The Fickle Nature of Arts Funding: Recasting the Conversation on Public Support, Philanthropy and Advocacy Efforts into the Future

By Marla R. Miller

April 19, 2012

PA-619 Capstone

Professor Priscilla Kimboko

Abstract

Arts and culture permeate all aspects of American society: Education, entertainment, tourism, freedom of expression, commercial enterprise, economic development and community activity. In particular, this seamless integration reflects the success of nonprofit arts organizations to accomplish their missions, yet dwarfs the misunderstood, complex and ever-changing nature of their funding streams. For all the data that links exposure to the arts and quality arts offerings in a community to educational attainment, business innovation and talent attraction, the nonprofit arts sector continues to lack respect among lawmakers, who arbitrarily cut funding for the arts. More concerning, data reveals the sector has experienced a 20-year decline in private support and is losing its market share of philanthropy to other charitable areas. And for all the fuss over public support of the arts, it compromises a minor portion of most arts and cultural organizations' budgets. The majority of America's nonprofit institutions rely on a precarious mix of ticket sales or admission, class and program fees, gift store and refreshment profits, investment income, self-generated fundraisers, and the generosity of individuals and corporations to sustain operations. This analytical essay uses relevant research and literature, qualitative data from cultural institutions in Muskegon, Michigan, and an examination of the defunding of Michigan Council for Arts and Cultural Affairs to explore the fickle nature of arts funding, made worse by the Great Recession, and the health, vitality and viability of America's nonprofit arts sector moving forward.

Introduction to the topic

As the nation and state of Michigan recover from the worst recession since the Great Depression, the current economic climate and recent relevant research calls for an honest appraisal of the semi-market model of arts funding, one that mixes commercial enterprise, public support and private philanthropy under the nonprofit structure. The recently released Americans for the Arts 2012 National Art Index captures 2010 data and indicates “swift and measurable” losses during the Great Recession. The good news is the sector has started to rebound after reaching a historic low in 2009, at least since the Index started keeping track in 1998 (Kushner & Cohen, 2012). Arts organizations follow the business cycle due to the complex nature of their revenue streams. Like a rubber band, their budgets expand and contract with the economy. People with less expendable income cut back on entertainment and philanthropy. Companies with less revenue also scale back or get very selective with sponsorships and charitable giving. When the economy sours, governments must provide public goods deemed necessities and cut out subsidies for programs seen as frivolous or futile. And a fickle stock market wreaks havoc on endowment and investment income.

For this very reason, the sector has experienced drastic growth and success, yet in many ways remains stymied by support models that have not changed for a half century (Kushner & Cohen, 2010). Research suggests that declining revenue streams on multiple fronts has triggered a major shift in how nonprofit arts organizations are supported and will continue to be supported in the future. The strain on the sector, if not addressed, could radically alter America’s cultural landscape. Fueled in part by the financial pressure felt during the recession, and brought to the forefront because of it, unmistakable signs indicate that the fine arts facet of the arts sector – notably nonprofit theaters, museums, symphonies and community arts associations – should have cause for concern (Future of Private Sector Giving, 2006; Kushner & Cohen, 2010, 2012).

This paper explores the erratic nature of arts funding and exposes some concerning trends that have emerged over the last 20 years. It starts out by explaining the rise and size of the sector, the diversity and complexity of funding streams today, and why the debate over how the arts are funded has raged for decades. Research contextualizes the impact of the Great Recession on the sector at the organizational, community and state agency level. It offers examples of how organizations are making do while advocates are fighting back, amassing real, hard data to measure and validate the importance of arts and culture for tourism, economic development, tax revenue, talent attraction and an educated and engaged citizenry. Finally, the writer offers thoughts on where the conversation should go next, along with suggestions for future research and policy initiatives.

Scope of the sector and problem

The arts infiltrate the entertainment industry, impact the economy, and enrich everyday life. Yet in many ways, the arts are so embedded in American society that ordinary citizens, even avid theatergoers, music lovers, museum patrons, and dance enthusiasts, are unaware most reputable organizations operate as part of the nonprofit sector. They either do not understand or take for granted the precarious nature of their existence. The arts and culture sector encompasses more than 2 million artists in the U.S. workforce, 113,000 nonprofit arts organizations and nearly 800,000 additional arts businesses, as well as the hundreds of millions of consumers and audiences and billions of dollars in consumer spending (Kushner & Cohen, 2010, 2012). Given their significance to American life, arts and culture organizations function as entertainment options, tourist attractions and economic drivers at the local, state and national level. The stability of the sector serves as an indicator of many things – the health of the economy, shifting societal values, and the viability of the nonprofit network as a whole. Those who have spent their entire careers in arts administration and have a comprehensive knowledge of the decentralized funding structure describe it as misunderstood, complex and ever changing. Many express concern over several emerging trends based on measurable data compiled over the last two decades (Future of Private Sector Giving, 2006; Kushner & Cohen, 2010, 2012):

1. The competitiveness of the arts is slipping. The arts, in many ways, are not faring well against other uses of audience members' time, donor and funder commitment, or spending when compared to non-arts sectors.
2. The subsidy model is struggling: nonprofit arts organizations are losing their "market share" of philanthropy to other charitable areas. The three major donor groups – individuals, corporations and foundations – favor education, health, and human services over the arts.
3. The number of nonprofit arts organizations grows annually, yet one in three fail to achieve a balanced budget.

Fortunately, based on data released last week from Americans for the Arts 2012 National Arts Index, the arts industry weathered the recession like most other businesses did – as best it could – and half of the 83 indicators used to tabulate the Index score rebounded to pre-recession levels. The National Arts Index measures the health and vitality of arts in the U.S. across a 13-year period, from 1998 to 2010. While the overall Index score increased slightly in 2010, 96.7 versus 96.3 in 2009, the Index reveals ongoing financial challenges for the sector. In 2010, 43 percent of nonprofit organizations had an operating deficit, down slightly from 2009 (45 percent) but not from 2008 and 2007 levels (41 percent and 36 percent). Arts giving increased overall during the past decade, but market share for philanthropic giving continued to drop. If the arts sector merely maintained its 4.9 percent share in 2010, it would have received $14.3 billion in contributions – a $1 billion difference. Discretionary consumer spending on the arts has remained in the $150 billion range since 2002, but the arts' share of that spending has slipped from 1.88 percent in 2002 to 1.45 percent in 2010 (Kushner & Cohen, 2012). And the two-year decline in the Index, from 2007 to 2009, was twice as large as the gains made during the preceding four years, between 2003 and 2007 (-7.1 percent vs. +3.4 percent, respectively).

The arts and culture sector as a whole, and individual organizations now out of business, has found itself in a budgetary quandary due to many factors beyond its control. It is important to briefly discuss why America's arts and culture system is so decentralized and dynamic and how the for-profit, public and nonprofit realms intersect in such a heterogeneous field. Historically speaking, the arts and culture subsector of American life has had a supplementary relationship to government – a subjective sphere society deemed long ago best served by the nonprofit sector. In a pluralistic society, where interests such as the arts are so diverse and citizen preferences vary widely, nonprofit provision affords freedom and variety. There is an energizing effect which keeps artists and institutions focused on their goals, competition and mission when it comes to artistic expression, program delivery and entrepreneurial ventures (Young, 1999; NEA Report, 2007). The decades following the Civil War witnessed great achievements in all fields of philanthropy, including the advent of new kinds of cultural organizations whose primary constituencies were rich. They wanted high-class entertainment options, which led to the establishment and professionalization of museums and symphony orchestras. Undoubtedly, this played a major role in recasting the nature of urban culture and expanding the size and scope of the nonprofit arts sector (Young, 1999).

There was a shift in the relationship of government and art nonprofits working in complementary fashion in the 1930s, when the federal Works Progress Administration provided a government-nonprofit collaboration in the arts. The WPA helped important institutions such as

Chicago's Art Institute, the Cincinnati Museum and New York's Metropolitan Museum survive financially by helping to offset operating costs by supplying WPA workers (Young, 1999). In 1965, Congress went one step further and established the National Endowment for the Arts as an independent agency of the federal government. Its public mandate is to support all of the arts as well as arts education in all 50 states. While the National Arts Endowment is the largest annual national funder of the arts, its support is rather miniscule in the grand scheme of the sector. In 2004, less than 1 percent of total government spending on the arts came from the NEA (NEA Report, 2007).

Apart from the NEA, there are a few other federal agencies designed to fund nonprofit groups delivering artistic and cultural activities. For example, the Smithsonian Institution and its network of museums, research centers and other facilities operate as an independent entity within the federal government. Congress appropriated $761 million to the Institution in fiscal year 2010, which does show a commitment to preserving America's national heritage and history. It seems likely international tourism is another motivating factor. Direct subsidies to select "national museums" reflect the European tradition of heavy government support, but there is a clear lack of federal funding for all other museums (Skinner, Ekelund Jr., & Jackson). Legislative earmarks are another strategy used to funnel public money to nonprofit arts and cultural efforts (NEA Report, 2007). This also excludes the indirect subsidy the federal government provides by making cultural nonprofits tax-exempt and contributions tax-deductible.

During the 1970s and 80s, the NEA helped transform cultural life by providing direct support to establish regional theaters, opera, dance companies and orchestras in large and small communities across America (NEA Report, 2007). But that trend reversed due to political trends and the devolution of government under President Ronald Reagan. Cuts to arts funding continued during the 1990s. The budget for National Endowment for the Arts and National Endowment for the Humanities dropped significantly after 1995. This shifted responsibility to state and local governments to provide additional resources and forced nonprofits to refocus efforts on fundraising and new revenue sources (Wyszomirski, 2002).

Under the nonprofit structure, arts organizations rely on a precarious mix of earned and internally generated revenue, government support, foundation grants and private sector contributions to exist. On one hand, they operate in the spirit of free enterprise by producing a quality product that people want to pay to see or offering artistic services such as classes and lessons at an affordable price. On the other hand, many also have very focused missions and very limited audiences. Not everyone will want to attend the symphony or ballet, yet their presence enhances the overall community and elevates cultural competency. Then, there are those institutions such as museums which exist to preserve and display collections that in essence belong to the public and harbor America's heritage and history (Future of Private Giving Report, 2006; NEA report, 2007).

These organizations are expected to operate in a free market, free enterprise fashion, but they generally earn only half of the money it takes to sustain their operation. Few business models can boast of long-term success when revenues are less than 50 percent. Many nonprofit arts organizations do sell memberships and charge admission or fees for tickets and classes, as well as operate gift stores, cafes and other for-profit ventures. However, the other half of their budgets must be raised through contributions, fundraisers, sponsorships and grants. Even small fluctuations in contributed revenue can mean deficits for many organizations, and chasing money can lead to mission drift or burnout among employees doing far more than their original job description. (Future of Private Sector Giving, 2006; Kushner & Cohen, 2010; NEA report, 2007).

Beyond earned income, private sector philanthropy – corporate, foundation and individual giving – represents 43 percent of the revenue pie for an average nonprofit. (Future of Private giving report, 2006; NEA report, 2007). This funding stream enables them to deliver their cultural product at a reasonable price and offer scholarships and educational outreach programs to the entire community. For all the fuss, government support comprises a relatively small portion of an art or cultural organization's budget. Different reports put it between 7 and 13 percent in the mid-2000s (Future of Private giving report, 2006; NEA report, 2007).

Therefore, the early outgrowth of the arts and culture nonprofit sector can be traced to government and market failure. At the heart of the debate: Whether arts and culture offerings are critical to civil society, the development of a well-rounded individual, economic expansion and community cohesion, and whether they should be made affordable and accessible to all. Funding has always been somewhat unstable and controversial, especially from the standpoint of how government should spend tax dollars. Pressing needs and services that benefit the largest portion of society usually rise to the top of the priority list due to the theory of the median voter (Wyszomirski, 2002; Cowen, 2006; Schuster, 2006.)

Politicians, regardless of political affiliation, as we will learn later with the slashing of Michigan's state arts agency by a Democratic governor, see the arts as an area easy to go after when it comes to balancing the budget and trying to reduce spending. The fact many public schools have lost music and arts education programs serves as another indicator. A philosophical debate has raged for decades as well. Although hard to measure, the enjoyment of and participation in art, music and theater has been linked to creativity, improved quality of life and business and talent attraction. Once reserved for the rich, the fine arts and performing arts are now enmeshed in popular culture and accessible to lower socioeconomic groups thanks to the nonprofit sector.

A 1997 consensus report of the American Assembly took to task the assumptive and loaded argument that the arts are frivolous, lacking in public purpose and therefore unworthy of government support. The report pointed out the "nation's founding fathers perceived the importance of the arts in both civil society and in the marketplace" (Wyszomirski, p. 197, 2002). The report linked public purpose for the arts to ambitions outlined in the preamble to the Constitution and inherent to civil society: helping to define and project an American identity; contributing to quality of life and economic growth; helping to foster an educated and aware citizenry; and enhancing individual liberty and creativity.

There is also the adversarial lens of nonprofit-government relations to consider. Many feel the nonprofit structure is necessary for the arts and culture sector because many public institutions such as museums exist to oversee controversial materials that could be censored, controlled, or quelled due to religious, moral or aesthetic concerns. As nonprofit organizations became more dependent on government funding in the 1960s and 1970s, they felt backlash and pressure from government officials seeking to censor artistic endeavor and restrict funding for controversial projects (Young, 1999). Similar to the current climate, the sector endured a decade of significant change in the 1990s, which challenged it financially, administratively, and politically due to debates over alleged obscene, pornographic, or otherwise offensive art (Wyszomirski, p. 195, 2002).

When it comes to public museums, the argument over the level of government involvement with regards to finances and collection initiatives becomes increasingly contentious. In one regard, it seems logical for the government to provide at least minimal financial support since many collections, in essence, belong to the citizens. The government would have to pay to properly preserve, if not display them, regardless. However, others prefer the autonomy of the nonprofit structure so the government cannot dictate or censor what is art. Museums are stewards and guardians of “intellectual property,” charged with protecting historically significant musical works and artifacts donated for public good and held in the public’s trust. Ethically, they are to show equity, cultural sensitivity, and care when dealing with historical documents, books, artworks and collections. Arts nonprofits have a dual role as generators of new intellectual property and caretakers of the old. They create and commission new ballets, symphonies and art pieces, while curating and archiving old ones (Wyszomirski, p. 200, 2002).

Relevant literature review

Beyond the barren and boring, America without a vibrant and varied arts and culture scene would definitely be felt in the economy. A study by Americans for the Arts more than a decade ago found nonprofit arts organizations spent $53.2 billion, employed 1.14 million workers, and supported 2.1 million full-time equivalent jobs (Wyszomirski, p. 188, 2002). Now, the sector provides 5.7 million jobs and nearly $30 billion in tax revenue (Miringoff & Opdycke, 2010).

And despite the economic downturn, or perhaps in response to it, the 2012 National Arts Index revealed growth in the number of nonprofit arts organizations and the number of art professionals. From 1996 to 2010, working artists rose by 15 percent – from 1.9 to 2.2 million. The number of self-employed, artist-entrepreneurs earning a living as a poet, painter, musician, dancer, actor, etc., steadily increased throughout the last decade, too, growing from 509,000 in 2000 to 688,000 in 2009. Even more significant, the number of nonprofit arts organizations increased 49 percent – from 76,000 to 113,000 – in the last decade (Kushner & Cohen, 2012).

This most recent data should not overshadow substantiated, declining income trends over two decades and the struggles of the sector on a day-to-day operational level in recent years. The literature is good and plenty. As a sector, nonprofit arts organizations have experienced a 20-year trend of losing "market share" in private giving. In 1992, the arts received 8.4 percent of all charitable contributions. By 2005, that figure fell to 5.2 percent. From 2000-2005, charitable corporate giving to the arts dropped 65 percent, when adjusted for inflation. Many foundations eliminated grant making for the arts in favor of alternative funding strategies. And both corporations and individuals favor focused giving that produces measurable results, choosing causes that address social, environmental and educational needs over the arts (Future of Private Sector Giving, 2006; Kushner & Cohen, 2010).

Since the onset of the recession in 2008, newspaper headlines, scholarly journals and arts publications have publicized the widespread frustration and financial woes permeating the culture of arts and cultural organizations across the country. From Detroit to New York to St. Petersburg to Salt Lake City to San Diego to mid-size cities and rural communities, the recession did not discriminate. No place or organizations was immune. Media outlets nationwide reported a similar predicament for small, medium and large symphonies, museums and other arts groups – downsizing, operating deficits, and in some cases, an abrupt decision to close (Hoye, 2009; Miringoff & Opdycke, 2010; Miller, 2010). Well-known, big city symphonies, major museums, smaller suburban arts agencies and inner city arts programs all felt the pain of declining attendance and revenue. This required tough decisions regarding how to streamline expenses and generate new money to stay financially solvent without sacrificing their offerings. Administrators and governing bodies had to force pay cuts for musicians and operations staff; reduce costs through attrition, layoffs and furloughs; eliminate or reconfigure programming; reduce operating hours and raise fees for programs and performances. Others elected to delay decisions with long-term ramifications such as expansion plans, take a more conservative and in-house approach with programs and exhibits, and focus on maintaining cash reserves (Hoye, Jan. 2009; Miringoff & Opdycke, 2010; Miller, 2011; Souccar, May 2010). Some shut down or halted operations as artists clashed with those monitoring the finances, especially symphonies with union musicians such as the Detroit Symphony Orchestra and Charleston Symphony Orchestra. Commentary's chief culture critic Terry Teachout (2010) called it "a looming disaster for the arts in the United States."

There are many commonalities in the literature, all highlighting the obvious financial and institutional stress on the sector given the economic meltdown and declining support from government, private philanthropy, corporations and foundations. Another source of revenue – endowments – also has been dealt a severe blow (Miringoff & Opdycke, 2010). Once reserved for emergencies or a "rainy day" fund, endowments have become a slice of many organizations' budgetary pie. They depend on the annual interest they generate for operating revenue. The fallout from the stock market debacle will be felt for years to come. Another lesson learned from the recession is endowments should not be counted on to produce a means of reliable income or cushion other losses (Skinner, Ekelund Jr., & Jackson, 2009; Miller, 2010). Since 2008, many arts organizations have seen endowments decline by 20 percent or more, reducing both their annual income and their long-term security. Some organizations also use them like a no-interest bridge loan and borrow against them to cover operating expenses during periods when they are waiting for income, such as the renewals of season tickets or memberships.

Qualitative data from Muskegon, Michigan

Many groups have responded locally by focusing on their role in building strong communities, offering educational outreach programs, and selling their relevance and value. To illustrate this, this section of the paper uses qualitative data collected for a class research paper in December 2010 exploring the financial woes of the arts sector, especially at the local level, as the recession lingered (Miller, 2010). The interviews with five administrators who work at arts and cultural organizations in downtown Muskegon, Michigan, echoed the sentiments of the literature. These organizations include Muskegon Museum of Art, West Michigan Symphony, Lakeshore Museum Center, Muskegon Civic Theatre and Frauenthal Center for the Performing Arts. The Muskegon research participants offered a mix of insights on the health of their organizations, supported by the literature, and drew similar conclusions about the current state of the sector. It has struggled and downsized, but still has staying power (Miller, 2010). Some belt tightening can be a good thing because it forces organizations to be mindful of their missions and careful stewards of resources. They believe they play a critical role in fostering cultural identity, elevating community pride, and enhancing quality of life (Miller, 2010).

Collectively, along with sporting events and summertime festivals, the organizations bring local residents and schoolchildren to the downtown and draw tourists from across the state to West Michigan and specifically Muskegon. Lakeshore Museum Center operates a museum with free admission, an archives/collections center, the Hackley & Hume historic homes and a Fire Barn and Depression Era property. The Muskegon Museum of Art has been in existence for 100 years and features a collection worthy of international acclaim. Except for Lakeshore Museum Center and its Historic Sites, a depository for Muskegon County history and supported in large part by a voter-approved millage, the other organizations have traditional revenue streams. Forecasting revenue is difficult and the budgeting process has become much more complex.

They are doing more with less, holding the line on spending and staffing, adding fundraisers and seeking out collaborations with businesses and fellow arts and cultural organizations (Miller, 2010). They agree endowments have suffered and will take years to rebound, state grants have become unreliable and corporate giving has dropped off significantly (Miller, 2010). Both the symphony and art museum have introduced an annual gala and separate fundraiser to offset losses from Michigan Council for Arts and Cultural Affairs, to be discussed later (Miller, 2010).

One advantage for the West Michigan area is its long tradition of philanthropy and civic engagement. In Muskegon, much of its early wealth and cultural foundations can be traced to lumber baron Charles H. Hackley, and his partner, Thomas Hume. Hackley made a bequest in his will to purchase "pictures of the best kind" and prompted community leaders to build a facility worthy of displaying the paintings. The opening of the Hackley Art Gallery, now Muskegon Museum of Art, made international news in 1912. However, the organization's governance and financial support has been tied to the city school district since its establishment. As the museum celebrates its centennial this year, it also is transitioning to a self-governed, self-funded institution separate from Muskegon Public Schools. This poses a variety of issues, top among them developing stable revenue streams that will help the museum operate in perpetuity (Miller, 2011).

This writer did a complete case analysis on Muskegon Museum of Art exploring the issue last year. For the nonprofits art sector, especially small, public art museums, financial sustainability concerns have started to overshadow the real reason they exist, which is to serve as a treasure chest for priceless public art collections that not only record history, but make up the fabric of our lives as Americans (Miller, 2011). In the last decade, endowment income and state grants have eroded, virtually flipping the Muskegon museum's revenue streams upside down.

Finding a funding model that works, balanced in the areas of private and corporate giving, fundraising, investment income, admissions and memberships and government support, is the imminent management challenge facing the Executive Director and Board of Trustees. In 2002, the museum raised 31 percent of its budget through fundraising or other earned income. A decade later, fundraising comprises 65 percent of revenue. That translates into raising an estimated $700,000, or 65 percent, of the museum's annual $1.1 million budget (Miller, 2011).

In essence, last year the museum raised an estimated $58,000 per month to keep the doors open through self-generated fundraisers and other sources, such as admission, museum memberships, gift shop sales, donation boxes at events, an annual gala, individual and corporate donations, exhibit underwriting, and a small grant from the state of Michigan. The Executive Director's long-term worries relate to endowment income. The museum relies on two endowments to generate adequate operating revenue, and that is not counting the added utility costs and administrative expenses on the horizon when the museum splits from the school system. With only seven staff members, several who are curators rather than fundraisers, the Executive Director said her concern lies in keeping pace with financial pressures that do not look to be going away. It's the new predicament of many arts administrators – trying to balance mission and presenting quality, educational exhibits with a new focus on fundraising to keep the museum financially viable (Miller, 2011).

One thing is for certain: The cultural institutions help hold the downtown together in multiple ways. Even the city's mayor recognized their impact on attracting new business and new talent to live and work in the region at a Pure Michigan Opportunity – West Coast job fair held in early April in Muskegon. He touted the benefits of the region's arts and cultural offerings to the more than 100 degreed job seekers in the room. Over the last decade, the downtown area experienced upheaval and transition after the razing of an urban mall, and a slow rebirth with the restoration of streets, public art and other infrastructure such as the new Culinary Institute of West Michigan. Community leaders invested in an abstract Richard Hunt sculpture for the downtown traffic circle and have commissioned several pieces of art to accompany an open-air street stage and community plaza and fountain. Entrepreneurs have begun to open shops and restaurants in the downtown hub. Cultural institutions, performances, sporting events and festivals impact downtown bars and restaurants and keep money flowing through the local economy. The five cultural organizations weathered the loss of people, years of construction and a bad economy, once again proving the malleability and resiliency of the arts and cultural sector even in a community with one of the highest unemployment rates in Michigan throughout the recession (Miller, 2010).

Problems with government support

Such a multilayered funding strategy makes the annual budgeting process and long-term planning difficult because arts administrators are never certain of their expected revenue streams (Skinner, Ekelund Jr., & Jackson, 2009). Being at the whims of the economy adds to the anxiety. And for all the philosophical and political arguments for and against public support of the arts, the reality that government support is in a constant state of flux seems to go overlooked. What measurable good can really be done when funding is there one year, and then gone the next? Or when a political party switches and sets a new agenda for how to spend taxpayer dollars?

For example, the federal stimulus measure passed in February 2009 included $50-million for the National Endowment for the Arts – but barely. As President Obama's economic recovery package was being debated in Congress, the Senate approved an amendment explicitly barring money from theaters, museums and other arts groups (Miringoff & Opdycke, 2010). Though that provision was removed from the final version, it reminded the arts community it had to advocate for the sector's value. And they are starting to, as this paper will explore in later pages.

To recap, government support for the arts comes from three primary sources: Federal ap propriations to the National Endowment for the Arts (NEA); legislative appropriations to the nation's state arts agen cies; and direct expenditures on the arts through county and municipal governments. In 2009, the NEA received $155 million, state arts agencies received $329 million and local expenditures were $832 million. Compared to the prior year, state appropriations and local expenditures experienced declines (7.1 percent and 3.3 percent, respec tively) while appropriations to the NEA grew by 7.1 percent. However, current NEA funding still falls short of its historic current-dollar high of $175.9 million in 1992. Combined, these three public funding streams account for $1.3 billion in arts support, or about $4.27 per capita (Han, 2009).

Thanks to the stimulus boost, federal funding to the NEA increased to $167.5 million in 2010, which was just a portion of the $1.9 billion in total federal arts spending (National Arts Index, 2012). As a share of the federal domestic discretionary budget, however, total arts funding dropped from 0.42 percent to 0.30 percent, between 2002 and 2010. Many arts programs are also immersed in the budgets of other federal agencies such as GSA, Transportation, and Defense (which boasts vigorous music programs throughout the armed services), but are not included in these totals. In contrast to the federal government, aggregate state and local arts funding both had decreases in 2010 (National Arts Index, 2012). These findings were released earlier this month as part of the 2012 National Arts Index, the first to document the nation's arts sectors during the Great Recession.

Han (2009) notes government funding for arts, at all three levels, has been challenged to keep pace with the costs of living and doing business. Adjusted for inflation, state and local funding levels fall short of the peaks reached in 2001, and federal funding is less than half the appropriation amount of 25 years ago. Due to the structure of public financing, state arts funding typically continues to decline after a general economic recovery begins. Decreased revenue from all major tax sources, combined with increased demand for public assistance and unemployment benefits, suggest that all discretionary spending – arts or otherwise – will remain unstable and scarce in the years ahead (Han, 2009).

That prediction is playing out in Michigan, where the recession hit harder than in other areas and federal support has not been enough to maintain state grant awards for the arts. Michigan's nonprofit arts sector has experienced significant cuts when it comes to state aid, and many organizations have been hard-pressed to recoup grants once awarded through Michigan Council for Arts and Cultural Affairs. They also no longer count on money from the Council after Gov. Jennifer Granholm virtually eliminated it in a move to balance the state budget a few years ago. Council appropriations fell dramatically in the last decade, plummeting from $26.7 million in direct grants to all 83 Michigan counties in fiscal year 2002 to around $2 million a decade later (Miller, 2010; http://cadillacstrings.org/Legislation.htm).

In a plea to Council clients to contact state legislators as cuts got worse in 2006-07, Mike Latvis, director of public policy for ArtServe Michigan, described it as an "ongoing trend of disinvestment" in the arts. Michigan ranked fourth among states in the nation in per capita spending for state arts agencies, but quickly fell among the bottom (http://cadillacstrings.org/Legislation.htm). The cuts dealt a hard blow to smaller organizations in local communities and what the Council considered anchor organizations, such as Muskegon's 100-year-old Muskegon Museum of Art and West Michigan Symphony. The art museum had received $70,000 and the symphony $80,000 as recently as 2003 (Miller, 2010). In the midst of the recession, it left their leaders scrambling for ways to restore that line item. The organizations still apply to stay in the granting process but no longer count on the Council as a major source of revenue (Miller, 2010).

Currently, Gov. Rick Snyder has recommended reinstating some of the Council's granting capabilities and increasing its budget to $6.15 for fiscal year 2013. The Senate and House subcommittees adopted the recommendations and the two bills will now go before the full Appropriations Committees before heading to the floor for a vote in their respective houses (http://www.artservemichigan.org/20120330156/news/artserve-announcements/breaking-news-senate-house-subcommittees-adopt-gov-snyder-recommendation-of-6-15m-for-mcaca/). If approved, it would mean a $3.6 million increase in state funding and the largest increase since 2002. State art advocates consider it a small victory for the sector and say the return on investment will be significant. Representatives from ArtServe testified before both committees, armed with recent data from its Creative State Michigan report. Released in January, the report found that 211 Michigan-based arts and cultural groups returned nearly half a billion dollars to the state's economy, contributed 15,560 jobs and served more than 12 million people. The report also found nearly 1.9 million schoolchildren benefited from educational visits to cultural venues and events in Michigan (www.creativestatemi.org). More findings from the report will be discussed later.

However, Snyder's recommendation does not address the underlying problem that the Council's budget can be cut without much warning. This paper has previously stated, and will substantiate with recent data in the next section, that the arts make good business sense as an economic driver to attract new businesses and a talented workforce, as well as create a better quality of life for communities and their residents. The Michigan legislature recognized the value in the early 1990s when it created Michigan Council for Arts and Cultural Affairs (MCACA) as a state granting agency for nonprofit arts and cultural organizations. Yet, it failed to designate a source of state revenue to fund the Council. Budget allocations come from the state's General Fund and are not protected by any tax levy or guaranteed revenue. This means the Council is at the mercy of the Governor and state budgeting process. Granting appropriations fluctuate based on the health of the state's economy, and state support has never been equitable between the east and west sides of the state (Tourangeau, 2007).

Since its inception, the role of the Council has been to administer arts and cultural grant appropriations; foster collaboration and communication among arts institutions and government entities; offer guidance and recommendations to the Governor and Legislature on arts and cultural issues; expand the artistic offerings within the state to enhance tourism and quality of life for residents; be an advocate for arts education; and strengthen arts organizations at the local level. But the decade-long budget slashing, reducing the Council's staff to three, has even prompted the Council to reexamine its mission and set a new strategic agenda through 2013. The purpose of the plan is three-fold: 1) to prepare and make the case for the recapitalization and rebuilding of MCACA while continuing to fulfill grant making obligations; 2) to provide a blueprint that can inform decision-making during this transition; and 3) establish the foundation for a comprehensive process and plan for the long-term stability of Michigan's arts and cultural community (MCACA, 2011).

Further findings, further debate

Due to the national deficit and current political climate, it does not seem likely that lawmakers – either state or nationally – will restore significant funding for arts and culture any time soon. Perhaps that is why the debate over direct government support of the arts will likely never go away. Too many variables, too many views, too many pressing needs convolute the argument and cause continual flip flopping. The fact is the arts are often the first item cut from federal, state and local budgets in a bad economy (Han, 2009). The arts are an easy line item to ax when competing with roads, education and human services. Arts advocates face immense resistance from multiple factions. The anti-government, libertarian perspective argues the role of government should be limited and taxpayer money should definitely not be wasted on the arts. People can make tax-deductible contributions to the arts if they so choose. After all, the system of commercial enterprise and private charity to fund the arts has worked for more than 150 years (Cowen, 2006). Existing research demonstrates that while the American arts funding system does redistribute from the many to the few since revenue comes from the taxpayer pool, it cannot be criticized for redistributing from the less well off to the better off (Schuster, 2006). The other opposing sentiment comes from people who discount the arts in general, who view them as elitist and expendable, rather than something that should be made available to all and necessary for a robust and engaged civil society. In a final camp, there are those who tend to take a neutral view during a good economy, but consider the hierarchy of needs when government resources are scarce. This suggests that people rank arts among the higher needs and government should only take care of basic needs of citizens (Han, 2009).

Cowen (2006) expounds on the libertarian perspective and the economic rationales for government arts supports, dismissing the merit good argument, the externalities/public goods argument, the economic development argument and the cost/benefit argument. He devotes a lengthy analysis to two other rationales, the “Decentralization Argument” and “Prestige Argument,” in his book. Reflected in part of the title, “The Creative Successes of American Arts Funding,” he favors the spirit of American enterprise and ingenuity when it comes to the arts industry. Indirect subsidy favors the decentralization of artistic creativity. He feels the benefits of tax deductions are sufficient to motivate people to give and support the nonprofits arts sector. Cowen (2006) is leery of a top-down, coordinated, planned system for arts funding or policy initiatives. Instead, arts funding should be shaped by the values inherent in innovation, entrepreneurship, and philanthropy (Schuster, 2006).

Authors familiar with public funding, the business cycle and ongoing struggles of the nonprofit sector, Skinner, Ekelund Jr., and Jackson (2009) openly and vocally support long-term federal funding of the arts, particularly for art museums. Other scholars and commentators such as Friedman (2007) make their own bold claim regarding the politics of philanthropy – some nonprofits should never gain total financial solvency, otherwise, they would become for-profits. In some cases, the struggle of continually raising money and resource dependence sets nonprofits apart from the highly competitive business sector. However, that is not to say the nonprofit sector is not competitive and he recognizes continually having a handout is not always a good thing. Friedman (2007) criticizes the donor and management fad of trying to make nonprofits “self-sustaining.” It is a contradiction of terms because if they could be truly self-sustaining, they would not be nonprofits. The writer of this paper questions whether the focus on profits, or at least staying in the black, is an unintended consequence of operating in a realm that shifts between capitalism and benevolence. Nonprofits also have the fiduciary responsibility to be good stewards of public resources. Tax-exempt status is far from a free pass to be reckless with other people’s money.

This paper is proof the debate over arts funding can easily veer off course. But at some point, it always seems to circle back to the centrality of artistic expression to a healthy society, to the transcendent nature of the arts. They help define our existence, lift our spirit and take us to another place. Perhaps the arts are always losing out because things like quality of life issues are hard to quantify, and beauty, delight, creativity, self-expression and helping people understand the human condition are immaterial when you are homeless, hungry or a high-school dropout. Art advocates have longer countered that access and exposure to the arts are fundamental to liberty and freedom and actually help fuel economic growth. They believe every American should have an opportunity to participate in all forms of the arts. The NEA motto is a “Great nation deserves great art.” In recent years, art and culture advocates have upped the ante – using solid collection methods and hard data to measure and demonstrate how arts and culture impact tourism, economic development and offer governments and taxpayers a return on investment. Culture advocates tout how public funding, earned income, and philanthropic support are necessary to sustain creative and prosperous communities (Han, 2009; Kushner and Cohen, 2010 and 2012; Strickland, 2012; Creative State Michigan, 2012).

Americans for the Arts sees its mission as educating legislators in the value and importance of the arts to communities, economic development and education. Even prior to the recession, the national arts advocacy group focused the 2006 National Arts Policy Roundtable on philanthropy and its importance to the sector. From 1992 to 2006, the arts portion of philanthropic giving dropped at a value of $8 billion annually. The final roundtable report revealed worrisome trends with private, corporate and foundation giving and showed convincing signs nonprofit symphonies, theaters, museums, and community arts education organizations were struggling (Future of Private Sector Giving, 2006).

Funding models may be suffering but other data from the National Arts Index offers encouragement when it comes to Americans involvement in the arts. In 2010, 32 percent of the adult population attended a performing arts event (up from 28 percent in 2009); 13 percent visited an art museum (up slightly from 12 percent). These are the first increases since 2003. Consumer arts spending, a discretionary expenditure on things such as admissions and musical instruments, has remained steady at $150 billion since 2002. However, the arts' share of overall consumer spending has slipped from 1.88 percent in 2002 to 1.45 percent in 2010. Still, it recognizes how spending on the arts fits into the overall economy and helps fuel economic revitalization, tourism and consumer buying power. Arts employment also remained strong, a steady 1.5 percent of the total civilian workforce, and U.S. cultural destinations help grow the U.S. economy by attracting foreign visitor spending (National Arts Index, 2012).

ArtServe Michigan, the state's nonprofit advocacy organization for the arts, recently followed suit, releasing the Creative State Michigan report to prove how Michigan's arts sector helps drive the economy and why it deserves attention. A 2009 database of reports from 211 arts-and-culture nonprofit organizations, including 32 of the top 50, revealed that for each $1 the state spends on arts and culture, $51 is pumped back into the state economy. The benefits of Michigan's arts and cultural institutions are significant when the sector is taken as a whole.

The state has more than 2,000 nonprofit arts and cultural organizations, employing 15,000 and paying more than $150 million in salaries. Additionally, from 2006 to 2010, the number of arts-related jobs increased by 4 percent in Michigan, while arts-related businesses increased by 43 percent. The arts increase the state's ability to attract and retain professional talent and business investment. That's not counting the nearly $12 million in payroll taxes to local, state and federal agencies and more than $2 billion generated in tourism. Of the $12.62 billion in tourism spending in Michigan in 2010, activities related to arts, culture and historical tourism accounted for 17 percent. Overall, cultural tourism ranked second to touring and sightseeing (28 percent), above golf, skiing, boating, hunting/fishing and sporting events combined.

Conclusion/Recommendations

At times, it was difficult to focus this paper for the very fact funding for the arts is so dysfunctional, convoluted and controversial. The research and data has ebbed and flowed, making it hard to draw conclusions. And for all the negative headlines about declining donations and shuttering organizations, there have been success stories about stabilization, collaboration and innovation. The recent findings from the National Arts Index about measurable losses during the Great Recession come as no surprise. Indicators of a turnaround and expansion of the sector in size and number of working artists deserves to be celebrated. The 20-year trend of declining private support should sound the warning bells, or at least spur new discussions about why donations are dropping off. Obviously, arts advocates and administrators have their work cut out for them in courting new donors, educating lawmakers and raising general awareness for the work they do. Arts organizations, especially at the local level, could and should do more to lobby and advocate legislators as well as mobilize their members and patrons do to so. However, most organizations operate with a small staff – a staff already taxed trying to plan and present programs, balance mission with development and fundraising and handle day-to-day operations. The budgetary constraints also pose problems for attracting young professionals into the nonprofits arts sector as experienced administrators retire. Low pay and the stress factor may deter people with nonprofit leadership degrees from entering the field.

The one bit of research that piques this writer’s interest and seems worthy of further study is the unfortunate reality that data linking arts exposure to educational achievement and a vibrant arts and culture scene to a thriving economy continues to go unnoticed at the policymaking level. There needs to be a fundamental shift among lawmakers that arts and culture are worth investing in, rather than cutting on whim. Whatever the nature of the future economy, it will be based on innovation, on human capital and talent, on businesses who want high-tech workers and creative thinkers. The new buzzword is “a knowledge-based economy,” built on a creative class who wants to work and live in places with diversity, energy, passion. Another area for future research should focus on why donations to arts organizations are on the decline and why the sector is losing its market share to other charitable sectors. Reports have substantiated the trends, yet few talk about the factors driving them. Specific to Michigan, if the arts and cultural sector is indeed important to the state’s reinvention, lawmakers need to rethink the funding model for Michigan Council for Arts and Cultural Affairs and find ways to funnel stable revenue to it.

The preceding pages have highlighted the creative successes and challenging areas of the nonprofit arts sector, using specific examples to show where arts funding falls short and why it is important to find new ways to make the arts relevant and worthy of support. During this time of economic recovery and stabilization, it offers a unique and important opportunity for all Americans – as individuals, communities and a nation – to discuss how we value the arts, reflect on their importance to quality of life, and rethink ways to sustain the nonprofit arts sector. It is time to recast the conversation and ask tough questions: Will governments continue to view the arts as arbitrary and cut arts funding as a quick fix or will it someday become a respected line item? If not, perhaps it is time to stop throwing taxpayer money away on arts programs, organizations and agencies that come to rely on public support and then find themselves without it. The virtual dismantling of Michigan Council for Arts and Cultural Affairs is a good example.

The authors of the 2009 National Arts Index posed the question: Is there a threat to the continued viability of the nonprofit structure as a home for the arts? Beyond that, this writer asks: How long can donations decline before it reaches a crisis level? And what is truly driving the decline of private support for the arts? Can a balance be struck between support for the arts and pressing societal needs? What does a sustainable financial model look like, a pie chart with more equal revenue streams, and one that does not have arts administrators in reactive mode when ticket sales, charitable giving and government grants decline? Will technology and a new generation of tech-savvy kids continue to change the ways Americans consume art? Will they appreciate traditional art forms and the wonder and imagination they invoke? Will parents pass on an appreciation for history, humanities and aesthetics, and the values inherent in philanthropy and civic engagement? The nonprofit sector as a whole depends on it.

We are a society that has come to count on a healthy arts sector for its own overall vitality. The arts carry on our traditions, celebrate our heritage and provide an outlet for self-expression. This may be a bold statement, but it is the truth: If the arts are in fact embedded in the fabric of America, if they do indeed lead to vibrant communities and creative economies, it is time to stop paying them lip service. It is time for individuals, corporations, foundations, communities and governments to put their money where their mouth is. Because the reality is some of the struggles are at the survival level for many fine arts nonprofits – organizations which have operated in communities for 50, 70 and 100 years and serve as well-respected institutions.

References

Abzug, R. (2007). Wishful Thinking about Nonprofits. *Society,* 44(3)*,* 45-47.

Anonymous. (2010, May). Charleston Symphony's music put on pause, *International Musician,* 108(5), 11.

Anonymous. (2010). Baltimore musicians vote to accept new contract, *International Musician,* 108(5), 11.

Anonymous. (2010). Columbus Symphony gets a helping hand from nonprofit group, *International Musician,* 108(5), 11.

Anonymous. (2010). Sector Report: Fundraising 2009-2010. *Fundraising Success,* 8(1), 42-53.

http://www.artservemichigan.org/20120330156/news/artserve-announcements/breaking-news-senate-house-subcommittees-adopt-gov-snyder-recommendation-of-6-15m-for-mcaca/

BoardSource. (2009). Fundraising Fitness, a BoardSource toolkit Retrieved from www.boardsource.org. Washington, DC.

Bray, I. M. (2010). Effective fundraising for nonprofits: Real-world strategies that work (third edition). Berkeley, CA: Nolo.

Byrnes, W. J. (2009). *Management and the Arts.* 4th ed. Burlington, MA: Focal Press.

Byrne, S. (2010, Oct. 13). "DSO cancels dates through Nov. 7," Detroit Free Press. Retrieved from Charitynavigator.org

http://cadillacstrings.org/Legislation.htm

Camarero, C., & Garrido, M.-J. (2009). Improving Museums' Performance through Custodial, Sales, and Customer Orientations. *Nonprofit and Voluntary Sector Quarterly,* 38(5), 846-865.

Cohen, R., Schaffer, W., & Davidson, B. (2003). Arts and economic prosperity: The economic impact of nonprofit arts organizations and their audiences. *Journal of Arts Management, Law and Society,* 33(1), 17. Retrieved from General OneFile.

Cote, M. (2010, January). Arts groups are fighting recession's sting. *ColoradoBiz,* 13.

Cowen, T. (2005). *How the United States Funds the Arts*. Washington, DC: National Endowment for the Arts.

Cowen, T. (2006). *Good & plenty: The Creative Successes of American arts funding.* Princeton, NJ: Princeton University Press.

Cray, D., Inglis, L., & Freeman, S. (2007). Managing the Arts: Leadership and Decision Making Under Dual Rationalities. *Journal of Arts Management, Law and Society,* 36, 295-313.

www.creativestatemi.org

Crump, C. (2010, November). West Michigan arts groups get Kennedy Center management expertise. *Crain's Detroit Business Journal.*

Dreeszen, C. (2007) *Fundamentals of Arts Management.* 5th ed. Amherst, MA: University of Massachusetts.

Fleming, J. (2010, October 7). Florida Orchestra musicians agree to pay cuts. *St. Petersburg Times.*

Fogal, R. E. (2005). Designing and Managing the Fundraising Program. In R. D. Herman and Associates (Eds.), *The Jossey-Bass Handbook on Nonprofit Leadership and Management* (419-435). San Francisco, CA: John Wiley & Sons.

Friedman, J. (2007). There is No Substitute for Profit and Loss. Society, 44(3), 48-53.

Gray, C. (2011). Museums, Galleries, Politics and Management. *Public Policy and Administration,* 26(1), 45-61.

Han, A. (2009). Public funding for the Arts: 2009 Update. *Grantmakers in the Arts Reader*, 20(2), 6-7.

Harris, P. (2009, February 3). Performing arts struggle under crisis. Retrieved from www.Variety.com

Hazlehurst, J. (2010, August 27). Colorado Springs Philharmonic orchestrating financial comeback. *The Colorado Springs Business Journal.* Colorado Springs.

How the United States Funds the Arts, 2nd ed. (2007, January). Washington, DC: National Endowment for the Arts, Office of Research and Analysis.

Howes, D. (2010, October 5). Cost of DSO Too Rich for Detroit. *The Detroit News*. Retrieved from www.detroitnews.com

Hoye, S. (2009, Jan. 2). Recession Hits Arts Groups Especially Hard. *The Chronicle of Philanthropy,* Retrieved from http://philanthropy.com/article/Recession-Hits-Arts-Groups/62975/

Hoye, S. (2009, May 7). Recession and the Arts: Act II. *The Chronicle of Philanthropy,* 21(14), 18-23.

Jensen, B. (2010). Foundations Offer Operating Support to Help Arts Groups in Tough Times. *The Chronicle of Philanthropy*, 22(14), 10.

Kaczmarczyk, J. (2009, March 9). Grand Rapids Symphony administration, senior staffs take pay cut to balance budget. *Grand Rapids Press*, retrieved from mlive.com.

Kaiser, M. (2008). *The Art of the Turnaround: Creating and Maintaining Healthy Arts Organizations*. Lebanon, NH: Univeristy Press of New England.

Kushner, R. J. & Cohen, R. (2010). *National Arts Index 2009: An Annual Measure of the Vitality of Arts and Culture in the United States.* Washington, DC: Americans for the Arts, 1-135.

Kushner, R. J. & Cohen, R. (2012). *National Arts Index 2012: An Annual Measure of the Vitality of Arts and Culture in the United States.* Washington, DC: Americans for the Arts, 1-147.

Lampkin, L. M., Boris, E. T. (2002). Nonprofit Organization Data: What We Have and What We Need. *American Behavioral Scientist,* 24(11), 1675-1715.

Lane, A. (2010, January 25). Funding cuts prompt arts-grant changes. *Crain's Detroit Business*, 26(4), 25.

Lawrence, S. (2009). The Outlook for Foundation Giving. *Grantmakers in the Arts Reader*, 20(2), 1-5.

Marudas, N. P., & Jacobs, F. A. (2007). The extent of excessive or insufficient fundraising among U.S. arts organizations and the effect of organizational efficiency on donations to U.S. arts organizations. *International Journal of Nonprofit and Voluntary Sector Marketing,* 12, 267-73. Doi:10.1002/nvsm.305

Massarsky, C. W. (2005). Enterprise strategies for generating revenue. In R.D. and Associates (Eds.), *The Jossey-Bass Handbook on Nonprofit Leadership and Management* (436-465). San Francisco, CA: John Wiley & Sons.

McClellan, A. (2007). Museum Studies Now. *Art History,* 30(4), 566-570.

MCACA: Investing in Michigan's Reinvention Strategic Plan 2011-13. (2011). Michigan Council for Arts and Cultural Affairs and Michigan Economic Development Corporation. Retrieved from http://www.michiganadvantage.org/cm/Files/MCACA/Investing-in-Michigans-Reinventing.pdf

Miller, M. (2009, March 2). On a bad note: Funding for arts taking a double hit. *The Muskegon Chronicle*, retrieved from www.mlive.com/muskegon

Miller, M. (2010, December). *Bleeding Quality of Life from Large and Small Communities: The Recession's Impact on the Nonprofit Arts, Culture Sector.* Unpublished manuscript.

Miller, M. (2011, April). *Fiscal Woes for the Nonprofit Arts Sector: What It Takes to Sustain a Small, Public Art Museum in the 21st Century.* Unpublished manuscript.

Miringoff, M.-L., & Opdycke, S. (2010). The Arts in a Time of Recession. *The International Journal of the Arts in Society.* 4(5), 141-168.

Moskin, B., & Glaze, N. (2007). *The Arts in Transition: Preparing for a Sustainable Future*. Washington, DC: Americans for the Arts.

Moore, L. (2010, October 31). Muskegon school district, art museum divorcing. *The Muskegon Chronicle*, retrieved from mlive.com/Muskegon

Payton, R. L., & Moody, M. P. (2008). *Understanding philanthropy: Its meaning and mission.* Bloomington, IN: Indiana University Press.

Polonsky, M., & Grau, S. L. (2011). Assessing the social impact of charitable organizations – four alternative approaches. *International Journal of Nonprofit and Voluntary Sector Marketing,* 16, 195-211. Doi:10.1002/nvsm.407

Prescott, K. (2007). *The Quality and Nature of Corporate Support for the Arts: A Pilot Study.* Washington, DC: Americans for the Arts.

Ragsdale, D. E. (2009). Recreating Fine Arts Institutions. *Stanford Social Innovation Review*, 7, 36-41.

Schanke, R. A. (2007). *Angels in the American Theater: Patrons, Patronage, and Philanthropy.* Carbondale, IL: Southern Illinois University Press.

Schuster, J. M. (2001). Who should pay (for the arts and culture)? Who should decide? And What difference should it make? In L. Rothfield (Ed.), *Unsettling "Sensation": Arts Policy lessons from the Brooklyn museum of art controversy.* Piscataway, NJ: Rutgers University Press.

Schuster. J. M. (2006). Tax incentives in cultural policy. In V. Ginsburgh & D. Throsby (Eds.), *Handbook of the economics of arts and culture.* Amsterdam: Elsevier/North-Holland.

Schuster, J. M. (2006). [Review of the book *Tyler Cowen, Good & Plenty: The Creative Successes of American Arts Funding*, by Tyler Cowen]. *Journal of Cultural Economics,* 30, 311-316. Doi:10.1007/s10824-006-9018-3

Skinner, S. J., Ekelund Jr., R. B., & Jackson, J. D. (2009). Art Museum Attendance, Public Funding, and the Business Cycle. *American Journal of Economics & Sociology,* 68(2), 491-516.

Slaying the Financial Dragon: Strategies for Museums. Washington, DC: American Association of Museums, (2003). 123.

Souccar, M. K.. (2010, May 31). Art groups take hit; Cuts, delays loom for most organizations. *Crain's New York Business*, 21.

http://springformusic.com/2012-great-blogger-challenge/

Stein, T. S., Bathurst, J. (2008). *Performing Arts Management: A Handbook of Professional Practices*. New York, NY: Allworth Press.

Strickland, C. (2012, March 1). *Cities are banking on the arts.* Christian Science Monitor, retrieved from CSMonitor.com.

Stryker, M. (2010, Dec. 13). Strike leads Detroit Symphony Orchestra to cancel performances. *Detroit Free Press*, retrieved from www.freep.com.

Teachout, T. (2010). The Decline of the Audience: Graying attendees and the specter of cultural irrelevance threaten the arts in America. *Commentary,* 129(4), 39-41. Retrieved March, 24, 2011, from General One File.

The Arts and Civic Engagement: Strengthening the 21st Century Community. (2008). Washington, DC: Americans for the Arts, National Arts Policy Roundtable.

The Future of Private Sector Giving to the Arts in America. (2007). Washington, DC: Americans for the Arts, National Arts Policy Roundtable.

Tinkleman, D., & Mankaney, K. (2007). When is Administrative Efficiency Associated with Charitable Donations? *Nonprofit and Voluntary Sector Quarterly,* 36(1), 41-64.

Tourangeau, M. (2007). Public Support of the Arts in Michigan. *SPNA Review Best Student Papers, School of Public and Nonprofit Administration.* Grand Valley State University, 3, 62-83.

Tucker, P. (2007). Intersection of Economics and the Arts. *The Futurist*. Washington. 41(2).

Warwick, M. (2000). *The five strategies for fundraising success: A mission-based guide to achieving your goals.* San Francisco, CA: Jossey-Bass, Inc. Publishers.

Wolf, T. (2011). Fundraising's Worst Mistake excerpt on GuideStar.org from *How to Connect with donors and double the money you raise (first edition).* Emerson & Church Publishers.

Wyszomirski, M. (2002). Arts and Culture. In L.M Salamon (Ed.), *The State of Nonprofit America* (187-218). Washington, DC: Brookings Institution Press.

Young, D.R. (1999). Complementary, Supplementary, or Adversarial? A Theoretical and Historical Examination of Nonprofit-Government Relations in the United States. In E. T. Boris (Ed.), *Nonprofits and Government: Collaboration and Conflict* (31-67). Washington, D.C.: The Urban Institute Press.