

Arts Funding

BACKGROUND

Some see the arts as encompassing anything produced by humans; *culture*, *aesthetics*, and *the humanities* are alternative descriptions. Others use narrower definitions: the *fine* arts (e.g., symphonic music, ballet, painting, sculpture, drama) or the *popular* arts (e.g., motion pictures and such musical forms as rock and jazz).

Participation

Participation in the arts is significant. In its 1997 *American Canvas*, the National Endowment for the Arts (NEA) finds that many more Americans are attending arts activities than professional sporting events. Beyond attendance, many Americans participate directly in the arts: 4 percent play classical music, 10 percent paint, 12 percent take photographs, 7 percent write creatively, and 25 percent do needlework. The report points out, however, that “it cannot be claimed that the arts are in any meaningful sense integrated into our daily lives in quite the same way that sports are (which is why no less than 12 of the 25 highest rated television shows of all time were sporting events).”

Employment

The NEA estimates that the number of artists in the work force has more than doubled since 1970, from 720,000 to 1,671,000. The numbers suggest that about 100,000 people in Michigan earn a livelihood from the arts.

Spending

Economists James Heilbrun and Charles M. Gray, in *The Economics of Art and Culture: An American Perspective*, estimate that in 1990 Americans spent at least \$7.3 billion (or 0.133 percent of the entire economy) on nonprofit arts—\$4.3 billion on admission to live, performing-arts events and another \$3 billion on art museums. Adjusting for inflation and growth since 1990, these data suggest that the nonprofit arts represent about \$10 billion in spending nationally, of which about \$400 million is spent in Michigan. In comparison, annual television advertising revenue in the nation amounts to more than \$36 billion, and Michigianians will account for about \$20 million of ticket sales for one motion picture, *Titanic*.

Financial Support

In Michigan, 90 percent of nonprofit arts spending (\$360 million) comes from private support by individuals, foundations, and corporations, and 10 percent (\$40 million) from federal, state, and local government. To give a bit of perspective to public appropriations to the arts, the NEA’s total budget of \$98 million is less than the \$120 million required to produce two Hollywood motion pictures of average

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expense. The U.S. Congress also provides funding to the National Endowment for the Humanities; for the past three years, the funding level has been \$136 million annually.

State government's support for the arts can be traced to 1960, when Gov. G. Mennen Williams created the Michigan Cultural Commission. In 1963 Gov. George Romney created the Michigan Council for the Arts, charged in a 1966 law with stimulating creative and performing arts, encouraging public interest in the state's cultural heritage, and promoting the freedom of artistic expression. In 1991 Gov. John Engler replaced this agency with the Michigan Council for Arts and Cultural Affairs (MCACA), which is housed in the Department of Consumer and Industry Services and located in Detroit.

From \$100,000 appropriated in 1967, state arts funding has grown to nearly \$36 million. In the 1997–98 budget, \$25.7 million was appropriated to the MCACA and \$10 million to the Department of Management and Budget to disburse for cultural capital outlay (building) projects. Michigan ranks first among all state arts agencies in total appropriations.

DISCUSSION

Some people argue that government should not provide funding for the arts: They believe that cultural organizations should be supported by private means, through admission fees, ticket sales, and philanthropy by individuals, foundations, and corporations. They hold that government should not spend tax money to benefit only some people in using their leisure time. Others object to spending tax money on controversial or unpopular artistic projects. The NEA has engendered opposition to its funding (which, since 1995, has declined from \$173 million to \$98 million), largely because it supported several performances and art works deemed by some to be obscene. Still others believe that artistic creativity and independence suffer when politicians make decisions about which groups and art works to fund.

Defenders of arts funding argue that preserving and expanding cultural activities are legitimate functions

of government. They believe that all citizens benefit from numerous and diverse cultural activities, the vitality of arts attracts new economic development and jobs, and artistic awareness is a fundamental goal of public education, just as math and reading are.

Particularly controversial in Michigan is the geographic distribution of state arts funds. Throughout the 1970s, 1980s, and early 1990s, a majority of state arts spending supported Detroit organizations, primarily the Detroit Institute of Arts and the Detroit Symphony. The spending reflected state policy that the financially fragile institutions in the state's biggest city should be assisted and also recognized the size, overall budget, audience numbers, and international reputation of Detroit's arts organizations.

Some legislators from areas other than Detroit argue that each part of the state should receive arts funds roughly proportional to its population. A recent study (published December 1997) by the Wayne State University Center for the Arts and Public Policy finds that per capita distribution of MCACA funding varies (see exhibit). The Wayne State University study also finds that

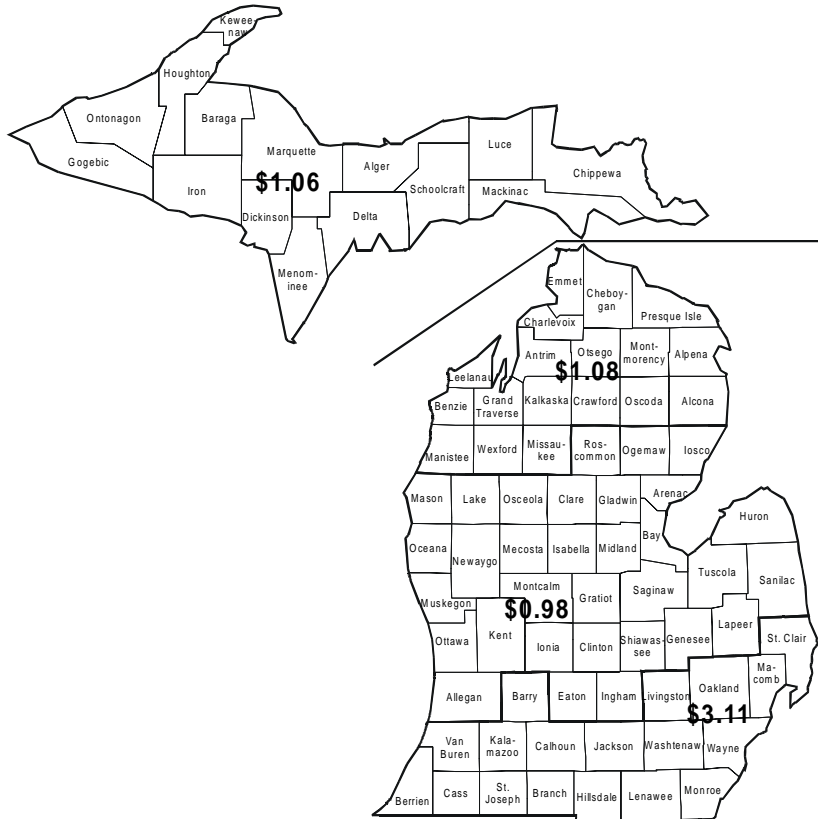
- in all regions of the state there is a wide variety of MCACA grant recipients, and they provide a broad scope of arts and cultural activities, and
- not surprisingly, arts organizations tend to cluster around population centers.

FOR ADDITIONAL INFORMATION

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Michigan Council for Arts and Cultural Affairs Funding per Person, by Tier, 1997



SOURCE: Wayne State University, Center for the Arts and Public Policy.

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