

Inside Philanthropy



The State of  
American Philanthropy

Giving for  
Visual  
Arts

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## ABOUT INSIDE PHILANTHROPY

Inside Philanthropy is a digital media site that covers the world of charitable giving. We report daily on foundations, major donors, and trends in philanthropy. Through our GrantFinder resource, we also profile and track thousands of funders working across key issue areas and geographic regions. Inside Philanthropy is supported by reader subscriptions and advertising. We do not receive funding from any other source. Learn more at [insidephilanthropy.com](https://insidephilanthropy.com)

## ABOUT THE STATE OF AMERICAN PHILANTHROPY

The State of American Philanthropy is a series of background papers on important topics and trends in U.S. philanthropy. The papers draw on past research and reporting by IP writers, as well as new interviews, grantmaking data, and other sources. Learn more at [insidephilanthropy.com/state-of-american-philanthropy](https://insidephilanthropy.com/state-of-american-philanthropy).

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# EXECUTIVE SUMMARY

The visual arts philanthropy ecosystem is dominated by extraordinarily wealthy individual donors who have filled the breach caused by retreating governments, foundations and corporations in the aftermath of the 2000–2001 dot-com crash and the Great Recession of 2007–2009.

SMU DataArts' 2019 report found that growth in average giving from individuals in the arts sector outpaced inflation for 2014–2017. Similarly, by 2019, 57.6% of billionaire donors gave money to arts and culture, according to [Wealth-X's 2019 Billionaire Census](#). This development coincided with – and is related to – the growing number of donor-advised funds (DAFs). From 2012 to 2016, while giving directly to charities grew only 15%, donations to DAFs grew by 66%.

Major donors—and to a large extent, prominent foundations—have been allocating extraordinary portions of their financial support for visual arts to large museums embarking on ambitious expansion or renovation projects, even though the field of nonprofits encompassing visual arts goes way beyond museums and includes nonprofit galleries, artist-supporting organizations, arts education and community arts organizations, and art conservation programs.

Funder support for museum expansion projects has run against strong economic and social headwinds in recent years. Less affluent grantmakers have adopted a broad set of equity-oriented priorities that includes increasing financial support for diverse organizations and artists, diversifying museum leadership and collections, and leveraging technology to better engage younger audiences.

Billionaire donors have also calibrated their giving to align with calls for greater social justice and equity, albeit to a lesser degree than foundations. Rather than fund front-line organizations, these donors tend to support inclusive programming and free museum admission.

Access and equity are huge issues in visual arts philanthropy today. Alice Walton, arguably the most influential arts patron in America, cites accessibility as the animating force driving her philanthropy, which includes a program to ensure that Americans in rural areas can view world-class art on loan from major metropolitan institutions. Funders are also ramping up efforts to give directly to BIPOC-led visual arts organizations. In late September 2020, the Ford Foundation announced a \$156 million initiative called America's Cultural Treasures, giving substantial grants to BIPOC arts organizations across the country.

While COVID-19 and the death of George Floyd have amplified calls for greater equity across the sector, visual arts fundraisers and professionals are also concerned that these developments will compel foundations to direct scarce capital away from an arts sector in crisis to issues of public health, food insecurity and racial justice.

“The arts and culture sector was greatly impacted by COVID shutdowns and mandates for reduced capacity, but local philanthropic resources have been very focused on basic needs (food, shelter, social services), leaving arts and culture organizations to fend for themselves,” said one respondent to an August 2020 Inside Philanthropy survey.

Given this dynamic, the big open question in the years ahead is the extent to which affluent donors—the lifeblood of the arts funding sector—and major foundations will continue to support museum expansion projects at a pre-2020 level or pivot toward more overt justice-oriented giving and historically underfunded organizations.

Foundation representatives told Inside Philanthropy that pivoting to equity prompts funders to broaden their outreach to under-accessed organizations and communities, simplify grantmaking procedures, and embed a culture of equity starting at the board level. The Mosaic Network and Fund, a collaborative fund housed at a community foundation, the New York Community Trust, serves as a promising grantmaking model for funders concerned about equity but whose arts grantmaking has not historically centered communities of color.

# Introduction

This brief defines “visual arts” as work created by drawing, painting, sculpting, ceramics, photography and digital media like graphic design and printing. Visual arts grantmaking is divided into composite pieces. Funders allocate grants for museums, artists and other arts organizations, which can be earmarked for activities like museum expansion and renovation, programming, arts education, residencies, professional development and conservation.

The state of the visual arts sector is best understood in the context of the interplay between the public’s evolving attitude toward institutionalized arts and the exponentially expanding universe of “culture” outside of institutionalized settings. On one hand, polls suggest Americans support government increases in arts funding. Yet in 2017, only **23.7% of American adults** reported visiting an art museum or gallery in the previous year.

Giving USA Foundation’s study of overall charitable giving found that contributions to the arts and culture sector decreased 2% after inflation adjustments between 2017 and 2018, making up only 5% of overall giving in 2018. The only two categories receiving less support were Environment/Animals (3%) and Individuals (2%).

The report also found that foundations and corporations are supporting the arts to a lesser degree than 20 years ago. Steven Lawrence, senior research consultant at the New York-based TCC Group, attributes this declining support to challenges in articulating impact. “Many funders,” Lawrence writes, “especially corporate and community foundation officers, report that making the case for arts support is getting harder in

the face of pressure to address mounting **human service and social service needs.**”

Lawrence says that funders are gauging the impact of a philanthropic dollar measured by the number of lives saved. In 2013, Bill Gates famously articulated “effective altruism” as a concept by asking why anyone would donate money to build a new museum wing rather than to prevent illnesses that can lead to blindness. “The moral equivalent is, we’re going to take 1% of the people who visit this [museum] and blind them,” he said. COVID-19 has forced foundations to further prioritize public health organizations and other immediate needs.

Institutional funders have unwittingly contributed to this challenge to the visual arts community, argues Cate Fox, senior program officer, Chicago Commitment at the MacArthur Foundation. “Arts-related philanthropy has historically defined what qualifies as ‘art’ in a narrow way” and prioritized “organizations whose sole mission is art creation for an audience to view,” she told Inside Philanthropy.

To Fox’s point, there are growing calls across the visual arts world to redefine “museums” as institutions that, according to Time magazine’s Suyin Haynes, “have a role to play in civic society, no matter where they are.” Detractors argue that such a definition strays too far from traditional roles like education, conservation, acquisition, research and entertainment, and runs the risk of politicizing the institution’s mission.

So traditional nonprofit visual arts organizations that primarily focus on programming aimed at the general audience now find themselves at a critical moment. They can continue on their current path or pivot toward a more civic-oriented posture to better align with growing funder interests in equity

and social change. A respondent to Inside Philanthropy’s August 2020 survey alluded to this tension, citing “foundations focused on smaller/more mid-sized and BIPOC-led arts orgs” as one of the two most important trends in the field. This support, in turn, generates “less interest in large arts organizations that serve a general audience.”

Arts proponents’ pre-pandemic difficulties in articulating impact created what Carolina García Jayaram, founding executive director of the Elevate Prize Foundation calls “a philanthropic model that supports institutions over individuals and promotes the flawed notion that without traditional measurement and data, artists can’t be impactful, so are somehow suspect and unworthy.”

The data corroborates Jayaram’s hypothesis. The bulk of the sector’s philanthropic dollars from 2014 to 2018 flowed to large museums, most of which have completed or announced renovation or expansion plans. By allowing for increased attendance, expanded educational offerings, and increased economic activity, these projects generate a more measurable “impact”—or at least quantifiable figures—relative to other causes in the visual arts field.

Faced with exploding operating expenses, diminished corporate donations and high exhibition costs, museum fundraisers have also turned to private galleries to pay for shows featuring work by artists the galleries represent. Galleries, reported the New York Times’ Robin Pogrebin, may also request tickets to galas, crediting language in the catalogue, or other sponsor benefits.

Some professionals have questioned this arrangement, arguing that a gallery-driven “pay-to-

play model” harms the museum’s curatorial integrity. “The self-interest of the gallery can compromise the independence and integrity of the curatorial voice,” said Maxwell Anderson, former director of the Whitney Museum of American Art.

# The Lay of the Land

## Who's Giving

To provide a starting point for understanding the composition of the visual arts donor community, we must start with some generalizations based on data, but which might not hold true across every funder category. Major individual donors play an outsized role in visual arts nonprofits compared to many other program areas, and their priorities attract the most attention of the field. Private foundations are also major players, and they have some common priorities, but seemingly heightened concerns about equity and justice that are influencing their funding priorities. Community foundations are players, but smaller, and mostly through the donor-advised funds they manage. Corporations play a relatively small role in visual arts funding today. And while government funding is not the focus of this paper, it is worth noting that government support for the arts in America is less than that of most other Western nations, and decreasing when adjusted for inflation.

This brief highlights some of the art sector's most generous and influential patrons, many of whom hail from the finance field, in addition to the sector's 10 largest grantmakers. It provides examples of influential grantmakers that aren't among the largest givers, as well as artist-endowed foundations, which represent a growing force in arts philanthropy.

According to the *New York Times*, some 40% of the more than 500 people who serve on the boards of America's most popular art museums "either work in the finance industry or derive their wealth from it." Major arts donors from these fields include

Ron Perelman, Fayez Sarofim, Stephen Ross, Kenneth Griffin, Michael Bloomberg, Steve and Alexandra Cohen, Cheryl and Haim Saban, David M. Rubenstein and Glenn Fuhrman.

Other major donors to visual arts include David Geffen, Barry Diller and Diane von Furstenberg, LeBron James, Lynda and Stewart Resnick, Frank McCourt Jr., Oprah Winfrey, Michael Jordan, Judy and Leonard Lauder, Jorge M. Pérez, George Lucas, and Stefan Elis and Gael Neeson.

An examination of Candid's top 10 institutional grantmakers underscores the full spectrum of foundation giving. Funders like the Andrew W. Mellon and Rockefeller foundations have a national focus. In contrast, the Brown Foundation and the Lilly Endowment primarily give to organizations in their respective home regions of

**Top 10 Funders: Visual Arts 2014-2018<sup>1</sup>**

Grantmaker	Dollar Value of Grants Awarded
Windgate Charitable	\$162.17M
Andrew W. Mellon Foundation	\$161.63M
Kresge Foundation	\$119.31M
Brown Foundation	\$82.82M
Eli & Edythe Broad Foundation	\$78.21M
Walton Family Foundation	\$65.27M
Hess Foundation	\$58.12M
W.K. Kellogg Foundation	\$42.34M
Lilly Endowment	\$40.64M
Rockefeller Foundation	\$40.58M

Source: Candid

greater Houston and Indiana, respectively. The list also includes family foundations like the Eli & Edythe Broad Foundation and the Walton Family Foundations.

DAFs are not traditional foundations in the same vein as grantmakers like Mellon and Kresge. By funding arts organizations recommended by donors, DAFs essentially act as proxies for individuals. Therefore, it would be more accurate to frame the funds allocated from DAFs as an expression of individual donor support for the arts.

According to Candid, the Fidelity Charitable Gift Fund, Schwab Charitable, National Christian Charitable Fund, Silicon Valley Community Foundation, and the Jewish Communal Fund reported a combined \$615 million in funding dedicated to visual arts from 2014 to 2018.

Candid research shows that giving from grantmakers and DAFs has fluctuated considerably over the past four years.

Some of the most prominent foundations (mostly private) in visual arts include the Walton Family Foundation, John S. and James L. Knight Foundation, Ford Foundation, the Donald W. Reynolds Foundation, the John D. and Catherine T. MacArthur Foundation, the Shubert Foundation, the Doris Duke Charitable Foundation, the William and Flora Hewlett Foundation, the Herb Alpert Foundation, United States Artists (collaborative fund), the John Simon Guggenheim Memorial Foundation, Bloomberg Family Foundation, Annenberg Foundation, New York Community Trust and the W.K. Kellogg Foundation.

Although representing only a small portion of all private foundations in the U.S., artist-endowed

foundations are a strong and growing force in arts philanthropy. A 2019 report from the Aspen Institute’s Artist-Endowed Foundation Initiative found that the value of artist-endowed foundation assets more than doubled in the five-year period of 2011 through 2015, rising to **\$7.66 billion from \$3.48 billion.**

Year	Amount Funded	Year-over-Year Trend
<b>2014</b>	\$1.22B	N/A
<b>2015</b>	\$1.34B	+9.84%
<b>2016</b>	\$1.33B	-0.75%
<b>2017</b>	\$1.41B	+6.02%
<b>2018</b>	\$970M	-31.21%

Prominent AEFs include those associated with Louise Bourgeois, Helen Frankenthaler, Mike Kelley, LeRoy Neiman, Irving Penn, Robert Rauschenberg, Maurice Sendak, Cy Twombly, Davyd Whaley, Roy Lichtenstein, Joan Mitchell Foundation, Richard Avedon and the Norman Rockwell Art Collection Trust.

In a brief that examines the institutional revenue sources for nonprofit visual arts organizations, it should be noted that this field benefits from much higher proportions of earned revenue than nonprofits in most other program areas. In fact, for the majority of arts organizations, earned income is the **largest portion** of the revenue pie. According to the Association of Art Museum Directors, only 37.5% of the **average museum’s revenues** came from unearned sources (contributions and government grants) in 2017. The following table shows the breakdown of average museum revenues in 2017.



## Average Museum Revenues 2017

Unearned Revenue Source	Percent
Government	15.5
Individuals & Family Foundations	10
Foundations & Trusts	8
Corporate Contributions	4

The association found there were “no significant changes” in the sources of support and revenue compared to 2015 and 2016. The overall findings corroborate research from SMU DataArts, which reports that despite the steady decline in public funding over the past 20 years, government support remains the greatest source of funding outside of earned income for the average art museum.

### Who’s Getting

The nonprofit visual arts world is a vast ecosystem that includes museums and galleries, artists, arts education organizations, conservationists, and universities. Small multi-disciplinary nonprofit arts organizations and community centers “fill the gaps left by the commercial and public sector to advocate issues such as art education, art activism, and promotion of unrepresented artists,” says ArtNet’s Henri Neuendorf. These organizations predominantly rely on local donors and, unsurprisingly, receive far less funding relative to large museums.

As Candid’s data suggests, the lion’s share of philanthropic dollars flow to large museums in major metropolitan regions. Moreover, the Candid data doesn’t capture the full extent of giving from the sector’s most influential funding source—affluent donors. For example, the Museum of Modern Art received a combined \$370 million

between 2014 and 2018 from four billionaires—David Geffen, Leon Black, Kenneth Griffin, and Steve Cohen—for its \$450 million renovation. Their combined contributions amount to nearly 45% of the total amount allocated by the sector’s top 10 institutional grantmakers during the same four-year period and exceed total state legislative arts appropriations (\$353.2 million) and [federal appropriations](#) to the National Endowment for the Arts (\$155 million) for FY 2019.

Smaller museums have benefited from the support of an ever-growing body of affluent regional donors. According to a 2017 report by Wealth-X, there were 73,000 ultra-high-net-worth individuals in the U.S. in 2016—defined as people with liquid assets of \$30 million or more.

Examples of big regional gifts from 2018–2020 include:

- C. Jean & Myles McDonough Charitable Foundation’s \$10 million gift to the Worcester Art Museum to endow the museum and support its operations
- Jeffrey Gundlach’s \$10 million gift for Buffalo Albright-Knox-Gundlach Art Museum’s capital campaign.
- William Richter’s \$15 million gift to help Greenwich, Connecticut’s Bruce Museum pay for the construction of the museum’s new art wing.

Despite museums’ fundraising successes, many have found it difficult to consistently tap tech fortunes due, in part, to a lack of tech representation on major museum boards. One notable exception is Yahoo! co-founder Jerry Yang and his wife, Akiko Yamazaki, who gave \$25 million to the Asian Art Museum in San Francisco’s renovation campaign in 2017.

“There is no ‘one-size-fits-all’ revenue model when it comes to multidisciplinary arts organizations,” said Kelly Lamb Pollock, the executive director of the Center of Creative Arts in St. Louis, Missouri. Moreover, researchers typically include these kinds of arts organizations within their analyses of the larger “arts sector,” which can include performing arts organizations and the humanities.

Candid's top 10 recipients of foundation grants from 2014–2018 are as follows:

Top 10 Grant Recipients: Visual Arts 2014 - 2018 <sup>2</sup>	
Recipient	Dollar Value of Grants Received
Metropolitan Museum of Art	\$247.67M
San Francisco Museum of Modern Art	\$211.49M
Museum of Modern Art	\$201.58M
Whitney Museum	\$177.52M
Museum of Fine Arts Houston	\$159.31M
N ational Gallery of Art	\$153.36M
DIA Center for the Arts	\$136.94M
Museum of the Bible	\$124.23M
Art Institute of Chicago	\$114.44M
L.A. County Museum of Art	\$103.41M

Source: Candid

Data does not include gifts from individual donors to these top 10 grant recipients, eight of which have either completed a major capital campaign or announced renovation or expansion plans from 2014 to 2018. (The Art Institute of Chicago announced expansion plans in September 2019.)

Americans for the Arts found that “arts nonprofits” generally receive half of their revenue from contributed sources and the other half comes from ticket sales. While this statistic lacks precision, it nonetheless provides a benchmark into the composition of multidisciplinary arts organizations’ revenue model.

Examples of large gifts to multidisciplinary visual arts organizations include:

- Oregon’s Beaverton Arts Foundation, received \$13 million from the Reser Family Foundation for its \$46 million center for the arts.
- The St. Louis-based Center for Creative Art, netted a \$5 million gift from Kim Kuehner for its \$45 million capital campaign.
- North Carolina-based Cornelius Arts Center, which received \$5 million from Bill Cain and Ericka Cain to help build a new arts and community center.

## Giving & Getting Deeper Dive

According to Candid, art funders’ top five priorities from 2014–2018 illustrates funders’ strong support for art museums, galleries, and exhibits. Looking more deeply at the kinds of organizations that are funded and the ways they are classified shows that there are overlaps in mission and function among many types of visual arts organizations.

Art museums, galleries and exhibits received \$5.1 billion in funding from 2014–2018, 83% of total funding. For example, the Getty Foundation awarded millions to Southern California arts institutions as part of its “Pacific Standard Time: LA/LA” program, which explores the connections between Los Angeles and Latino/Latin American arts and culture. Portland Art Museum received \$10 million from Arlene Schnitzer for its endowment

and to help pay for a construction project to connect the museum’s two buildings via its planned Mark Rothko Pavilion.

In an example of funding museums within the context of a social justice perspective, the Ford Foundation gave a grant to the National Museum of Mexican Art in Chicago as part of its America’s Cultural Treasures initiative. Margaret Morton, director of Ford’s Creativity and Free Expression team, told Inside Philanthropy the foundation was “concerned that unless we take action in the way that we did with the COVID relief fund, it could be organizations that lack robust cash reserves, wealthy board members and deep-pocketed funders.

An overwhelming amount of total funding flowed to the “Art Museums” subcategory from 2014 to 2018. Examples in the area include Metropolitan Museum of the Art trustee Florence Irving’s \$80 million gift to the institution, the Richard and Ethel Herzfeld Foundation’s \$3.5 million gift to the Milwaukee Art Museum, and the Andrew W. Mellon Foundation’s \$5 million gift to Brown University in support of the Haffenreffer Museum of Anthropology.

The “Sculpture” subcategory received \$211.43 million in funding in the period. These kinds of gifts find funders donating sculptures to institutions, such as when James W. and Frances Gibson McGlothlin bequeathed their collection of nineteenth- and twentieth-century work to the Virginia Museum of Fine Arts in Richmond. Foundations also provide grants for sculptors. For example, the Joan Mitchell Foundation’s Joan Mitchell Fellowship annually awards 15 artists working in the fields of sculpture and painting with \$60,000 each in unrestricted funds.

Subject	Amount Funded
Art Museums	\$5.12B
Sculpture	\$211.43M
Folk Arts	\$191.75M
Architecture	\$182.42M
Design	\$139.15M

Source: Candid

The “Folk Arts” subcategory received \$191.75 million in funding in the period. The New York Foundation for the Arts defines “Folk/Traditional Arts” as “work that is traditionally practiced within and among ethnic, regional, occupational, and religious groups as well as other kinds of communities with a common identity.” The Henry Luce Foundation provides grants to support folk arts through its broader American Art Program. For example, the foundation awarded a grant to help the Kentucky Museum at Western Kentucky University digitize its Folk Art collection. Gifts earmarked for “architecture” and “design” represent a minuscule fraction of total funder support from 2014-2018. The Getty Foundation is one of the few funders operating in these fields. Its Keeping it Modern initiative supports the architectural conservation of important twentieth-century buildings.

A large portion of institutional grants goes to support arts organizations and institutions, which can leave individual artists overlooked. According to Kay Takeda, senior director of artist programs at the Joan Mitchell Foundation, grants and resources supporting individual artists are an “enduring” need in the visual arts space. “Pulling them together from different sources can take enormous time and

effort, making it even more important—and at times, difficult—to carve out opportunities for creative risk-taking. We work to offer these resources in an integrated way,” Takeda told Inside Philanthropy.

The New Orleans-based Joan Mitchell Center’s artist-in-residence program, offers open studios, talks, professional and legal training, and networking events to individual artists. The Foundation for Contemporary Arts’ Artist Grants, also provides unrestricted assistance to visual artists.

The Kenneth Rainin Foundation is another example of institutional funders supporting individual artists. Its Open Spaces Program awarded a grant to Oakland’s Destiny Arts Center to create installation and performance elegies for young people of color who have been lost to violence. The grant aligns with the foundation’s goal of “supporting artists that push boundaries and working collaboratively with artists, arts organizations and funders to achieve systemic change together,” said Shelley Trott, director, arts strategy and ventures.

In February 2019, Candid analyzed 2017 grants of \$10,000 or more awarded by 1,000 of the largest foundations in the U.S. and found that funders gave

arts organizations a total of \$2.79 billion.

Researchers then tracked the distribution of grants by support strategy. Candid found that general operating support received the largest share of arts grants dollars in 2017 (26% of all arts funding), followed by program support (24%) and capital support (19%). While the data also includes grants made to performing arts organizations, the findings still provide a useful snapshot of arts funders’ preferred strategies.

## The Big Issues & Beyond

Because major donors and private foundations are major influencers on nonprofit visual arts organizations, the issues that they care about are among the most prominent in the field. Broadly speaking, major donors tend to be focused on museum growth, boosting access, reducing barriers to entry and increasing holdings. Private the arts (this issue is taken up more fully in this brief’s section on that topic), using art as a means to advance social justice, engaging younger audiences, foundations tend to emphasize increasing equity in “creative placemaking” and public art, supporting artists directly, and technology to broaden the reach of art. While private foundation leaders certainly are contributing funds to museum growth, those that have spoken to Inside

### Cumulative Funding: Visual Arts 2014-2018<sup>2</sup>

Year	Dollar Value of Grants	Total Number of Grantmakers	Total Grants Awarded	Total Number of Recipients
2014	\$1.24B	9,264	26,111	3,137
2015	\$1.39B	10,614	34,852	3,676
2016	\$1.33B	10,482	34,266	3,804
2017	\$1.43B	9,631	25,552	3,667
2018	\$1.45B	10,115	26,554	4,513

Source: Candid

Philanthropy have cited COVID emergency support and equity as prevailing concerns in the months and years ahead.

Focusing on major donors' interests in expansion, access and acquisition, the *New York Times* reported in 2016 that the city's major arts organizations had \$3.47 billion worth of capital projects either in progress or planned, fully anticipating donors would step up to help foot the bill. Critics have increasingly questioned the utility and wisdom of massive capital projects, which typically go over budget, subject the institution to costly downstream financial risks and widen the inequality gap across the museum world. As Blade of Grass Program Director Prerana Reddy told *Inside Philanthropy*, "There should be more direct funding to neighborhood-based cultural anchors... rather than funding toward large museum renovations."

Tangentially related to museum expansions, donors care about expanding access. They want to ensure that individuals from all walks of life have access to world-class artwork. In 2017, Alice Walton established Art Bridges, a nonprofit foundation focused on sharing American art across the country through collaborations with museums, including Walton's Crystal Bridges, and other U.S. and global institutions. In May of 2020, Art Bridges launched Bridge Ahead, a \$5 million program for small and mid-sized partner museums grappling with the effects of COVID-19. CEO Paul Provost told *Inside Philanthropy*, "Going forward, we're thinking in a substantive way about how we can infuse and move the needle on issues around diversity, equity and inclusion" at the funder's regional partner museums.

Also related is the issue of reducing financial barriers to entry. Before COVID-19 decimated museums' concessions and retail sales, many donors concluded that the best way to boost access was to eliminate admission fees. Walton's Crystal Bridges museum offers free public admission. The Bronx Museum of the Arts began offering a free admission program in 2013 thanks to support from Shelley and Donald Rubin. A spokesman for Eli and Edythe Broad called the couple's support for free admission at their namesake museum a "gift to the people of Los Angeles."

Some contributors are focused on increasing organizations' art holdings. According to the Association of Art Museum Directors, 74% of museum acquisitions came through donations in FY 2017, versus 5% from bequests and 22% through purchasing. This percentage has stayed relatively stable between 2013-2017.

Among foundations, social justice is front and center, but there are other related issues that funders are discussing. The Art for Justice fund told *Inside Philanthropy* that funders should "embrace the expanded notion of artmaking beyond objects and performance, and broaden who is considered an artist to include cultural strategists, cultural organizers, artists who have been incarcerated, and artists whose aesthetics might be characterized as social justice illustration or social justice graphic design."

Engaging younger people in the arts is a big issue. Many of the financial titans propping up museums will soon cede the stage to younger donors, many of whom are more concerned with social justice than their predecessors. In order to engage this demographic, Melissa Cowley Wolf, MCW Projects founder and Arts Funders Forum director, told

Inside Philanthropy that organizations should explore new partnerships, optimize technology to connect communities to culture and measure impact, and support visual art that advances social justice.

Creative placemaking and the imperative to support public art have been growing in resonance with funders over the past decade. Creative placemaking and public art have rapidly matured in recent years, producing a richer body of case studies and evidence of how the arts can strengthen the economic and social fabric of communities. In 2019, ArtPlace America launched Local Control, Local Fields, a program in which assemblies of people in six geographies make decisions about how best to use a pool of funds ranging from \$1 million to \$4.5 million. The initiative “puts money with the movement and lets the movement decide what to do with it,” Executive Director Jamie Bennett told Inside Philanthropy. Other funders in the creative placemaking and public art fields include Bloomberg Philanthropies and the Kresge, Knight, William Penn, and Kenneth Rainin foundations.

Many leaders in the visual arts field say direct support for artists is an issue that funders are increasingly concerned about. Artist-endowed foundations, as well as funders like the Herb Alpert Foundation, Creative Capital, Ford Foundation and the John Simon Guggenheim Memorial Foundation, provide direct support to artists. Funders also support arts organizations that nurture artists in the creation and exhibition of new work, provide access to workspace, exhibition opportunities and professional development.

Many funders also feel that visual arts organizations should be paying more attention to using technology to reach new audiences. The

## Collaboration Spotlight



When the city of Detroit filed for bankruptcy, creditors demanded it parcel out the DIAs priceless masterpieces to help pay off its debt. The city had few choices left. The presiding judge gathered the heads of some of the largest foundations in the country—many with strong ties to the state—and a “Grand Bargain” began to take shape.

While the Ford Foundation’s Darren Walker needing some persuading, eventually, everyone agreed to pitch in. The end result was nine foundations, including Ford, Kresge and Kellogg, pledging nearly \$336 million. The big three auto makers pledged \$26 million and the institute raised \$100 million. The end result was an unprecedented \$816 million fund that ultimately saved the DIA.

Knight Foundation believes that museums can better engage audiences through “immersive experiences” like virtual reality and open-source software that transforms collections data into interactive experiences.

Bloomberg Philanthropies takes on this issue with the Bloomberg Connects program, which helps museums engage with audiences on and offsite. “Developing a robust, on-mission, online presence doesn’t necessarily require a large dedicated staff, but it does depend on skills and perspectives across programming, administration, and those who deal directly with audiences and stakeholders,” Bloomberg’s Levin told Inside Philanthropy.

## Funder Trends & Strategies

Two notable emerging funder strategies in the visual arts space are multi-year foundation museum partnerships that aim to engage historically underrepresented audiences and revisiting established grantmaking strategies that have exacerbated funding inequities.

In 2016, *Apollo Magazine's* Adrian Ellis wrote that many of the more established national foundations began “edging away from ‘legacy’ institutions that cannot demonstrate a significant contribution to solving or soothing specific social or economic traumas.” Rather than abandoning these “legacy” grantees, national funders like Rockefeller and William R. Kenan Jr. Charitable Trust brokered partnerships in an effort to broaden program offerings and reach.

These partnerships suggest that legacy institutions’ portfolio of assets—decades of strong relationships, a wealth of in-house talent, and formidable marketing resources—can support efforts to engage diverse audiences.

However, the onset of the pandemic and calls for social justice have compelled some organizational leaders and funders to argue that equity-minded foundations should directly support BIPOC-led organizations rather than work through a “legacy” institution intermediary. Foundations want to fund organizations creating meaningful change in

communities,” said one respondent to Inside Philanthropy’s August 2020 survey, “but are unwilling to help fund new organizations led by BIPOC. Arcane and antiquated rules about budget size, operating on a deficit, and years of existence exclude deserving organizations that would be able to make meaningful changes.”

Sensitive to the growing gap between the haves and the have-nots in the arts ecosystem, funders are recalibrating components of their grantmaking, for example, decoupling funding levels from the size of an institution’s operational budgets and opening up the grant selection process to community members.

In 2019, the John D. and Catherine T. MacArthur Foundation announced that it was revising its grantmaking approach to the arts in Chicago through an initiative called “Culture, Equity, and the Arts.” Under the initiative, the foundation planned to develop “new and more inclusive selection criteria” and no longer base grant award amounts on the size of the organization’s annual budget.

Victoria Rogers, vice president of arts at the Knight Foundation, told Inside Philanthropy that when it announces open calls for ideas to address community challenges in cities like Akron, Charlotte, Detroit, Miami and St. Paul, leadership assemblies “diverse groups of local readers (artists, funders and arts administrators) to review and discuss applications.”



*“The whole premise of the arts is bringing people together to make sense of an experience. Artists and arts organizations continue to do that; the only thing that has changed is, now, they receive little or no money. We owe it to artists and arts organizations to step up and support them in this moment.”*

—Cate Fox, senior program officer, Chicago Commitment, MacArthur Foundation.

Speaking on the need for more inclusive grantmaking, Jennifer Coleman, the George Gund Foundation’s Creative Culture and Arts program director, told Inside Philanthropy, “It’s important that organizations know they have a place where they have a voice.”

## Perspectives on Equity

One of the largest issues facing arts funders is “how to make sustainable, impactful investments in the arts in the time of COVID-19, in a way that is also equitable for artists and creators who are too frequently left out of the pipeline for funding,” Knight’s Rogers told Inside Philanthropy. Similarly, Bloomberg Philanthropy’s Levin said the pandemic “has further exposed long-existing fault lines, including systemic racism and the resulting inequitable access to funding and networks of influence.”

### Inside Philanthropy August 2020 Survey

*“I am extremely concerned arts organizations and especially classical art forms. Social justice and equity is hugely important, and reparations should be addressed. But moving limited resources from one sector to another is a losing game. We must create an equitable economy where giving back is not discretionary.”*

—Consultant, Chicago, Illinois

Foundations are leading the charge by rolling out grants exploring the intersection of the arts and social change, and supporting historically underrepresented artists, especially women and Black people. Major donors, who have showered their philanthropic attention on capital campaigns and naming rights, have been largely absent on the equity front, at most supporting museums diversifying their collections and supporting

multidisciplinary arts organizations and museums whose programming engages underrepresented demographics. In visual arts, approaches to equity may focus on audiences, organizational leadership, representation among artists championed by museums, messages contained in the art itself, and a range of other imperatives.

Over the last decade, arts funders gravitated toward a grantmaking model that frames the arts less as a transactional and passive experience and instead as a means to drive meaningful social change. One of the first funders to put “activist art” at the center of its work was philanthropist Shelly Rubin, who founded A Blade of Grass in 2011 to “better understand how artists can illuminate and engage with social issues.” Shelly Rubin is also the co-chair of the Shelley & Donald Rubin Foundation, which established its Art and Social Justice initiative in 2015. Other grantmakers in this space include the Ford Foundation, Creative Capital, the Knight Foundation, the Andy Warhol Foundation for the Visual Arts, and Open Society Foundations.

The past few years have seen a surge in grantmakers championing female artists, including [Anonymous was a Woman](#), the Ms. Foundation for Women, the Seattle Trust, the Barbara Lee Foundation, the Swartz Foundation, the Joan Mitchell Foundation, the Bernstein Family Foundation, and the late Madeleine Rast and Jane Fortune, among many others.

In 2014, the Andrew W. Mellon Foundation, which has made diversifying museum leadership a top priority, embarked on a project to measure the demographics of the staffs of U.S. art museums. The study, which found that people holding museum leadership positions were [84% white non-Hispanic](#), “clearly was a wake-up call for the field,” said



Mellon Executive Vice President Mariët Westermann. Three years later, Rockefeller Philanthropy Advisors and the Ford and Walton Family foundations joined forces to launch the \$6 million Diversifying Art Museum Leadership Initiative. “For museums to be truly inviting public spaces, they must better reflect the communities they serve,” said Alice Walton.

A follow-up study commissioned by Mellon found that funders have made incremental progress. It found that in 2018, only 35% of employees at the institutions it surveyed were people of color. Up from 26% in 2015.

The Joyce Foundation also supports “cultural institutions with concrete measurable plans to substantially increase the participation of people of color through systematic analysis, interventions and long-term change.”

One example of donors supporting museums’ attempts to diversify their collections are Patricia Phelps de Cisneros and her husband, Gustavo A. Cisneros, who gave 102 pieces of Latin American Art and established a research institute for the study of those pieces at the Museum of Modern Art. Another interesting example is the Knight Foundation partnering with Jorge M. Pérez to support the Pérez Art Museum Miami, which purchased a trove of contemporary art by African American artists for the museum’s permanent collection.

Another way funders are addressing equity is by supporting inclusive programming. One of the more controversial approaches comes from The Shed, a multidisciplinary arts center in the Hudson Yards neighborhood of New York City. Michael Bloomberg spearheaded The Shed’s development,

and fellow billionaires, including Frank McCourt Jr., Barry Miller, Stephen Ross, and Kenneth Griffin contributed millions to support the center’s social justice-oriented programming. Critics find the idea of billionaires funding social activism problematic. “Philanthropists, billionaires, and companies spout the language of accessibility, diversity, and, most toothless of all, change,” wrote The Nation’s Tiana Reid after The Shed’s grand opening.



*“Philanthropists, billionaires, and companies spout the language of accessibility, diversity, and, most toothless of all, change. They talk the talk*

*while actively making people’s lives worse through egregious labor practices, investments in mass incarceration, and a more general money-hoarding mentality.”*

—Tiana Reid, The Nation

Denver’s Bonfils-Stanton Foundation provides an alternative approach to cultivating inclusive programming. CEO Steuer told Inside Philanthropy that the foundation had previously looked for arts organizations with paid staff that were 100% dedicated to arts and culture. The foundation soon realized that “diverse arts programming often takes place in non-traditional locations like community centers.” With help from a consultant, the foundation convened a series of listening sessions with historically under-engaged groups to better understand how they engage with the arts. The findings compelled the foundation to support new arts organizations, many of which served the region’s diverse ethnic communities.

As many visual arts funders look to the future and social change movements, an important but small portion of grants are dedicated to arts education as

it pertains to accessibility to the arts. The William Randolph Hearst Foundation awarded Ridgefield, Connecticut's Aldrich Contemporary Arts Museum a grant for preschool programs, school visits, and after-school teen programs. The Lilly Endowment awarded a grant for the Indiana Blind Children's Foundation's No Limits Arts Series, in which high school students from the Indiana School for the Blind and Visually Impaired work alongside Indianapolis-based arts organizations to increase their accessibility for individuals with disabilities.

As part of its Culture, Equity, and the Arts program—which aims to address racial segregation and inequitable access to artistic and cultural experiences for historically underrepresented groups—the MacArthur Foundation awarded a grant to Chicago's Little Black Pearl Workshop, an arts and education facility located on the city's South Side. Geoffrey Banks, MacArthur's program officer, Chicago commitment, told Inside Philanthropy that the funder's grantmaking process made applicants "think deeply about how their work reflects the values of diversity, equity and inclusion" rather than primarily answering questions in which the "finished artistic product is the primary focus of the query."

## Funder Spotlight

# ART FOR JUSTICE FUND

Philanthropist and collector Agnes Gund is one of the few arts donors that has provided substantial support to solving a discrete social issue.

In 2017, she established the five-year \$100 million Art for Justice fund, which aims to end mass incarceration in the United States. The fund is administered by Rockefeller Philanthropy Advisors while the Ford Foundation oversees grantmaking, which focuses on bail reform, sentencing reform, and reducing legal barriers to reentry for people returning from prison.

A cadre of "Founding Donors" also committed artwork or contributions to the fund.

# A Closer Look at Funder Types

## Private & Family Foundations

As detailed in the “Deeper Dive” section above, Candid research indicates that the majority of visual arts funding goes to “art museums, galleries and exhibits,” followed by sculpture, folk arts, architecture, and design. The specific priorities of the sector’s top grantmakers, explored here, mirror Candid’s findings. It should be noted, however, that Candid’s research does not consider the sector’s profound shift toward equity from 2019–2020. Consider the sector’s top grantmakers’ gravitation toward a more social justice-oriented posture.

Prior to 2020, the Andrew W. Mellon Foundation provided financial support to small to mid-size museums in the form of capacity grants, loans and technical and research assistance. The foundation also funded exhibitions, fellowships and art conservation programs. In June of 2020, the foundation announced it was adjusting its mission to prioritize social justice in all of its grantmaking. “This new social justice lens builds on Mellon’s historic focus on the arts and humanities by ensuring that they are accessible and empowering to all members of society,” Mellon’s statement read.

Mellon President Elizabeth Alexander said that while the pivot had been in the works since she took over two years ago, the coronavirus and Black Lives Matter protests “only further confirmed the unhealed racial crisis in this country.” Officials said that old and new grant applicants will be evaluated based on “how their work will contribute to a more just and fair society.” The announcement came a few weeks after Mellon’s board of trustees approved a plan to boost giving in 2020 from \$300 million to

\$500 million to provide emergency COVID-19 support to higher education, arts and humanities nonprofits.

The field’s top funder from 2014–2018, the Windgate Foundation, was established in 1993. It supports educational programming, instruction and visual arts scholarships in Arkansas and the South. Much of the foundation is comprised of donations of Walmart stock acquired by the family over many years. Its arts funding primarily flows to Arkansas-based institutions like the Crystal Bridges Museum of American Art, the Eureka Springs School of Art, and the University of Arkansas.

The Kresge Foundation was the third-largest visual arts grantmaker from 2014 to 2018, allocating approximately \$119 million to grantees. The animating principle of Kresge’s Arts & Culture Program is equitable Creative Placemaking, which elevates arts, culture and community-engaged design as central elements of community development and planning.

As part of its goal to create thriving arts ecosystems, the Brown Foundation supports local cultural institutions in Houston, Austin, and other Texas cities, but occasionally makes grants to groups outside the state.

The Eli and Edythe Broad Foundation is the giving vehicle for billionaire megadonor Eli Broad, who passed away in April 2021. The foundation focuses on increasing public exposure to the visual and performing arts with an emphasis on contemporary art, with an emphasis on the Los Angeles area.

The Walton Family Foundation’s visual arts giving primarily flows through its Home Region program focused on institutions based in Northwest

Arkansas. Recipients include Crystal Bridges Museum of American Art, Bentonville Historical Museum, and the Children’s Museum of Northwest Arkansas. The foundation allocates gifts to organizations outside of Arkansas through its Special Projects program. Recipients include the Massachusetts Museum of Contemporary Art Foundation, the Metropolitan Museum of Art, and the San Diego Natural History Museum.

## Corporate Giving

A 2017 study by Chief Executives for Corporate Purpose found that cash giving to culture and arts programs grew by 48% between 2014 and 2016, the most among all program areas. However, a closer look at the data revealed that despite this increase, the average respondent company allocated a mere 7% of giving toward culture and arts. A CECP follow-up report two years later found that corporate giving to “culture and arts” decreased 14% between 2016 and 2018. The “culture and arts” program area comprised 6% of total giving for reporting companies.

Some arts advocates contend that this diminishing corporate support derives from the sector’s inability to demonstrate impact. “Most companies are not focused on measuring the impact of arts support, but rather see it simply as a necessary practice that does not require much further investment,” concluded the authors of the Americans for the Arts 2017 report “Business Contributions to the Arts.”

Similarly, an Animating Democracy study, “Corporate Social Responsibility and the Arts,” found that “as corporations integrate their philanthropic giving into the ‘double bottom line’ with an eye toward quantifiable return on their ‘investments,’ arts and culture are often at a disadvantage in relation to other programmatic

## Inside Philanthropy

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*“I think that there is a ton of insincere tokenism happening. Foundations want to fund organizations creating meaningful change in communities, but are unwilling to help fund new organizations led by BIPOC. Arcane and antiquated rules about budget size, operating on a deficit, and years of existence exclude deserving organizations that would be able to make meaningful changes.”*

—Fundraiser, Boston, Massachusetts

focus areas (e.g., education, health and the environment), which may benefit from a greater array of ‘countable’ outcomes.”

A 2018 report by IEG named Bank of America the “most active sponsor of art museums,” followed by Christie’s, Sotheby’s, Bloomberg, JPMorgan Chase, Wells Fargo, Citibank, and Goldman Sachs.

Interesting examples of corporate funders’ support for the arts abound. American Express, which, in partnership with Americans for the Arts and the Joyce Foundation, administers the Arts and Culture Leaders of Color Fellowship program. Aetna, US Bank, ConEdison, Deutsche Bank and Raymond James have also made contributions to Americans for the Arts.

Corporate givers are also a big presence in support of regional cultural institutions. The Michelin Corporate Foundation’s Heritage and the Arts program supports “cultural creating and contributes to the preservation of local heritage.” Pittsburgh’s PNC Foundation and the PNC ArtsAlive program has awarded more than \$18 million in grants to cultural organizations since 2009. Among the national-scale arts efforts, Johnson & Johnson’s Corporate Art Program has

engaged employees with a corporate art collection of 3,000 works for over 30 years. The company also serves on the steering committee that created the National Initiative for Arts and Health in the Military. Procter & Gamble has commissioned major pieces of public artwork, invested a quarter-million dollars annually into arts programs, and donated \$20.9 million to ArtsWave, the Cincinnati region's local arts agency.

Corporate dollars and the influence attached to them are not welcomed by everyone in the arts community. A 2018 piece in *The Atlantic* by Samantha Culp gave voice to members of the arts community who are pushing against the commercial influence of corporate sponsors like PepsiCo, which endowed a \$100,000 annual fund for the Brooklyn Museum to purchase new works. Brand-conscious corporations are stepping in to fill the funding void left by the government, and as a result, "the lines are becoming very blurred between corporate social responsibility, philanthropy and marketing," said Natasha Degen, a historian of the art market at New York's Fashion Institute of Technology.

Expect this dynamic to intensify over time. *The Art Newspaper's* Timothy Girst writes that corporate sponsorships can "alleviate the hardship" experienced by museums during the pandemic.



*"The power of the arts extends to a broad range of community and societal issues, including aging, mental health, trauma after mass shootings, recovery from natural disasters, and refugees fleeing violence."*

—Rick Luftglass, executive director, Laurie M. Tisch Illumination Fund

Museums need to proceed carefully, however. A report by TEFAF titled "[Arts Patronage in the 21st Century](#)" found that 65% of respondents under 35 said they "think arts organizations have a duty to screen monetary donations to ensure the source of the donation is ethically sound."

## Community Foundations

Community foundations provide critical support to small to mid-size regional arts organizations. But for most community foundations, "arts and culture" represents a small percentage of grantmaking, typically between 5 to 8%. In some cases, the majority of arts grantmaking comes from donor-advised funds, which, as detailed in "Who's Giving" above, is essentially individual giving.

The following data points pertaining to the country's five largest community foundations as of 2016, [according to Candid](#), illustrate this dynamic. The largest community foundation in the U.S., the Silicon Valley Community Foundation, had \$7.3 billion in assets in 2016. The foundation's Donor Circle for the Arts, whose corporate sponsors include Dell, Microsoft and Oracle, is open to all donors at the community foundation. In 2018, the circle awarded \$66,000 to 11 organizations, five of which fall into the "visual arts" category. These organizations received an average grant of \$6,500. That same year, the foundation awarded a total of \$133,566,391 in "Arts and Culture" grants. The foundation's grant database shows that 99% of that funding flowed from donor-advised funds. To be clear, the terminology isn't precise. The foundation's "Arts and Culture" category includes performing arts organizations, film festivals and community service agencies. But the overall conclusion holds: SVCF's individual donors drive the foundation's arts-related giving.

The Tulsa Community Trust which had \$4.6 billion in assets in 2016. It awarded \$155 million in grants that year, \$5,042 of which flowed to “arts and culture,” representing almost 0% of total funding.

The New York Community Trust, which had \$2.4 billion in assets in 2016, awarded \$45.7 million in grants, including \$2.4 million to “arts and culture,” or 5.25% of total funding.

The Greater Kansas City Community Foundation had \$2.4 billion in assets in 2016. Three years later, DAFs accounted for 51% of the foundation’s total annual grantmaking. Of this amount, 9% flowed to “Arts, Culture & Humanities.”

The Chicago Community Trust, which had \$2.2 billion in assets in 2016, allocated \$27.9 million to “Arts, Culture, and Humanities” organizations in 2019, accounting for 8% of its total grantmaking. Approximately 92% of this arts-related funding flowed from DAFs.

## Major Donors

“Few and repeat donors” drive the “revenue engine for museums, not the annual fund, direct mail, crowdfunding or small gifts,” according to Sotheby’s. Fundraisers rely on the [80/20 rule](#), which stipulates that 80% of gifts usually come from 20% of donors. For instance, in 2017, 88% of gifts from the Met came from 12% of donors. “Essentially, the growing inequality of wealth is reflected in philanthropy,” says Elizabeth Merritt, vice president of strategic foresight at the American Alliance of Museums.

Some notable recent examples include Kenneth Griffin giving \$16 million to the Norton Museum of Art in West Palm Beach, Florida; Fayez Sarofim giving \$70 million for the Museum of Fine Arts

Houston’s \$450 million capital and endowment campaign; and the Hammer Museum receiving \$30 million from Lynda and Stewart Resnick and \$20 million from Marcy Carsey for its \$180 million capital campaign.

As donor retention continues to fall across the sector, fundraisers, in general, are doubling down on existing donors rather than focusing on new donor acquisition.

### Major Donor Spotlight: Marcy Carsey

In 2018 the Hammer Museum announced the launch of its \$180 million capital campaign. \$100 million will support the building being dedicated as the Lynda and Stewart Resnick Cultural Center while \$80 million will support and expand the museum’s endowment. Marcy Carsey, who has served as Hammer’s chair since 2014, led the capital campaign with a \$20 million inaugural gift.

Individual donors also provide support to visual arts organizations through DAFs. Arts-related DAF giving appears to match, if not eclipse, that of the general public. According to Fidelity Charitable, 7% of grants and 7% of grant dollars in 2018 flowed to arts and culture organizations. In contrast, Giving USA found that arts and culture represented 5% of total charitable giving during that year.

## Associations & Intermediaries

The arts sector enjoys a robust network of entities providing funders with networking, advocacy and data gathering.

Grantmakers in the Arts (GIA), a national association of public and private arts funders providing members with resources and leadership to support artists and arts organizations, is arguably

the sector’s most influential and unified voice for arts grantmakers. GIA’s focus areas are racial equity, arts education, capitalization, support for individual artists, and arts funding intersectionality, which explores how the arts can complement issues like aging, juvenile justice and higher education.

In 2018, GIA’s board of directors, which includes representatives from the Andrew W. Mellon Foundation, Doris Duke Charitable Foundation and Bloomberg Philanthropies, developed its vision for the future of its community of practice. The document states that “grantmakers and other stakeholders now consider arts and culture as elements of broad social issues and as a frame for considerations and [approaches to social issues](#).” In addition, “foundations have shifted their foci to increasingly include advocacy and public policy and practice, including resources and systems design.”

The GIA’s announcement suggests that while the arts sector constitutes a broad array of funders supporting a spectrum of causes and initiatives, its overriding organizing principle in the years ahead will be navigating the intersection between art and social issues.

Besides GIA, there are other important organizations providing advocacy, research and insights for arts funders and fundraisers.

[American Alliance of Museums](#) is a nonprofit association focused on developing standards and best practices, gathering and sharing knowledge, and advocating on issues of concern to the museum community. The alliance’s website includes a blog devoted to fundraising trends, research and news.

[Americans for the Arts](#) is a nonprofit organization whose primary focus is advancing the arts in the United States, helping funders and fundraisers “make the case” for the arts. Its website includes white papers and research on fundraising trends and best practices.

The mission of [SMU DataArts](#) is “to empower arts and cultural leaders with high-quality data and evidence-based resources and insights that help them to overcome challenges and increase impact.” SMU data arts provides resources for arts organizations, fundraisers and arts grantmakers.

**Funder Spotlight**



**Kenneth  
Rainin**  
FOUNDATION

The Kenneth Rainin Foundation's Open Spaces Program awarded a grant to lead artists Marc Bamuthi Joseph, Brett Cook, and Sarah Crowell to create *THE BLACK (W)HOLE*. The installation and performance elegy housed at Oakland's Destiny Arts Center honors five Oakland youth of color who were victims of violence and killed before the age of 30.

# Fundraising Now

Closures related to the COVID pandemic and a battered economy are placing tremendous financial strain on visual arts institutions. Additionally, many arts organizations have found themselves out of step with a growing push for racial justice—a cause increasingly prioritized by funders—and are grappling with demands to address systemic racism inside their organizations. Even as they start to reopen on a limited basis, experts predict that many visual arts groups will not survive.

Nearly 60,000 arts jobs have been lost in Colorado since the pandemic started, the *Colorado Sun* reported in July 2020. The San Francisco Museum of Modern Art laid off more than 130 part-time employees in March and laid off or reduced pay among another 55 employees in June. The museum projects a \$6 million deficit for 2021. And if it remains closed after November 1, 2020, the 2021 deficit will only increase, said Jill Lynch, the museum’s communications director, in an email.

A Brookings Institute study estimated that 2.7 million jobs were lost in creative professions nationwide in just three months in 2020, from April 1 through July 31, with fine arts and performing arts hit the hardest. Its authors called for a nationally supported effort like one mounted during the Great Depression, which paid artists federal funds to produce public works of art.

Whether museums and other visual arts organizations open or stay closed, there’s a lot of variation in their ability to raise money now, says Brent Benjamin, the Saint Louis Art Museum’s director, who also chairs an association for art museum leaders. The Saint Louis Art Museum is

opening its doors cautiously. After shutting down in March, the museum reopened in mid-June, limiting visitors to 25% of its capacity and increasing to 50% the following month.

“The pandemic has had a very significant impact, particularly on organizations that depend on earned income,” Benjamin says. “When you’re closed, you don’t have general admission, a large source of revenue. We do not charge admission, so we haven’t been impacted in the same way.”

In a June survey of more than 750 museum directors, the American Alliance of Museums found that one out of every three museums is in danger of permanent closure as revenues and financial reserves dry up. These closures “will be devastating for communities, economies, education systems and our cultural history,” the alliance’s president, Laura Lott, said in a statement.

Over 85% of museums had 12 months or fewer of financial operating reserves, the survey found, with more than half reporting less than six months of reserves. Even if their institutions survive, more than 60% of directors predict they will be forced to reduce education, programming or other services.

Among those struggling the most to raise money are small visual arts organizations. Mary Engel runs a New York photography archive showcasing the work of her deceased parents, Ruth Orkin and Morris Engel. Their daughter founded the American Photography Archives Group in 2000. APAG is a charitable organization seeking donations on behalf of more than 200 photo archives, photographers and collectors, a few from overseas. Engel says APAG has such a small budget, just \$30,000, that it was unable to get a coveted archive grant from the Andrew W. Mellon



Foundation. Mellon supports the arts, but for this specific grant, required visual archives to have budgets of \$50,000 or more.

“I find it cumbersome to do grant applications,” Engel says. “A lot of funders don’t give general operating support. I find this very frustrating.” At one grantmaking organization founded by photographers, she recalls, “a major benefactor wanted me to use money in a way that made no sense, given COVID.” Though that benefactor relented when Engel explained her objections, the back and forth is stressful and time-consuming.

Further complicating the fundraising climate for visual arts organizations is the fact that more than 20 prominent art museums, including the Metropolitan Museum of Art, the Getty, the National Gallery of Art, the Detroit Institute of the Arts and others have been subject this year to charges of racial bias and inequities inside their organizations. As a result, some foundations that support the visual arts have begun to shift grants to efforts that promote equity in these organizations rather than more traditional needs such as conservation and research. The shift has some arts officials concerned, even as they applaud efforts to create a more fair and just world.

“We have been witnessing a major shift in the foundation landscape as they adapt their missions to address injustices in our society,” says Martha Tedeschi of Harvard Art Museums, which raises money for art museums affiliated with the Cambridge University. “Our current programming doesn’t entirely align with the changing focus certain foundations have in this moment,” Tedeschi says, though her organization hopes to contribute to a more just society. “At the same time,” she adds, “I have concerns about what this

## Spotlight: Frist Adapts to COVID Era

## Frist Art Museum

When museums shut down, it’s not just the loss of galleries that draw museum-goers, says Susan Edwards, chief executive at the Frist Art Museum in Nashville. “A lot of these organizations provide after-school programs,” she says. “We provide after-school arts programs, and we’ve sent out people to give presentations for kids who would otherwise be without. We do other programs for seniors and others with special needs. If you lose one-third of these kinds of resources, it is a major blow to the entire country.”

pivot in funding will mean to traditional areas of support such as conservation and permanent collection research.”

With a widely varying response to the pandemic, related economic woes and calls for racial justice, fundraising by visual arts organizations is uneven. The Saint Louis Art Museum is one of the lucky ones. “Giving at the upper level has been steady, and general membership has increased,” says Benjamin, its director. “So many people have added more money to their membership or upgraded. We’ve been thrilled.”

One reason support is up: After closing, the Saint Louis museum started reaching out to supporters with a daily email, weekends included. Each “Object of the Day” email features a photograph of one piece of art with a brief description of the work. “It was calibrated to remind members of the broad nature of our collection,” Benjamin says, adding that the museum is still sending the emails after reopening. “We have received overwhelming support from people cooped up at home.”

Another arts organization faring better than most is the Frist in Nashville, where Executive Director and CEO Susan Edwards is fortunate to have greater financial reserves than her counterparts at other institutions. The Frist also received \$1 million in federal funds from the Payroll Protection Program in the stimulus Congress passed to blunt the economic crisis. “You can use this money for salaries for workers making below \$100,000,” says Edwards. “We were happy to have that.”

To keep members connected, starting in April, APAG began holding weekly online meetings on Fridays at noon, pairing a member with an expert to talk about photography issues such as appraisals and photography auctions. One fan of these virtual meetings—now held every two weeks—is Alice Sachs Zimet, a photography collector and arts consultant to individuals and businesses. “Even if you don’t know when you’re going to reopen,” she says, “keeping in touch is the most important thing in this isolated time.”

Other visual arts groups like Harvard Art Museums, an umbrella organization representing three art museums, have benefited from the push to move fundraising meetings, collections and educational experiences online. Not only have they lowered costs; they’ve broadened visual arts audiences.

“We have been thrilled with the outcomes,” says Tedeschi, the Harvard Art Museums director who’s heavily involved in fundraising. With virtual meetings, “donors from all over the world could connect for the first time and see and hear from staff members they might not have ever met,” she says. “This also provided an opportunity to create robust events and content over the summer, something we have struggled to do in the past as even after we’re once again able to meet in person

supporters have been traveling and unable to join us in person. We plan to incorporate virtual events, with supporters.”

Many visual arts organizations have seen corporate sponsorships and other commercial support drops in recent months. The pandemic has battered companies’ bottom lines, and art gallery closures and limited reopenings mean organizations can’t deliver the big audiences that companies want.

But the Smithsonian Institution has found one exception: Since 2013, it has offered a program in which volunteers remotely research and write descriptions of art objects that are then reviewed, edited and approved by Smithsonian curators. “Corporations are hungry for this on behalf of their staffs,” says Rob Ritter, director of institutional advancement. “It reflects the culture of their company, and online volunteering has been overwhelmed with interest.” Companies in these troubled times, he adds, “are finding ways to give beyond cash.”

## Inside Philanthropy

### August 2020 Survey

*“The arts and culture sector was greatly impacted by COVID shutdowns, and mandates for reduced capacity, but local philanthropic resources have been very focused on basic needs (food, shelter, social services) leaving A&C organizations to fend for themselves.”*

—Fundraiser, Mountain View, California

# An Analysis of Opportunities & Challenges

This brief identifies a variety of existential challenges to the visual arts field, including declining overall institutional support and shifts in interests toward more overtly social-justice-focused giving. In addition, the experts IP spoke to, combined with ongoing coverage of the field, point to some additional specific areas where leaders believe others in the field should be focusing more attention.

Among the neglected philanthropic areas, leaders say, are trends toward providing more general operating support and strengthening visual arts organizations' operating revenues, directing more resources to increasing equity, as well as more resources for arts education. One emerging area leaders identified as a particularly ripe opportunity for philanthropy is increasing visual arts organizations' technological capacity. On another front, some leaders said that funders of visual arts could reap benefits from partnering across sectors with nonprofits and funders focused on health, especially related to trauma and mental health.

In the early days of the pandemic, funders provided arts organizations and museums with emergency funding in the form of flexible general operating support. Organizations told Inside Philanthropy they hope this funding will continue once the crisis subsides. Funders can use the pandemic as an opportunity to further "strengthen institutions by funding cash reserves that can be deployed in emergency situations," said Cate Fox of the MacArthur Foundation.

Funders can take cues from Bloomberg Philanthropies, whose Arts Innovation and

Management program helps small and mid-sized nonprofit arts organizations build their organizational capacity, and Barr and Klarman Family Foundations' Barr-Klarman Massachusetts Arts Initiative.

Grantmakers have an opportunity to expand support to historically underfunded arts and cultural organizations in diverse neighborhoods. One model comes from the Twin Cities, where a group of funders, including the McKnight Foundation and the Jerome Foundation, created the Racial Equity Funders Collaborative to identify racial inequity in their arts and culture grantmaking practices and advance racial equity in arts philanthropy.

A [2017 Helicon Collaborative study](#) found that only 4% of arts funding from foundations and individuals flowed to groups whose primary mission is to serve communities of color. "We have known about these issues for decades, and it is past time for both organizations and funders to begin dismantling the status quo," Helicon co-director Alexis Frasz told Inside Philanthropy.

"We all make decisions about how the arts are funded, talked about and held in the collective imagination, that either tell a story about its civic value—or value for all of us—or a story about who's in and who's out," A Blade of Grass' Deborah Fisher told Inside Philanthropy. "When we resolve that inequity, I think we are going to create a much more robust arts sector."

In 2019, the New York Community Trust launched the Mosaic Network and Fund, a collaborative fund

guided by funders and arts practitioners focused on supporting historically underrepresented communities. It has since pooled over \$6 million from 20 funders, supported 27 African, Latinx, Asian, Arab and Native American (ALAANA) arts groups, and maintained a vast learning network of over 100 arts and culture nonprofits. Kerry McCarthy, the trust's vice president of philanthropic initiatives and the fund's co-chair, told Inside Philanthropy that the fund's model is an "effective tool to tackle larger agendas and longer-term challenges" like advancing equity in the arts.

Philanthropy's pivot toward BIPOC organizations may prove disruptive for some funders. As Bonfils-Stanton Foundation President and CEO Gary Steuer told Inside Philanthropy, "If your funding is fixed, it's a zero-sum game, because bigger institutions will lose out." Steuer said that foundations can set a cap on grants to larger and

more affluent institutions and draw down support over a multi-year period as it reallocates investments to BIPOC organizations.

Thought leaders in visual arts told Inside Philanthropy that funding arts education is both a challenge and an opportunity. As noted in this brief's "Who's Getting" section, only 9% of funding from the sector's top grantmakers from 2014–2018 flowed to arts education. COVID-19 will force state legislatures to implement further cuts to arts education initiatives, giving funders the opportunity to fill the gap.

With funder assistance, arts organizations and museums quickly ramped up their virtual and streaming presence in the early days of the pandemic. Funders that are focused on accessibility and engagement can help grantees navigating a world without "blockbuster exhibitions" maintain

## Spotlight:

### Billionaires' New Darling Centers Social Justice Programming, Gets Blowback



Perhaps the most striking example of a billionaire funding social activism is Michael Bloomberg, the driving force behind The Shed. Located in the Hudson Yards neighborhood of New York City, The Shed's programming has a strong social justice orientation and its fundraising team has generated significant billionaire donor buy-in for its envelope-pushing brand.

Upon announcing a \$27.5 million donation to construct a new building, Jonathan Tisch said that he and his wife Lizzie were proud to provide "the resources to commission the most ambitious and risk-taking work possible." Other billionaire donors include Frank McCourt Jr., Barry Diller, Stephen Ross, and Kenneth Griffin.

Some critics found the idea of billionaires funding social activism problematic. Ben Davis of Artnet writes, "Because if you are a very rich person and are going to fund empowerment of diverse communities through an arts organization, I am not sure why you'd do it through a glittering brand-new one on the West Side, rather than through one of the thousands of local, culturally specific nonprofits dispersed across the city, which are starved for funding from both city and private donors in New York's desperately asymmetrical, over-centralized landscape of mega-institutions and mega-donors."

and optimize this infrastructure. The pandemic, said Steuer, “has forced organizations to become more sophisticated about streaming. Now they’re doing some extraordinary work, though it’s been hard to monetize. If they can build those muscles, it will be exciting and can really change the game.”

Philanthropic leaders across the sector tell IP that collaboration is more important than ever. In a post-pandemic climate, arts organizations and funders have a ripe opportunity to expand partnerships with health organizations to better articulate the impact of the arts experience. For example, the Laurie M. Tisch Illumination Fund expanded its Arts in Health Initiative, which supports organizations that “utilize the arts as a tool for healing, with a special emphasis on improving access and addressing disparities in health outcomes.” Rick Luftglass, the fund’s executive director, told Inside Philanthropy, “The power of the arts extends to a broad range of community and societal issues, including aging, mental health, trauma after mass shootings, recovery from natural disasters and refugees fleeing violence.”

## Spotlight: The Rainin Fellowship



In April 2021, the Kenneth Rainin Foundation announced a new fellowship for Bay area artists. Fellows received a \$100,000 unrestricted grant along with additional professional support. Chief program officer Shelley Trott said:

*“The Fellowship not only provides major financial support, it also allows the artists to spend that money on whatever benefits their lives or careers—housing, health care, or future projects. By doing this, we support anchor artists and honor the vital role they play within the region’s incredibly rich arts landscape.”*

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# Thank You

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Art for Justice team, September 2, 2010.

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Paul Provost, Art Bridges Foundation, August 18, 2020.

Prerana Reddy, A Blade of Grass, June 29, 2020.

Victoria Rogers, Knight Foundation, August 21, 2020.

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Kay Takeda, Deputy Director, Artist Programs, Joan Mitchell Foundation, March 26, 2020.

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Susan Edwards, Executive Director and CEO, Frist Art Museum, Summer 2020

Mary Engel, Founder, American Photography Archives Group, Summer 2020

Rob Ritter, Director of Institutional Advancement, The Smithsonian Institution

Martha Tedeschi, Director, Harvard Art Museums

Alice Sachs Zimet, Founder & President, Arts + Business Partners LLC



<sup>1</sup>Based on available grantmaker data from Candid. Excludes federal funding, funding by higher education institutions and major donor advised funds (DAFs.)

<sup>2</sup>Based on available grant recipient data from Candid. Excludes government organizations and higher education institutions.

## Feedback?

The State of American Philanthropy is an ongoing project, each SAP brief will be updated periodically to integrate new information, additional data and evolving perspectives. This brief was originally posted to Inside Philanthropy in November 2020. It has not yet been updated. If you have comments or information you'd like to share with us, please email us at [managingeditor@insidephilanthropy.org](mailto:managingeditor@insidephilanthropy.org).