

NATIONAL ENDOWMENT FOR THE ARTS (NEA)

PROMOTING CREATIVITY AND PUBLIC ACCESS TO THE ARTS

ACTION NEEDED

We urge Congress:

- To support a budget of \$155 million for the National Endowment for the Arts (NEA) in the FY 2014 Interior Appropriations bill to preserve citizen access to the cultural, educational, and economic benefits of the arts and to advance creativity and innovation in communities across the United States.

NEA Annual Appropriations, FY 1992 to present (in millions of dollars)

FY	'92	'93	'94	'95	'96/ '97	'98/ '99	'00	'01	'02	'03	'04	'05	'06/ '07	'08	'09	'10	'11	'12	'13
\$	176.0	174.5	170.2	162.3	99.5	98.0	97.6	104.8	115.2	115.7	121.0	121.3	124.4	144.7	155	167.5	155	146	146*

*Subject to change pending final action on Continuing Resolution and sequestration. Note: Figures above are not adjusted for inflation. Source: NEA

TALKING POINTS

The NEA budget has been reduced in previous years to a level that threatens the agency's ability to make grants in every congressional district.

- Due to recent congressional budget cuts, the NEA had to decrease funding to state arts agencies and cut more than 175 direct grants to arts organizations.
- Restoring the NEA to \$155 million will help maintain grant support to arts organizations and partnerships in communities across the country.

The NEA contributes to the economic growth and development of communities nationwide.

- **The arts put people to work.** More than 905,000 U.S. businesses are involved in the creation or distribution of the arts, employing 3.35 million people: visual artists, performing artists, managers, marketers, technicians, teachers, designers, carpenters, and a variety of other trades and professions—jobs that pay mortgages and send children to college. Artists are a larger workforce group than the legal profession, medical doctors, or agricultural workers. (Sources: Americans for the Arts, *Creative Industries*, 2012; NEA, *Artists in the Workforce*, 2008).
- **The arts are a business magnet.** A strong arts sector stimulates business activity, attracting companies that want to offer employees and clients a creative climate and a community with high amenity value. The arts are a successful strategy for revitalizing rural areas and inner cities. Arts organizations purchase goods and services that help local merchants thrive. Arts organizations spend money—more than \$61 billion—on salaries, local products, and professional and skilled trade services that boost local economies. (Source: Americans for the Arts, *Arts & Economic Prosperity IV* (AEP-IV) study, 2012). In 2013, the American creative sector will be measured by the federal Bureau of Economic Analysis (BEA). The BEA and the NEA will develop an "Arts and Cultural Production Satellite Account" which will identify and calculate the arts and culture sector's contributions to the gross domestic product (GDP).
- **The arts help communities prosper in a diversified 21st-century economy.** Nonprofit arts organizations, along with creative enterprises, contribute to state and local economies, generating employment and tax revenues and providing goods and services demanded by the public. The nonprofit arts industry generates \$135.2 billion annually in economic activity, supports 4.13 million full-time equivalent jobs in the arts and related industries, and returns \$9.59 billion in federal income taxes. (Source: AEP-IV study).
- **The arts attract tourism revenue.** Cultural tourism accounts for 78 percent of U.S. travelers—some 118 million tourists—who include arts and heritage in their trips each year. They stay longer and spend 36 percent more money than other kinds of travelers do, contributing more than \$192 billion annually to the U.S. economy. (Source: U.S. Cultural & Heritage Tourism Marketing Council, U.S. Department of Commerce, *Cultural and Heritage Traveler Research*, 2009.)
- **Federal funding for the arts leverages private funding.** The NEA requires at least a one-to-one match of federal funds from all grant recipients—a match far exceeded by most grantees. On average, each NEA grant leverages at least \$8 from other state, local, and private sources. Private support cannot match the leveraging role of government cultural funding.

TALKING POINTS (CONTINUED)

The NEA improves access to the arts; supports artistic excellence; and fosters lifelong learning in the arts through grants, partnerships, research, and national initiatives.

- **NEA funds spread across the country and expand arts access.** Every U.S. congressional district benefits from an NEA grant, leveraging additional support from a diverse range of private sources to combine funding from government, business, foundation, and individual donors. The NEA awarded more than 2,200 grants in 2012, totaling more than \$108 million in appropriated funds. A listing of these grants is online at www.AmericansForTheArts.org/go/NEAgrants.
- **State arts agencies extend the reach of federal arts dollars.** Forty percent of all NEA program funds—approximately \$46 million in FY 2013—are re-granted through state arts agencies. In partnership with the NEA, state arts agencies awarded more than 22,000 grants to organizations, schools, and artists in 5,000 communities across the United States. (Source: National Assembly of State Arts Agencies, *Summary Report: 2011 Funding and Grant Making*, 2011)
- **NEA grants support a range of educational projects.** Arts education in school and participation in arts lessons are the most significant predictors of arts participation later in life. The NEA funds school- and community-based programs that help children and youth acquire knowledge and skills in the arts. The NEA also supports educational programs for adults, collaborations between state arts agencies and state education agencies, and partnerships between arts institutions and K-12 and college/university educators. (Source: NEA, *Arts Education in America: What the Declines Mean for Arts Participation*, 2011)
- **Rural and underserved communities benefit** from the Challenge America Fast-Track category which offers support to small and mid-sized organizations for projects that extend the reach of the arts to populations whose opportunities to experience the arts are limited by geography, ethnicity, economics, or disability. The Lawton Philharmonic Orchestra in Lawton, OK for instance, received funding for an original work paying tribute to Native American themes in a concert that drew 250 Native American guests from the surrounding tribal nations.
- **The NEA has supported military families** by partnering with Blue Star Families to present Blue Star Museums, offering free admission to active-duty military and their families, and a similar effort to launch Blue Star Theatres. Other NEA programs for the military have included Operation Homecoming; Great American Voices Military Base Tour; and Shakespeare in American Communities Military Base Tour.
- **When public arts funding is lost, private dollars do not reliably pick up the slack.** Tough economic conditions mean less revenue from public, private, and corporate sources. Loss of support to arts organizations across the country during the recent recession has meant cuts in administrative costs and cuts to programs. Programs for lower-income populations and at-risk children are typically hit hard because a larger majority of their funding comes from public sources.

BACKGROUND

America's arts infrastructure, supported by a combination of government, business, foundation, and individual donors, is critical to the nation's well-being and economic vitality. In a striking example of federal/state partnership, the NEA distributes 40 percent of its program dollars to state arts agencies, with each state devoting its own appropriated funds to support arts programs throughout the state. This partnership ensures that each state has a stable source of arts funding and policy. These grants, combined with state legislative appropriations and other dollars, are distributed widely to strengthen arts infrastructures and ensure broad access to the arts.

For close to 50 years, the NEA has provided strategic leadership and investment in the arts through its core programs, including those for dance, design, folk and traditional arts, literature, local arts agencies, media arts, multidisciplinary arts, music, theater, visual arts, and other programs. Among the proudest accomplishments of the NEA is the growth of arts activity in areas of the nation that were previously underserved or not served at all, especially in rural and inner-city communities. Americans can now see professional productions and exhibitions of high quality in their own hometowns.

As of this publishing, the FY 2013 NEA appropriation remains under a Continuing Resolution at a level of \$146 million despite the President requesting an increase to \$154.3 million and the Senate Appropriations Committee proposing an equal amount. The Administration's FY 2014 budget hasn't yet been released. However, funding the NEA at the level requested by the nonprofit arts community of \$155 million would provide support to a healthy nonprofit arts sector in communities nationwide. Current funding amounts to just 47 cents per capita, as compared to 70 cents per capita in 1992.