



Arts Facts . . . Business Support to the Arts
 With its more than \$3 billion in arts funding, businesses play a key role in ensuring the health and vitality of the nation's arts sector. Financial support parallels the performance of the nation's economy. Following post-9/11 decreases, business arts support rebounded in 2005. **A decrease is forecast for 2009.**

Business Support to the Arts Changes with the Economy

Business support to the arts largely follows the performance of the nation's economy. There were significant decreases between 2000 and 2005, followed by modest increases between 2006 and 2008. Americans for the Arts is forecasting a decrease in business arts support in 2009.

The Business Committee for the Arts' *National Survey of Business Support to the Arts* indicates that, while the percentage of businesses contributing to the arts increased from 36 to 42 percent between 2003 and 2006, total arts support actually decreased 5 percent to \$3.16 billion.

Business support to the Arts: 2003 to 2006 (-5 percent)		
	2003	2006
Percent of businesses contributing to the arts	36%	42%
Median arts contribution per business	\$800	\$800
Total	\$3.32 billion	\$3.16 billion

Source: Business Committee for the Arts, 2007.

- CEOs are typically involved in funding decisions (90 percent) and nearly all business giving is local (93 percent)—usually in the communities in which the company's employees reside.

Business Arts Support is Becoming Less Philanthropy-Oriented, More Strategic

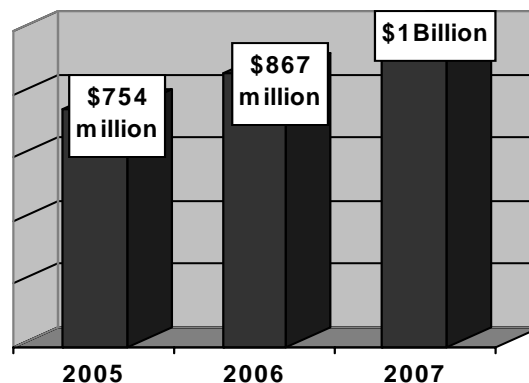
Businesses use a variety of means to support the arts, including charitable contributions, sponsorships, art collections, employee the arts, including charitable contributions, sponsorships, art collections, employee matches, in-kind services, executive loan programs, and workplace giving.

Business support to the arts has shifted from general charitable giving to a more marketing-based and sponsorship-oriented strategy. This enables businesses to support the arts as well as use the arts to meet business goals, expand markets for products, and engage employees.

Sources of Business Contributions to the Arts		
	2003	2006
Marketing/Sponsorship Budget	30%	43%
Annual Contributions Budget	51%	39%
Advertising Budget	42%	35%
Executive Budget	22%	16%
Company Foundation	12%	11%

Source: Business Committee for the Arts, 2007.

- While the dollar amount of arts sponsorships has increased, the arts are actually 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 \$16.8 billion in 2008. In 2007, arts sponsorship topped \$1 billion for the first time (up from \$867 million in 2006).



Source: IEG, 2008.

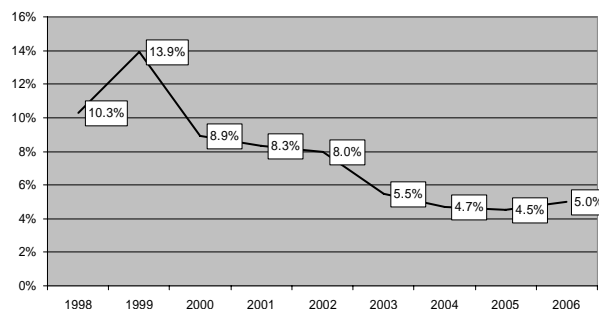
Downward Pressure on Business Support to the Arts

- 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 distributed 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 arts have been steadily losing market share of total business support, according to longitudinal 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.

Arts Losing Market Share of Business Support



Source: Conference Board, 2008.

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 new 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.

