



SOUTHERN CALIFORNIA
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Responsible Giving*

Arts in the Balance:

A Survey of Corporate, Foundation and Government
Arts Funding in Los Angeles County
1998-2003

Southern California Grantmakers | Los Angeles Arts Funders

INTRODUCTION

During the fall of 2003, the Southern California Association for Philanthropy (now Southern California Grantmakers) partnered with Los Angeles Arts Funders to commission the third biennial survey of arts funding in Los Angeles County.

The most in-depth review of its kind to date, the survey tracked giving for the arts from 65 grantmaking agencies to 600 nonprofit recipients in L.A. County for 2002, the funders' most recently completed fiscal year. The 65 respondents reported a total of \$51.3 million in arts giving for L.A. County in 2002. Current survey findings were compared with previous surveys, which examined arts giving during the 1998 and 2000 fiscal years.

The survey includes data that reflects areas of concentration and gaps in Los Angeles County arts funding—and dramatically highlights the current vulnerable state of Southern California's arts community.

KEY FINDINGS

The trio of surveys (1998, 2000, 2002) spans a period of unusual economic turmoil in California. The "dot.com crash," exacerbated by a declining stock market, adversely affected private giving. Substantial state budget shortfalls sparked declines in public funding. Grant recipients in the arts experienced an overall decline in award size—and found fewer funders accepting grant requests from arts organizations. In contrast, the highly successful capital campaign to build Disney Hall was completed—raising over \$270 million.

- In general, funding for the arts has declined significantly.
 - Private funding dropped 13% from 1998 to 2002.
 - Public funding increased between 1998 and 2000, but dropped dramatically in 2002. (In 2003 the California Arts Council eliminated its grants budget, further reducing the availability of public funding for the arts.)
- Both the private and public sectors are essential to the survival of the arts.
 - Among the top ten largest donors are four public agencies and six private foundations. These organizations accounted for 75% of funding in 2002.*
- While the number of grants to arts organizations increased from 1998-2002, the average dollar amount of these grants decreased significantly.
 - Los Angeles County Arts Grantmaking: 1998, 2000 and 2002 (Select Comparison**/without Disney Hall, \$ millions)

	Private & Public Sector	% Change	Private Sector	% Change	Public Sector	% Change
1998	\$37.35		\$28.33		\$ 9.02	
2000	\$38.67	4%	\$26.41	-7%	\$12.26	36%
2002	\$35.73	-8%	\$24.78	-6%	\$10.95	-11%

- Average Size of Grant Awarded in Los Angeles County: 1998, 2000 and 2002 (Select Comparison**/without Disney Hall)

	Private	Public
1998	\$57,694	\$14,432
2000	\$39,901	\$14,730
2002	\$41,156	\$12,567

*The ten largest donors to the arts in Los Angeles County in 2002: The Annenberg Foundation, Weingart Foundation, The Ahmanson Foundation, California Arts Council, City of Los Angeles Cultural Affairs Department, J. Paul Getty Trust, The Ralph M. Parsons Foundation, National Endowment for the Arts, Los Angeles County Arts Commission, and W. M. Keck Foundation.

**A cross-section of 30 funders that responded to the 1998, 2000 and 2002 surveys.



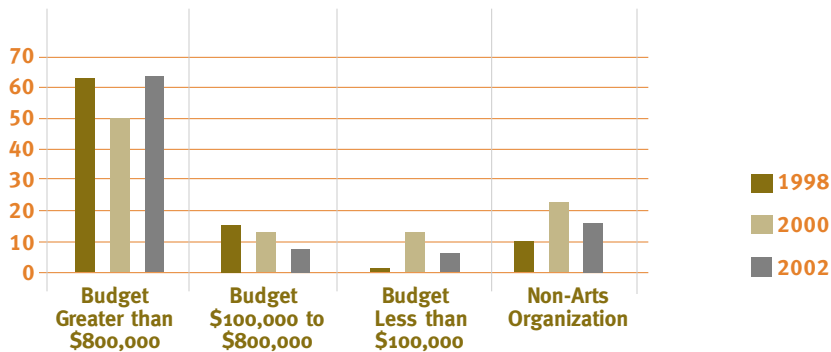
FUNDING HABITS

Arts grantmaking, in the aggregate, must cover many bases. To ensure broad public access to the arts, funding must transcend geography, embrace all disciplines and accommodate a broad range of artistic practices—from fledgling grassroots efforts to firmly established organizations. The survey results, however, reflect a story of imbalanced distribution of dollars, and different funding priorities for the public and private sectors.

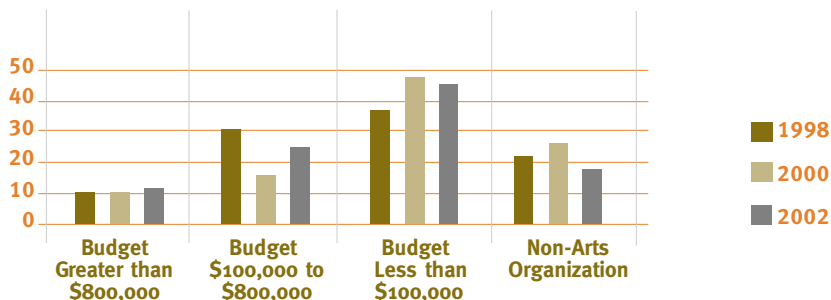
- The budget size of the recipient organization is a major factor influencing funding.

- Large budget organizations continue to receive the bulk of arts funding.
- The percentage of arts funding that went to mid-sized organizations fell from 14% in 2000 to 5% in 2002. Support for small organizations fell from 11% in 2000 to 6% in 2002.
- While private sector funders focused their arts dollars (70% of their giving) on organizations with budgets over \$800,000, public sector funders balanced their giving among arts organizations of all sizes.

- Percent of Total Arts Funding Awarded, by Budget Size of Recipient Organization, 1998, 2000, and 2002*



- Number of Organizations Funded, by Size of Recipient Organization, 1998, 2000, and 2002*



*The following two graphs represent information from 37 funders that responded with recipient lists and grant amounts.

- Individual artists, whose vision and creative production fuel the arts economy, receive inadequate support.

- Overall, only 2% of all arts funding goes to individual artists. Of this amount:
 - 1% of the private sector's overall arts funding went to individual artists.
 - 5% of the public sector's overall arts funding went to individual artists.

SURVEY IMPLICATIONS

Community-based enterprises such as neighborhood theaters, small galleries, dance companies, arts education programs and musical ensembles comprise the bedrock of the nonprofit arts infrastructure, serving as both a creative and economic force in Los Angeles County. In turn, these small- and mid-sized organizations feed into the larger, more fiscally stable institutions that are the engine for Southern California's cultural vitality. These smaller organizations—core to the rhythm and vibrancy of Los Angeles—stand to suffer the most if the trends and habits reflected in the survey continue.

To get involved and help us make a lasting difference by supporting the arts, please contact Southern California Grantmakers at 213.680.8866 ext.o.



The challenges facing arts organizations are numerous and, in some cases, potentially devastating. The operating needs of arts organizations, for example, vastly outweigh the charitable contributions received. These organizations must generate between one-third to one-half of operating budgets through donations, thus declines in funding can significantly impact the ability of some organizations to operate optimally—or even survive.

Furthermore, the overall decline in public sector awards presents yet another challenge. These funding gaps cannot be filled by the private sector. Private sector funding complements and builds upon the public sector's base of support to the arts community, but it is inadequate to meet all of the needs of the community.

Finally, grantseeking organizations, as reported by the funders, are spread thin in their ability to attract multiple grants, with the majority of organizations receiving only one grant from any one source (public or private).

RECOMMENDATIONS

Arts organizations contribute richly to the economic health and well being of Los Angeles' diverse neighborhoods. A vital creative environment in Los Angeles County enhances student achievement, supports workforce development, improves public safety, promotes civic pride and encourages tourism.

To foster a creative arts environment, it is critical to build a sustainable funding infrastructure, beginning with some basic strategies. First, new donors must be cultivated—a process that requires constantly demonstrating and reinforcing the essential role of the arts to the growth and vitality of Los Angeles. At the same time, existing arts donors from both the public and private sectors should be encouraged to communicate with each other, conduct their grantmaking in an accessible and systematic manner and be strategic in directing their support. Of equal importance is the nurturing of small-to mid-sized organizations, helping them increase their visibility in the community and thereby enhancing their potential for funding opportunities. Finally, it is vital that funders develop and maintain strong connections with the organizations and individuals that comprise the Los Angeles arts community—keeping informed of their activities—and, most especially, their needs.



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The full survey report can be viewed at www.socalgrantmakers.org.