sized businesses more than ever contribute the largest share of arts dollars—contributing 69 and 24 percent respectively.

Reasons Businesses Support the Arts

- According to the survey, Sixty percent of businesses say they support the arts because it is a good thing to do. Only 14 percent say giving is tied solely to business goals, although another 23 percent say they give both for philanthropic and business goal reasons. This means a net of 37 percent of businesses mention relating arts giving to business goals.
- One of the top reasons businesses support the arts or would consider supporting the arts is if there is a link to social causes or education. After profitability, this is the top reason businesses cited for increasing or considering supporting the arts.

Downward Pressure on Business Support to the Arts

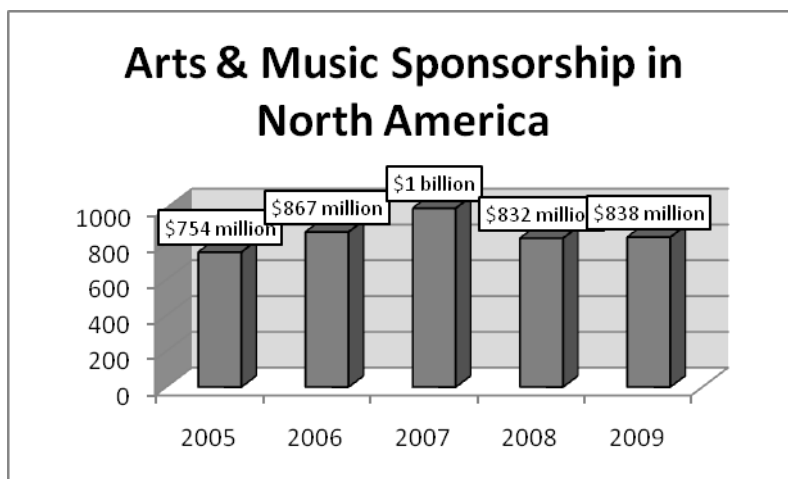
- In an effort to achieve more measurable results from their philanthropy, more businesses are reducing their charitable focus to a single funding category, such as health or education. This single-focus giving rarely focuses on the arts.
- Mergers and acquisitions are resulting in a negative impact on local giving, by reducing the number of corporate headquarters in communities across the country. Following the mergers, those local dollars are likely to be redirected to national and global issues such as health, education, and the environment—and seldom to the arts.
- The share of corporate philanthropy directed to the arts increased in 2008. The long-term trend, however, has been decidedly downward over the past decade, according to research conducted by the Conference Board. While much of this can be attributed to a huge increase of in-kind contributions of medications by drug companies, further analysis still demonstrates that the arts’ “piece of the pie” is getting smaller.



Source: Conference Board, 2009.

Sponsorship

The dollar amount of arts sponsorships increased slightly in 2009 (though decreased when adjusted for inflation). The arts are getting a smaller piece of the total sponsorship-pie, dropping from 6 to 5 percent since 2005. Total sponsorships in North America are expected to be \$16.51 billion in 2009. In 2007, arts sponsorship topped \$1 billion for the first time.



There is renewed interest in business support for the arts as it relates to building the 21st century workforce.

In October 2008, the Conference Board released *Ready to Innovate*, a research report that touts the importance of arts education in building the 21st century workforce. Innovation is the key to the nation’s economic recovery and global competitiveness. Arts participation—in school or in the workplace—strengthens our “creativity muscles,” which builds our creativity—the fuel that drives innovation.

