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Americans for the Arts
Testimony Before the U.S. House of Representatives
Interior, Environment and Related Agencies Appropriations Subcommittee
February 6, 2020

Chair McCollum, Ranking Member Joyce, and members of the Subcommittee, thank you for the opportunity to testify before you today in support of federal funding for the National Endowment for the Arts (NEA) at no less than $170 million for FY 2021, a $7.75 million increase over FY 2020 funding.

Americans for the Arts is the leading nonprofit organization for advancing the arts and arts education in America. We have more than 60 years of service and are dedicated to representing and serving the more than 4,500 local arts agencies in every state. Together we work to ensure that every American has access to the transformative power of the arts. I appreciate the opportunity to provide public comment on the budget request for the NEA.

While we have yet to receive the Trump administration’s FY 2021 budget request, I was deeply troubled by the Administration’s short-sightedness for the proposed FY 2018, FY 2019, and FY 2020 budgets calling for the elimination of the NEA. I commend the bipartisan work from this committee, and Congress, in rejecting those requests, and I know that I speak for the arts community in expressing our deep appreciation to Congress in appropriating an additional $7.25 million in funds for the NEA in FY 2020 over FY 2019—the largest increase the NEA has seen in the past six years and the highest level of funding the agency has had in the past decade.

Receiving consecutive years of gradual funding increases, the NEA’s investment in every congressional district in the country now contributes to a $804 billion arts and culture industry in America according to our U.S. Department of Commerce, representing 4.3 percent of the annual GDP. The nation’s arts and culture industry supports 5 million jobs and yields a $25 billion trade surplus for our country.¹

Further, every NEA grant dollar leverages at least $9 in private and other public funds, generating more than $500 million in matching support. This leveraging power far surpasses the required non-federal match of at least 1:1 and illustrates why federal support for the arts is uniquely valuable. The federal investment in the arts helps power the creative economy across the country.

Proportionally, the NEA’s budget is just 0.0035 percent of the federal budget. That amounts to 47 cents per capita. In fact, the NEA budget has been losing its share of federal discretionary spending.

spending and failing to keep pace with inflation since 1992 when the appropriation was for $176 million. When adjusted for inflation, the NEA’s 1992 budget would today be more than twice the current budget.²

Regarding our request for FY 2021, we hope that the NEA will receive funding at $170 million, which Congress appropriated on a bipartisan basis in FY 1994 and is another step towards reaching the funding-level highpoint of FY 1992.

We estimate that a $7.75 million increase, based on current NEA programming would provide:

- An increase in the total amount for direct endowment grants by about $3.4 million.
- An increase in the total number of direct grants by about 120.
- An increase of $2.3 million to the NEA’s state partnership agreement, which would result in about 1,100 additional state grants.
- With the NEA estimation of a 9:1 return for each direct grant dollar, a 5% funding level increase would be expected to leverage an additional $25 million in non-federal matching support.

NEA grants are remarkably far-reaching, and they touch many communities which have fewer opportunities to experience the arts. According to the NEA, the majority of direct grants go to small- and medium-sized organizations, which often support projects for audiences that otherwise might not have access to arts programming. In FY 2017:

- Small-sized organizations (less than $500,000 in prior year expenditures) received 31% of the NEA’s direct grants;
- Medium-sized organizations ($500,000 to $2 million in prior year expenditures) received about 34%; and
- Large organizations (over $2 million) received 35% of direct grant awards.

In examining the communities that NEA grants touch, it is important to note that:

- 40% of NEA-supported activities take place in high-poverty neighborhoods;
- 36% of NEA grants go to organizations that reach underserved populations such as people with disabilities, people in institutions, and veterans—such as those who receive care through Creative Forces, which places creative arts therapies at the core of patient-centered care at 11 military medical facilities and a telehealth program for patients in rural and remote areas; and
- 33% of NEA grants serve low-income audiences.³

While the NEA funds in every congressional district, I’d like to highlight the vital impact this funding has on rural communities. In rural states, arts and cultural production employed 628,500 workers and contributed $67.5 billion to the economies of states in which 30 percent or more of the population lives in rural areas. The value added to North Carolina and Tennessee, which have

² Americans for the Arts, [https://www.americansforthearts.org/sites/default/files/1.%20National%20Endowment%20for%20the%20Arts_0.pdf](https://www.americansforthearts.org/sites/default/files/1.%20National%20Endowment%20for%20the%20Arts_0.pdf)
the largest rural arts economies, exceeded $14 billion in each of those states. In South Carolina, Alabama, Kentucky, Oklahoma and Iowa, the value added exceeded $4 billion in each state. Additionally, the arts are a tourism draw for rural communities, as they attract visitors who come for the arts and spend money while in town. According to the study Arts & Economic Prosperity, audiences at arts events in rural communities (population <50,000) are more likely to come from outside the county than audiences in large urban areas (population >1 million). Furthermore, nonlocal attendees at rural arts events spend more than their local counterparts ($47.79 vs. $20.38).

Similarly, according to the U.S. Department of Agriculture, in rural communities the number of innovative or design-integrated businesses—those that use design services or trademark and copyright-protected branding—rises proportionately in the presence of performing arts organizations. Specifically, the probability that a business will be a substantive innovator, rises from 60 percent in rural counties with no performing arts organization to 85 percent for rural counties that have four or more organizations. It is also important to note that:

- Rural counties that are home to performing arts organizations experienced population growth three times higher than rural counties that lack performing arts institutions.
- Rural counties that house performing arts organizations provide residents with higher incomes (up to $6,000 higher) than are reported in rural counties that lack performing arts organizations.
- Two out of three rural businesses report that arts and entertainment are important for attracting and retaining workers.
- Rural counties that have design-driven businesses recovered more quickly from the recession, showing more growth in weekly earnings over a four-year period (2010 to 2014).

The NEA grants in all communities—but especially rural ones—are vital to supporting arts programming and arts education and make a tremendous difference all around the country. Several examples here are grants that have gone to some of your districts:

- **On-Ice Program, Roseville, MN**—Multidisciplinary artist teams will be selected to create and build interactive public art structures on the frozen surface of Lake Harriet in Minneapolis. Attendees of the outdoor winter festival will have the opportunity to explore these site-specific creations, which may include participatory elements such as music making, kinetic sculptures, or poetry creation.

- **Tacoma Art Museum, Tacoma, WA**—To support Day of the Dead activities, featuring performances of traditional Mexican music and dance, as well as displays of ceremonial altars and tapetes (sand paintings). In observance of the Mexican holiday Day of the Dead, the museum will offer performances of traditional Mexican music and dance, as well as present displays of ceremonial alters, and tapetes (sand paintings).

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• **Ashtabula Arts Center, Ashtabula, OH**—To support a musical theater program for students and the creation of a mural. The center will partner with Ashtabula Area City Schools and After School Discovery to provide afterschool theater classes that will culminate in a musical theater production. A team of trained artists will work with students and parents through classroom activities, afterschool workshops, and parent nights to design and fabricate a mural for installation inside a local elementary school.

• **City of Rexburg, ID**—To support the Teton Storytelling and Arts Festival, including a performance by storyteller Kim Weitkamp. The annual festival began in relation to Rexburg’s location along the path of the 2017 total solar eclipse, and takes place in a rural county identified as having the lowest median household income in Idaho.

• **Carson City Symphony Association, Inc., Carson City, NV**—To support a series of concert performances featuring the musical traditions of Central and South America. Selected guest artist musicians will perform with the Carson City Symphony in a program intended to engage Carson City’s growing Latino population.

We must continue to strongly support federal funding of the arts as it fosters investment, spurs job-related growth, expands educational opportunities, is essential to rural communities, and provides for the preservation of our heritage.

Thank you for your consideration and support of at least $170 million for the NEA in the FY 2021 budget, and, as always, we stand ready to assist and remain focused on getting the Endowments fully funded again in the coming months.