

KEEP TRACK OF IT,
MINUTE-BY-MINUTE



ACCESS YOUR
ARTICLES ANYWHERE
WITH THE
SAVE FOR LATER FEATURE

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

[See a sample reprint in PDF format.](#)

[Order a reprint of this article now](#)

THE WALL STREET JOURNAL.

WSJ.com

MARCH 18, 2009

Arts Groups Lose Out in Fight for Funds

By MIKE SPECTOR

Museums, theaters and operas, already reeling from the recession, are having a tough time attracting support amid perceptions that vital services like soup kitchens and homeless shelters should receive funds first.

Arts organization are retrenching, and in some cases closing, as a result of fewer sales of tickets and merchandise, arts leaders say. They're also seeing fewer donations from individuals and corporations, and cutbacks in government funding. About 10,000 arts organizations, or 10% of the U.S. total, are at risk of folding, according to Americans for the Arts, a nonprofit lobbying group in Washington, D.C.

One reason for the struggles: Some people "think of arts as an unnecessary frill," and discount arts groups' economic and educational contributions to society, says Lester Salamon, director of the Center for Civil Society Studies at Johns Hopkins University. That sentiment was front and center during recent debate over the giant federal economic-stimulus package, when arts funding met opposition.

Arts groups garner about 40% of their income -- far more than other nonprofits -- from private donations, Mr. Salamon says. But private donors have cut back, and they tend to shift their money to human-services outfits during recessions, he says. "It's a double whammy."

Some cultural institutions have already folded. The Baltimore Opera's board voted to liquidate the organization last week. Brandeis University officials are mired in controversy over a decision to sell parts of its Rose Art Museum collection. In January, the Minnesota Museum of American Art in St. Paul, which had existed in various forms since 1927, closed indefinitely. The Milwaukee Shakespeare theater company shuttered in October, after its main funder, a local foundation, dropped support.

Many arts organizations are tightening their belts. In New York, where Wall Street banks have collapsed, the Metropolitan Museum of Art just cut 74 positions and warned it could slash another 10% of its work force by July. In Detroit, where General Motors Corp. and Chrysler LLC are on the verge of bankruptcy, the Detroit Institute of Arts reduced 20% of its staff as part of a \$6 million budget cut, and the Detroit Opera canceled a spring production.

In suburban Maryland, Imagination Stage, one of the U.S.'s largest children's theaters, expects its \$5.1 million budget for fiscal 2009 to shrink 5%, said Brett Crawford, the theater's managing director. Amid state budget cuts and fewer corporate and individual donations, the theater has started furloughs and cut some productions at its camps.



"It's tough out there," Ms. Crawford says. "The arts are...that thing that can be cut, because we need our police officers, we need our soup kitchens."

Arts organizations have responded by trumpeting their education initiatives as examples of how they give back to society and warrant additional money. The Washington Performing Arts Society sponsors a gospel choir for inner-city youth that recently performed for President Barack Obama at the national prayer service the day after his inauguration. The Indianapolis Museum of Art supports art instruction for third graders in city public schools, then invites classes to tour the museum.

In their bid to rally support, arts leaders have focused most on economic arguments. Cultural institutions generate \$166.2 billion in annual economic activity through spending by organizations and consumers patronizing their events, says Americans for the Arts. The sector accounts for 5.7 million jobs and nearly \$30 billion in federal, state and local tax revenue.

That argument encountered an uphill battle during congressional debate over the stimulus package. When the Senate passed its version of the stimulus, it contained a provision barring any money from going to museums, theaters and arts centers -- grouping those organizations with casinos and golf courses. It also stripped

funding for the National Endowment for the Arts.

After some political wrangling, the restrictive language was removed, and the NEA got \$50 million. Some arts advocates championed the funding, noting it represented a third of the NEA's typical annual budget. But others found it lacking amid the severe recession.

In the \$787 billion stimulus package, funding for the arts is a "drop in the bucket," says philanthropist Eli Broad, the founder of home builder KB Homes and financial titan SunAmerica, and a big art donor.

If arts groups want more money, they need to intensify outreach efforts, so audiences reflect an area's diverse population, Mr. Broad says. Arts organizations must "cater to a much broader audience that represents our demographics today and tomorrow, not what it used to be 30 years ago," he says. "You've got to democratize the arts if you expect to get the kind of financial support [desired] from individuals, foundations and government."

Write to Mike Spector at mike.spector@wsj.com

Copyright 2008 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com