

RESEARCH REPORT

LOCAL ARTS FUNDING



UNITED ARTS FUNDS

NOVEMBER 2020

A Statistical Report on the Campaign Revenues of the Nation's
United Arts Funds during Fiscal Years 2019 & 2020

COPYRIGHT 2020 BY AMERICANS FOR THE ARTS. ALL RIGHTS RESERVED.

INTRODUCTION

Americans for the Arts is pleased to present this report about the nation's united arts fund annual campaigns, containing the most current information provided as of fall 2020.

United Arts Funds (UAFs) are local arts agencies whose main function is to raise money from local individuals, businesses, and foundations to regrant to local arts institutions and provide support to the cultural community. UAFs provide accountability, a transparent and systemic process, and deep knowledge of the local arts community that is not feasible for most donors to do individually. Thus, UAFs are trusted stewards to those that seek to make a meaningful contribution to the arts.

The UAF movement began in 1949 when civic leaders in Cincinnati and Louisville determined that community-wide campaigns, loosely based upon the United Way model, could raise substantially more money to provide ongoing operating support to their major arts institutions. The majority of UAFs were initiated by local business leaders seeking to minimize individual funding requests and to ensure that arts organizations meet standards of quality and financial stability. For decades following, the fundraising power of UAFs was typically available only to that closed group of arts organizations.

Beginning in the 1990's, allocations have become increasingly available to the full and diverse range of local arts organizations, with funding decisions based on community impact, expecting grantees to reflect the differences and needs of the whole community. Today, grants have evolved from primarily general operating support (GOS) to project grants, capital grants, capacity building grants, and neighborhood and community grants. UAFs are more heavily engaged in cultural planning, implementing programs that engage the community through the arts, and providing capacity-building programs and other services to arts organizations in their region. Consequently, many of these organizations are moving away from the traditional and inequitable model of a UAF and consider themselves as full-service local arts agencies (LAAs).

Following the changes in the field, Americans for the Arts is shifting its own use of language, which will be reflected in this report. Throughout this report, figures that reference UAFs refer only to the 27 that self-identified with Americans for the Arts' definition of a UAF (see above). That is, UAFs are a subset of LAAs who fundraise from the private sector for the purposes of regranteeing those funds. Figures that refer to both UAFs and "participating LAAs" include responses from all 57 survey respondents. Figures pertaining to LAAs should not be conflated with data compiled and reported in the *Profile of Local Arts Agencies*, which represents 633 LAA survey respondents.

Though no united arts fund is the same, the network shares some commonalities:

- Most UAFs are also the primary local arts agency (LAA) for their community.
- UAFs and LAAs primarily raise unrestricted operating support for organizations that they fund—though many also raise funds for special projects or to address specific

community issues (e.g., marketing, stabilization, and arts education). An increasing number of these groups also operate programs that support specific projects, and many also have conducted capital campaigns and helped create and/or operate cultural facilities.

- UAFs and LAAs generally have a board of directors composed of community leaders who span a wide range of sectors, and who can engage in one-on-one fundraising efforts.

METHODOLOGY

Throughout the Spring and Summer of 2020, the Americans for the Arts Private Sector Initiatives department solicited responses to the 2020 United Arts Fund Campaign Survey.

Surveys were distributed to a total of 105 local arts agencies and united arts funds who indicated on the *2019 Profile of Local Arts Agencies* that they solicit funds from the private sector for the purposes of regranting those funds to their arts and culture communities. A total of 57 responses were received; 27 of the 57 survey respondents indicated they continue to identify with the original definition of a united arts fund. Additionally, once the survey process was complete, nine additional UAFs provided only their campaign revenue totals for FY2019 and FY2020. As a result, a total of 36 UAFs are included in the united arts fundraising campaign revenue financial analyses. Non-responders were contacted by phone and/or via email to solicit their participation.

2020 UAF CAMPAIGN REVENUE FACT SHEET

- As of April 2020, approximately **40 organizations are known to be actively operating a united arts fund** (as recently as 2005 there were at least 65 UAFs in operation). According to the *2019 Profile of Local Arts Agencies*, 105 organizations indicated they fundraise from the private sector and regrant those funds. 57 organizations who fundraise from the private sector for the purposes of regranting those funds responded to this survey. **27 of those self-identified as a united arts fund**. As a whole, we consider the **57 organizations represented in this study to be local arts agencies (LAAs)**.
- The 36 UAF respondents that provided campaign revenue totals reported **aggregate 2019 campaign revenue of \$75.3 million and aggregate 2020 campaign revenue of \$73.9 million**. This represented a -2.58% decline from the nearly \$77.3 million that they reported in their 2018 campaigns and -1.85% decline between 2019 and 2020.
- In 2020, UAFs and participating LAAs were asked to report their pre- and post-COVID-19 campaign goals and revenues. The participating groups reported only a -0.1% decrease between their pre- and post-COVID-19 goals. Collectively these organizations **achieved 98.7% of their post-COVID-19 goal and 98.6% of their pre-COVID-19 goal**.
- The participating **UAFs raised an average of \$2 million per organization** for their communities.
- The participating UAFs **raised an average of \$2.43 per capita** in their self-reported service areas during 2020.
- 26 UAFs have provided their total campaign revenue annually since 2009. Their consistent responses—plus the fact that they represent \$69.8 million of the \$73.9 million in aggregate 2020 UAF campaign revenue (94.4%)—make this group a reliable indicator of the year-to-year changes in UAF campaigns. **These 26 consistent responders reported that their aggregate campaign revenue decreased from \$70.9 million in 2019 to \$69.8 million in 2020, a decrease of -1.6%**. This is significant given the enormous financial, economic, and social challenges facing the United States during the COVID-19 pandemic.
- Although, historically, the majority of UAFs held a short-term fundraising campaign each year, **17 of the 27 participating UAFs (62%) reported that they currently hold year-round fundraising efforts** (in fact, four of those no longer consider their year-long fundraising a “campaign” but rather part of their normal operations).
- When comparing sources of revenue from ten years prior, UAFs show a significant increase in their receipt and re-distribution of public funds. **In 2010, 36% reported revenue from local, regional, state, or federal government funds compared to 73% in 2020**, showing an effort to diversify their sources of revenue.

- Despite the shift towards public funding, **the number of UAFs operating workplace giving campaigns have remained steady.** In 2010, 50% of UAFs operated a workplace giving campaign compared to 49% in 2020. Given the steady decline in giving overall, this information suggests a backfill of public funds to replace the loss of corporate funds over time.
- Historically, UAFs provided only general operating support to a closed group of organizations. **In 2020, 69% (38) provide competitive project support, 64% (35) provide general operating support, and 35% (19) listed additional types of support** including but not limited to artist grants, fellowships, contracts with teaching artists, scholarships, and sponsorship.
- 2020 proved to be a singular year in its challenges due to the COVID-19 pandemic. **51% (28) of participating LAAs launched a COVID-19 emergency relief fund** in their community.
- **82% (23) of participating LAAs sought funds for their COVID-19 emergency relief funds from new donors, while also relying on existing donors to provide support (93% or 26 respondents).** 61% (17) found other sources of funding such as transferring money from GOS or project grant pools, their endowment or through partnerships with foundations and community partners.
- Of those that provided COVID-19 emergency relief, 75% (21) made individuals and creative workers eligible to receive funding, 61% (17) made funds available to organizations that had previously received funding, and 43% (12) allowed organizations that had never previously been funded to be eligible.
- **Organizations that provided COVID-19 emergency relief funds used a variety of ways to make those funds more equitably available to those who needed it.** 54% (15) eliminated the need for reporting. 32% (9) eliminated panel reviews, budget documents, and/or used new technologies to transfer funds to recipients. Only 11% (3) did not modify their grantmaking process to distribute COVID-19 relief funds.
- As a result of the COVID-19 crisis, **52% (24) of participating LAAs say they will evaluate and/or reconsider its strategy for providing funding.**

ABOUT AMERICANS FOR THE ARTS

For more than 50 years, Americans for the Arts has been dedicated to representing and serving local communities and creating opportunities for every American to participate in and appreciate all forms of the arts. From offices in Washington, D.C., and New York City, it serves more than 150,000 organizational and individual members and stakeholders.

Americans for the Arts is focused on four primary goals:

1. Lead and serve individuals and organizations to help build environments in which the arts and arts education thrive and contribute to more vibrant and creative communities.
2. Generate meaningful public and private sector policies and more leaders and resources for the arts and arts education.
3. Build individual awareness and appreciation of the value of the arts and arts education.
4. Ensure the operational stability of the organization and its ability to creatively respond to opportunities and challenges.

To achieve its goals, Americans for the Arts partners with local, state, and national arts organizations; government agencies; business leaders; individual philanthropists; educators; and funders throughout the country. It provides extensive arts-industry research and professional development opportunities for community arts leaders via specialized programs and services, including a content-rich website and an annual national convention.

Local arts agencies (LAAs) throughout the United States comprise Americans for the Arts' core constituency. A variety of unique partner networks with particular interests such as public art, united arts fundraising, arts education, and emerging arts leaders are also supported.

Through national visibility campaigns and local outreach, Americans for the Arts strives to motivate and mobilize opinion leaders and decision-makers who can make the arts thrive in America. Americans for the Arts produces annual events that heighten national visibility for the arts, including the National Arts Awards and Arts & Business Partnership Awards honoring business leadership and the Public Leadership in the Arts Awards (in cooperation with The United States Conference of Mayors) honoring elected officials in local, state, and federal government.

Americans for the Arts also hosts Arts Advocacy Day annually on Capitol Hill, convening arts advocates from across the country to advance federal support of the arts, humanities, and arts education.

For more information about Americans for the Arts, please visit www.AmericansForTheArts.org.