

# Business Contributions to the Arts

2018 Edition



In association with



# Business Contributions to the Arts

2018 Edition

RESEARCH REPORT 1672-18

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# Executive Summary

The 2018 *Business Contributions to the Arts* survey has found generally positive outcomes for the arts community with regard to private-sector support during 2017. The data suggest that arts organizations are considered important partners in the public and private sectors, as organizations target both business and social outcomes.

The key findings below are drawn from a survey of 123 participants from organizations that made a contribution to a charity or philanthropic cause in 2017. The survey was conducted in the summer of 2018. It's important to note that the data in the report are drawn from companies that support the arts, so the findings tend to show a more positive picture for arts support than may be the case in a more comprehensive study of corporate philanthropy, such as *Giving in Numbers*, published by CECP in association with The Conference Board.

For the full set of benchmarking data including all segmentations, members of The Conference Board can download the accompanying Chartbook at [www.conference-board.org](http://www.conference-board.org).

## Companies are broadly engaged in arts support and show loyalty to arts partners

Only 8 percent of companies do not contribute to the arts at all. The growth of the US economy in 2017 has helped the arts sector attract this high rate of private sector support.

More than three-quarters of all companies surveyed make financial contributions to the arts, with 43 percent engaging in noncash support. Financial contributions typically come from philanthropy/foundation budgets, but companies often fund their support through sponsorship budgets as well, which could explain the high response rate of companies making financial contributions.

All 35 financial services companies said they support the arts, noting that a *long-term relationship with an arts nonprofit* is the primary reason for their decision to contribute to the arts—an indication such relationships provide sustained value to companies.

Sixty-three percent of companies responded that they *promote board service opportunities* in the arts—the highest response rate for arts-supporting activities conducted. Companies likely promote board service opportunities at nonprofit partners with which they have a strong relationship, giving employees new experiences and challenges to support their development.

Among arts supporters overall, the arts account for 34 percent of philanthropic contributions, a strong percentage that shows strong interest in the sector. However, it is mostly smaller companies by revenue that support that percentage—the largest companies have averages of 16 percent (companies with \$1 billion–\$24.9 billion in revenue) and 10 percent (companies with more than \$25 billion in revenue).

### Manufacturing companies show concentrated arts support and increased recognition of its effects on creativity, suggesting a recognition of the importance of arts to innovation

A number of data points show manufacturers' support for the arts is more concentrated than any other sector:

- Seventy-seven percent of companies make a financial contribution to the arts—the lowest of the three industries
- The industry's average total contribution to the arts is \$4.6 million, compared to an average of \$1.7 million overall
- Manufacturing companies returned the highest percentage of companies with fewer than five employees working on arts support (an indication that the company has fewer partners to manage).

Industry studies have highlighted the importance of creativity and the arts to innovation, and these data suggest that manufacturing companies are heeding recommendations from such studies to take an inter-disciplinary approach (that includes art) to innovation.<sup>1</sup>

More than half of manufacturers (55 percent) believe supporting the arts can *stimulate creative thinking and problem solving*. Not only that, but manufacturing companies (45 percent) are more likely than financial services (26 percent) or nonfinancial services (39 percent) companies to cite a *convincing case for why my business should give to the arts has been made* as a reason for contributing to the arts.

### Most companies support the arts to meet business objectives related to generating value for the company

In the modern corporate world, the lines between social value and business value can blur. Companies often seek to maximize one through the other. This is apparent in companies' responses about the effects supporting the arts can have on achieving a company's objectives. The largest percentages of companies believe that the arts can help to *improve the quality of life in the community* (79 percent) and *contribute to the economy of the community* (63 percent). Clearly, these objectives bring a societal benefit, but the accompanying business benefits, like *helping to attract and retain employees* and *building a thriving economy in which to operate*, are equally compelling for companies.

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1 See, for example, Göran Roos, "Design-Based Innovation for Manufacturing Firm Success in High-Cost Operating Environments," *She Ji: The Journal of Design, Economics, and Innovation*, v2, 1, 2016, pp. 5-28.

# Introduction

*Business Contributions to the Arts: 2018 Edition* is the second edition of the annual report published by The Conference Board and Americans for the Arts. Conducted in the summer of 2018, this year's survey garnered 132 responses from small, midsize, and large US businesses, 123 of which made a philanthropic contribution of some description in 2017 and are therefore included in this report. The survey asked for information based on corporate practices at the time of the survey completion.

This report presents an overview of the survey findings. The full data set and benchmarking tables are available in an accompanying Chartbook to members of The Conference Board upon request.

Due to Americans for the Arts' position as an advisor and supporter of arts organizations around the country, in some instances recommendations have been made for how arts organizations could strategize based on the information. Otherwise, none of the commentaries included are intended as recommendations to businesses. The Conference Board and Americans for the Arts recommend that decisions in this field be made after careful consideration of the specific circumstances the company faces in the current marketplace, including its reputational standing, stakeholder relations, and business needs.

## Data Segmentation

Throughout the report, survey findings are categorized and analyzed according to the industry and size of participating companies. They are reported alongside aggregate numbers to allow for comparison. Companies were first categorized according to 10 industry groups, using the Global Industry Classification Standard (GICS) codes. For ease of reference and to ensure statistical meaningfulness of survey data, findings were then computed according to three large business sectors, with the 10 industries now aggregated into manufacturing, financial services, and nonfinancial services. The report further segments findings along three annual revenue categories as well as three groups by number of employees.

In many instances, the total of the participant pool of the individual categories does not equal the overall survey participant pool. This discrepancy is due to respondents who did not provide company profile information and are therefore categorized as "Other" and excluded from the tables.

The sample was also segmented by company type (public or private) and geographic presence. For public companies, distributions by securities exchange, equity index, market capitalization, and geographic presence are broken down. Unless otherwise specified, figures included in this report refer to mean (average) values.

Please see the separate Chartbook for detailed information about the data segmentation.

## History of *Business Contributions to the Arts*

Since 1969, Americans for the Arts through the Business Committee for the Arts (BCA) has been conducting the BCA National Survey of Business Support for the Arts. In 2016, Americans for the Arts and The Conference Board partnered on the report for the first time since partnering on the initial survey in 1969.

## About the Survey Data

Data in this report should be interpreted with care. The report references data segmented by industry and size. However, due to the limited size of these segments, findings should be interpreted as a meaningful indication of the choices made by a select group of companies, rather than statistically reliable evidence of trends and prevailing practices. For this reason and in the interest of full transparency to the reader, each of the figures included in these pages, including those representing the frequency of survey responses, discloses the size of the underlying sample.

In addition, the data are drawn from companies that support the arts, so the findings might reveal a more positive picture for arts contributions than those from a more comprehensive study of the entire corporate philanthropy industry (e.g., *Giving in Numbers*, published by CECP in association with The Conference Board).

# SECTION 1

## Arts Contributions Practices

### Arts Funding

Recently, the arts have faced a federal funding challenge in the United States, but some positive developments throughout 2018 have changed the sector’s fortunes. Several federal cultural agencies met an uncertain future in terms of funding at the federal level after the Trump Administration’s FY2017 proposal to retroactively cut their budgets, including the National Endowment for the Arts. The FY2018 and FY2019 Budgets proposed elimination of the agency. However, the FY2018 budget was passed by Congress with a \$3 million increase in funding (to \$152.8 million),<sup>2</sup> and a July 2018 vote in the House of Representatives strongly rejected an amendment to cut funding for the NEA by 15 percent,<sup>3</sup> signaling continued strong support for the agency in Congress.

### How and why companies contributed to the arts

Throughout the recent federal funding volatility, the business community has shown a steadfast commitment to building vibrant communities through broad arts support led by financial contributions. In 2017, 80 percent of companies that support the arts report making a financial contribution to the arts and 43 percent report making an in-kind contribution (there is some crossover of companies that make both). Only 8 percent of respondents say they did not contribute to the arts.

Financial services companies, all of which contribute to the arts in some way—more than 90 percent through a financial contribution—are the most common supporters of the arts.

Figure 1

#### Arts contributions, by industry

In 2017, did your company make a contribution to an arts organization?

	All	Financial services	Manufacturing	Nonfinancial services
<i>n</i> =	123	35	25	37
Yes, a financial contribution	80%	94%	77%	79%
Yes, a non-cash/in-kind contribution	43	36	31	47
No	8	0	12	16

Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

2 “National Endowment for the Arts Appropriations History,” National Endowment for the Arts, 2018, (<https://www.arts.gov/open-government/national-endowment-arts-appropriations-history>.)

3 Henri Neuendorf, “The House Overwhelmingly Rejects a Republican Proposal to Slash Funding for the NEA and NEH,” ArtNet News, July 18, 2018 (<https://news.artnet.com/art-world/nea-neh-budget-1319993>.)

Most financial services companies claim that a *long-term existing relationship with a not-for-profit organization in the arts* is the reason that best explains their decision to contribute to the arts (see Figure 4). The extent of the financial services community’s support for the arts could be considered a return to pre-Great Recession trends, when financial services companies were the biggest backers of the arts sector. The Conference Board’s 2008 *Corporate Contributions Report*, for example, found that banks “contributed the most to culture and arts both in terms of dollars, as well as a percent of the industry total.”<sup>4</sup>

Although financial services companies are not the leading supporters in terms of total contributions, the high percentage of companies in the sector supporting the arts suggests a level of engagement that could increase in coming years.

**Matched data trends** When comparing a matched set of 25 respondents that participated in both editions of the survey, there is a trend towards more companies making arts contributions—in the 2016 survey about 2015 contributions, 8 percent of the matched set did not contribute to the arts, but in this year’s survey on 2017 contributions, only one company abstains from arts contributions. There has been a small reduction of 4 percent in terms of financial contributions and an equal increase in terms of nonfinancial contributions.

The total contributions amount has increased across the two editions of the report, with 20 companies responding to both surveys that their average dollar value of cash and noncash contributions to the arts has increased from \$2.3 million to \$3.6 million. These data show a substantial increase in the average amount among a core set of arts supporters, likely driven by increased corporate contributions budgets overall.<sup>5</sup>

Figure 2

**Arts contributions, by matched data set**

Did your company make a contribution to an arts organization...

In 2015?	All n = 25	In 2017?	All n = 25
Yes, a financial contribution	92%	Yes, a financial contribution	88%
Yes, a non-cash/in-kind contribution	56	Yes, a non-cash/in-kind contribution	60
No	8	No	4

Source: The Conference Board/Americans for the Arts, 2018

Figure 3

**Dollar value of arts contributions, by matched data set**

What was the total dollar value of cash AND non-cash/in-kind contributions your company made to the arts...

In 2015?	All n = 20	In 2017?	All n = 20
\$2,310,926		\$3,667,160	

Source: The Conference Board/Americans for the Arts, 2018

4 Carolyn Cavicchio and Judit Torok, *The 2008 Corporate Contributions Report*, The Conference Board, 2008.

5 Andre Solorzano, *Giving in Numbers: 2018 Edition*, CECP, in association with The Conference Board, 2018

Figure 4

### Reasons for contributing to the arts, by industry

Among the following factors, which ones best explain your company’s decision to contribute to the arts?

	All n =	Financial services 35	Manufacturing 22	Nonfinancial services 31
Senior-level executive interest in the arts	58%	54%	41%	55%
Long-term existing relationship with a not-for-profit organization in the arts	58	60	55	45
Arts are an important component of a broad overall giving strategy	48	49	36	45
Supports strategic business goals	42	31	41	52
Overall employee interest in the arts	40	34	32	45
A convincing case for why my business should give to the arts has been made	37	26	45	39
Ability to measure the business benefits of arts contributions	12	17	5	16
Other (Please specify)	10	17	9	6
I don't know	2	6	0	0

Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

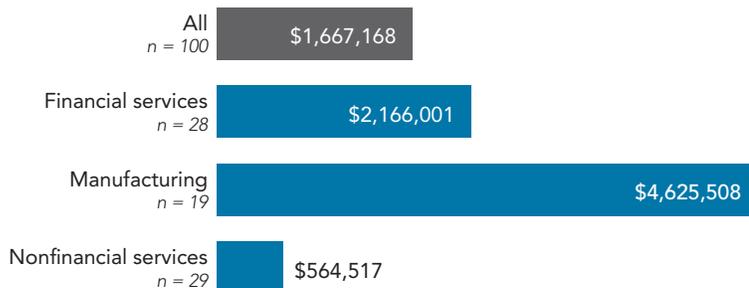
Source: The Conference Board/Americans for the Arts, 2018

Seventy-seven percent of manufacturing companies make a financial contribution to the arts and 31 percent make an in-kind contribution—the lowest percentages in each category across industries. However, these lower percentages are heavily balanced by manufacturers being by far the largest supporters in terms of total contributions (see Figure 5). With an average total contribution to the arts of \$4.6 million—\$3 million more than the mean across all companies—the sector dominates its services peers. These higher total contribution amounts among a smaller percentage of companies suggests a deeper support by manufacturers among a smaller set of key arts partners.

Figure 5

### Dollar value of arts contributions, by industry

What was the total dollar value of cash AND non-cash/in-kind contributions your company made to the arts in 2017?



Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

Like financial services companies, a majority of manufacturers (55 percent) responded that they support the arts because of a *long-term existing relationship with a not-for-profit organization in the arts*, which reiterates the point that the sector has deep engagement with some key partners. In addition, manufacturers are more likely to claim that they support the arts because *a convincing case for why my business should give to the arts has been made*—45 percent versus 39 percent of nonfinancial services companies and 26 percent of financial services companies. This could be a sign of some interest in the sector of using the arts and creativity to inspire innovation. A 2016 study by Tongji University outlined the importance of an “inter- and trans-disciplinary approach to innovation” that includes “the use of four value creation strategies: science and technology, design, art, and reverse-hermeneutic innovation.”<sup>6</sup> When asked which statements best explain the effect supporting the arts can have on advancing companies’ objectives, again manufacturing companies lead other industries in acknowledging the importance of the arts to *stimulate creative thinking and problem solving*, with 55 percent of companies selecting this statement, compared with 43 percent of financial services companies and 48 percent of nonfinancial services companies.

Figure 6

### Effect of arts support on company’s objectives, by industry

Which statements best explain the effect supporting the arts can have on advancing your company’s objectives?

	All n =113	Financial services n =35	Manufacturing n =22	Nonfinancial services n =31
Improve the quality of life in the community	79%	71%	86%	77%
Contributes to the economy of the community	63	54	68	61
Stimulate creative thinking and problem solving	53	43	55	48
Reaching underserved communities	50	57	59	42
Offers networking opportunities and the potential to build market share	45	54	14	42
Create conversation about important issues	42	34	36	39
Improve academic performance for students	40	29	59	32
Advance corporate objectives	39	46	27	39
Help to recruit and retain employees (e.g., by offering special benefits to employees)	37	37	55	35
Enhances employee team building	37	34	32	39
Addresses issues of diversity in the workplace	36	34	36	42
I don’t know	2	6	0	0

Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

6 Göran Roos, “Design-Based Innovation for Manufacturing Firm Success in High-Cost Operating Environments,” *She Ji: The Journal of Design, Economics, and Innovation*, v2, 1, 2016, pp. 5-28.

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## Workers cite the need for creativity in their jobs

In the summer of 2018, Americans for the Arts surveyed 3,023 people who work full-time, part-time, or are self-employed to understand how important they consider creativity in the workplace to be.

Among people who are employed, more than half (55 percent) say that their job requires them to be creative. Perhaps more importantly, 60 percent agree that the more creative and innovative they are at their job, the more successful they are in the workplace. Working people who are more likely than others to agree with both these statements include:

- Adults under the age of 35 (69 percent, with 31 percent “strongly agreeing”);
- Higher income earners (\$50,000 per year and above—63 percent);
- People with a college degree (66 percent); and
- People with children living at home (66 percent).

Of course, creativity is one thing; stimulating it is another. For many, the arts are the answer, as nearly two-thirds of the working population (64 percent) believe that the arts make them a more creative person. Again, the groups listed above are more likely to agree than others.

*Source: Americans Speak Out About The Arts in 2018, Americans for the Arts, 2018.*

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At companies with fewer employees, the leading reason for supporting the arts is *senior-level executive interest in the arts*—68 percent of companies with a headcount of 1–99 responded as such, accompanied by 56 percent of companies with headcounts below 25,000. Even the largest companies by employee numbers returned half of respondents acknowledging this reason for their arts support. In addition, very few companies responded that the reason they contributed to the arts is because they have the *ability to measure the business benefits of arts contributions*. Lacking such measurement capacity means it’s incredibly difficult to make the business case for a higher priority of arts at a company. To sustain arts contributions in the long term, companies and arts organizations need to showcase the strategic imperative of arts giving by working with their partners to demonstrate benefits such as employee engagement and the creative contributions to innovation.

On average, the arts comprise 34 percent of a company’s total charitable contributions. At smaller companies, this figure skews towards 50 percent, indicating that the arts are a higher priority for these companies. This heightened priority is likely due to smaller companies by employee number and revenue deferring to the Chairman or CEO to make the final decision regarding charitable contributions (92 percent of companies with 1 to 99 employees and 94 percent of companies with revenue under \$1 million). (See accompanying Chartbook for full benchmarking data). In addition, it is more common for smaller companies to select *senior-level executive interest in the arts* as a reason for contributing (68 percent of companies with employee head counts of 1–99 responded as such), so arts support among these companies is probably directed towards senior leaders’ preferences.

Figure 7

**Reasons for contributing to the arts, by company size (number of employees)**

Among the following factors, which ones best explain your company’s decision to contribute to the arts?

	Number of employees		
	1–99	100–24,999	25,000 and over
	n = 37	50	26
Senior-level executive interest in the arts	68%	56%	50%
Long-term existing relationship with a not-for-profit organization in the arts	57	56	62
Arts are an important component of a broad overall giving strategy	38	50	58
Supports strategic business goals	54	38	35
Overall employee interest in the arts	49	34	38
A convincing case for why my business should give to the arts has been made	35	38	38
Ability to measure the business benefits of arts contributions	14	8	19
Other (Please specify)	5	12	12
I don't know	0	2	4

Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

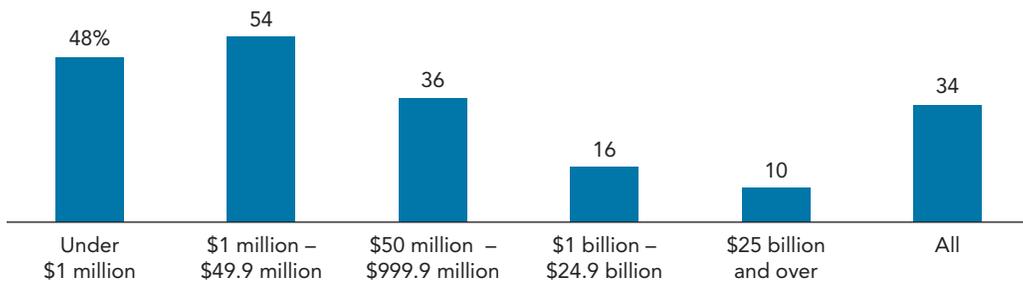
Source: The Conference Board/Americans for the Arts, 2018

At 10 percent, the average amount of arts support in overall philanthropic budgets at companies with more than \$25 billion in revenue is much lower and more closely aligned with the 6 percent average found by *Giving in Numbers*.<sup>7</sup>

Figure 8

**Arts contributions as part of overall philanthropic contributions, by company size (annual revenue)**

Roughly speaking, the arts represent what percentage of your total charitable contributions?



Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

7 Solorzano, *Giving in Numbers: 2018 Edition*, 2018.

## Expected changes

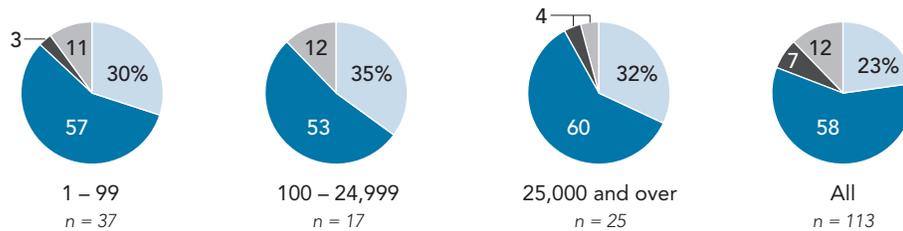
Overall, only 7 percent of companies report an expectation to decrease funding in the next 12 months, with nearly a quarter of companies saying that they expect an increase. The smallest companies by employee number and revenue are the most likely to increase their funding. These increases are likely to come on the back of an overall increase in companies' giving budgets—65 percent of companies overall indicated this as a reason for the expected increase. According to *Giving in Numbers: 2018 Edition*, these expectations are valid, as 44 percent of companies cite an expectation to increase overall giving budgets in 2018.<sup>8</sup> In the few cases where a decrease in arts funding is expected, the main reason overall was due to a *reallocation of giving budgets in favor of other cause areas*.

Figure 9

### Expected changes in arts contributions, by company size (number of employees)

Do you think your contributions to the arts will increase, decrease or remain the same for 2018?

■ Increase ■ Remain the same ■ Decrease ■ Don't know



Note: Percentages may not add up to 100 due to rounding. Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

8 Solorzano, *Giving in Numbers: 2018 Edition*, 2018.

## Geographic distribution

Arts support is particularly localized, since so many of the partnerships that companies have with arts organizations are based in the communities where their employees live and work. This explains why on average three-quarters of a company's arts contributions are distributed locally. This finding aligns closely to the objectives that companies have with their arts support. According to Figure 16, companies most often support the arts to *improve the quality of life in the community*, so local partnerships are important.

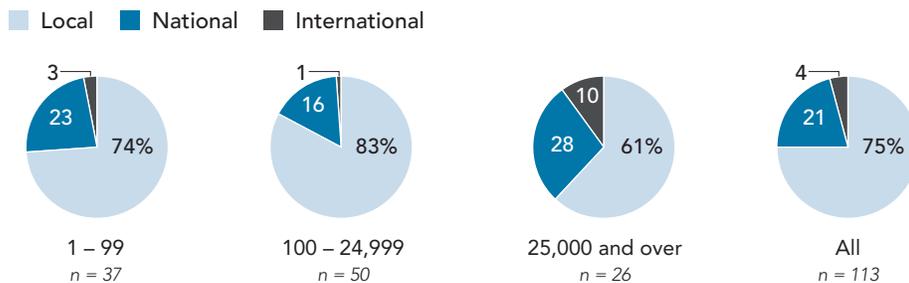
Companies with a larger headcount are more inclined to direct a higher percentage of funding to national arts groups and even international organizations. When employees are widely disbursed, larger organizations are sometimes in a better position to deliver on the goals of the partnership and to reach a larger percentage of employees, because they're able to draw on contacts and resources that local organizations might lack.

In some instances, organizations like Americans for the Arts operate nationally, but work to improve the arts across a wide range of local communities, as well as advocating at the national level, so there can be geographic crossover in the support that companies provide.

Figure 10

### Geographic distribution, by company size (number of employees)

In 2017, what percentage of your company's arts support was allocated locally (e.g. in your HQ community), nationally (in other US communities) and internationally?



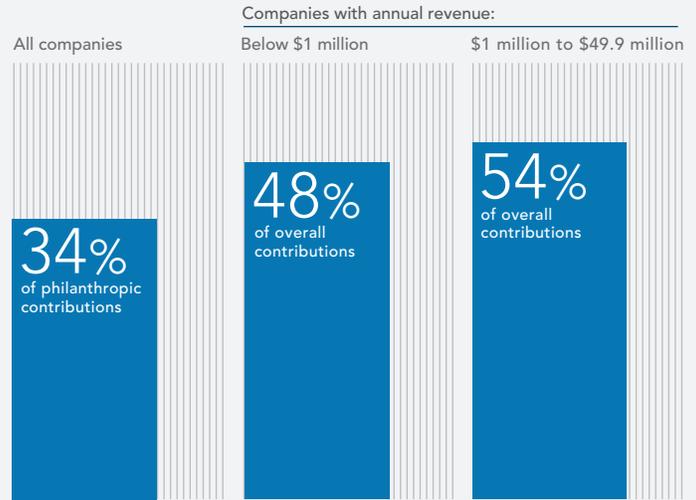
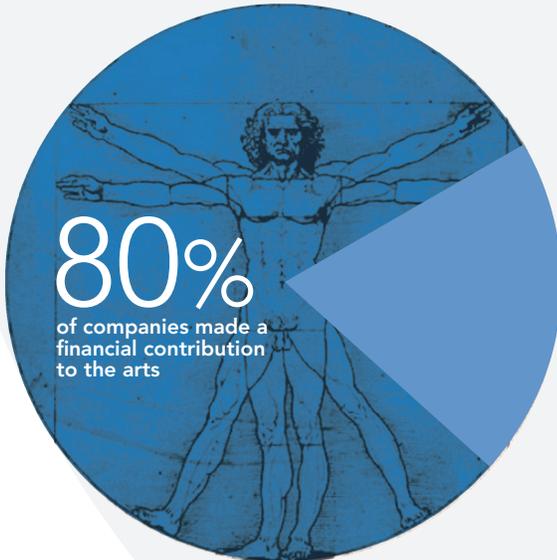
Note: Percentages may not add up to 100 due to rounding. Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

# The arts are enjoying broad, growing private-sector support

Nearly all companies surveyed made a contribution to the arts—financial, nonfinancial, or a combination...

...The arts comprise high percentages of overall contributions at smaller companies...



Arts as a percentage of overall philanthropic contributions

...Most companies don't expect their arts support to decrease in the next year.

Manufacturers made the largest contributions to the arts, more than double those of other sectors:



ONLY **7%** of companies expect a reduction in arts support

**65%** of companies claimed stability of arts support is due to an expected increase in overall giving budgets

The arts help companies increase employee engagement, creativity, and social impact.



The objectives companies believe the arts help them achieve:

- Improve quality of life in the community **79%**
- Contribute to the economy of the community **63%**
- Stimulate creative thinking and problem solving **53%**



Businesses are taking steps to standardize metrics on the social impact of supporting the arts.\* Over a quarter of them measure whether arts support:

- 27%** Provides cultural enrichment
- 25%** Reaches diverse audiences
- 25%** Strengthens creative community



Large companies use the arts to support diversity & inclusion initiatives:

- 38%** with revenue over \$25 billion measure the social outcome reach diverse audiences
- 55%** with 25,000+ employees believe the arts help address issues of diversity in the workplace

\*Standardized outcomes derived from the arts genome, developed as part of Mission Measurement's Impact Genome Project®



## Noncash Support

Of the 43 percent of companies that make a noncash contribution to the arts (Figure 1), the majority provide *donations of products and/or services* (70 percent) and *employee volunteering on company time* (60 percent). Companies with a high employee head count are more likely to offer volunteering activities in the arts (70 percent of companies with 25,000+ employees and which provide noncash contributions responded as such). The importance of a broad volunteer offering across several social areas is important to companies with a large employee base who have a vast range of interests. These companies are also more inclined than their smaller peers to offer *use of company facilities* to arts organizations, perhaps as exhibit spaces or for hosting fundraisers.

Interestingly, it is far more common for companies with fewer than 100 employees to offer *pro bono service* (e.g., *legal, accounting, IT*) than larger companies. Sixty-five percent of small companies offer this kind of noncash support to arts organizations, making it the second-most common noncash support for this group behind *donations of products and/or services*. With fewer employee resources available, small companies likely want to maximize the benefits of their employees' time by having them develop professionally as well as make a social impact.

Figure 11

### Type of non-cash arts contributions, by company size (number of employees)

Please indicate the types of non-cash/in-kind contributions your company made to the arts in 2017.

	All n =	1 – 99 23	100 – 24,999 24	25,000 and above 10
Donations of products and/or services	70%	70%	75%	60%
Employee volunteering on company time (release time)	60	57	58	70
Use of company facilities	49	35	58	60
Pro bono service (e.g. legal, accounting, IT)	44	65	25	40
Advertising space	21	22	13	40
Other (please specify)	11	0	17	20
I don't know	2	0	4	0

Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

## Areas of Arts Supported

Arts education programs are the most common area of the arts supported by companies, with 69 percent indicating involvement in such programs. In addition to arts education, music, visual arts, theatre, and culturally specific arts organizations all receive support from more than 50 percent of companies.

High-revenue companies are the most likely to take a wide-ranging strategy to their arts support. In the top two revenue bands, only film/media arts and literature received a minority of companies supporting them. Companies with revenue above \$25 billion show a particular affinity for supporting museums (94 percent), theatre (88 percent), and music (81 percent), reflecting a common practice of large corporations backing keystone art institutions in their headquarter cities.

Figure 12

### Areas of arts supported, by company size (annual revenue)

Which area(s) of the arts does your company support?

	All n = 113	Under \$1 million 17	\$1 million – \$49.9 million 25	\$50 million – \$999.9 million 13	\$1 billion – \$24.9 billion 31	\$25 billion and over 16
Arts education programs	69%	59%	68%	92%	58%	75%
Museums (art, children’s, science, history, etc.)	68	35	56	69	81	94
Music	65	29	64	69	71	81
Visual arts	65	41	68	54	65	69
Theatre	61	29	56	77	68	88
Culturally specific arts organizations	52	41	36	54	65	69
Zoos, aquariums, botanical gardens	45	12	28	54	71	75
Dance	42	12	36	46	55	63
Film/media arts	35	12	40	38	35	38
Literature	27	6	24	46	26	25
Other (please specify)	7	6	8	0	13	6
I don’t know	1	0	0	0	0	6

Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

## Arts-Supporting Activities

For the past two years, a preponderance of companies have responded that they *promote board service at arts organizations*. Placing key employees in strategic decision-making positions at arts organizations indicates that companies believe such positions can offer important talent development opportunities.

Three-quarters of companies with revenue above \$25 billion *promote board service at arts organizations*. This is the largest percentage among all revenue groups. The same percentage of companies in the largest revenue band also participate in the following activities:

- Provide free or discounted tickets to arts events
- Offer release time for volunteer service at arts organizations
- Provide grants to arts organizations where employees volunteer

There's a clear bias among these large companies to focus on volunteer opportunities (board service, release time, and volunteer matches), underscoring the fact that employees value community engagement with arts groups.

Figure 13

### Type of arts-supporting activities conducted, by company size (annual revenue)

Does your company participate in any of the following programs related to the arts?

	All n = 113	Under \$1 million 17	\$1 million – \$49.9 million 25	\$50 million – \$999.9 million 13	\$1 billion – \$24.9 billion 31	\$25 billion and over 16
Promote board service at arts organizations	63%	41%	68%	69%	61%	75%
Promote volunteer opportunities at arts organizations	53	35	48	62	48	56
Provide free or discounted tickets to arts events	52	18	44	69	58	75
Offer release time for volunteer service at arts organizations	39	35	32	23	29	75
Provide grants to arts organizations where employees volunteer	39	6	28	38	52	75
Have a corporate art collection	38	18	32	54	39	44
Present concerts or art exhibitions in the workplace	37	12	40	62	32	38
Purchase tickets for client entertainment	35	18	44	54	35	38
Purchase company memberships that benefit employees	35	41	32	23	35	38
Provide loaned executives or skills-based volunteers	31	24	32	23	19	56
Hold employee art exhibitions, "battle of the bands," or performances of employee art work	16	6	16	15	16	25
None of the above	10	18	12	0	13	6

Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

## SECTION 2

# Staffing

### Team Sizes

Typically, there are fewer than five people working on arts support, and in several cases there is no full-time employee. It's likely that the responsibilities for relationships with arts organizations are shared among staff who work in other social areas or marketing staff who have arts sponsorships in their broader portfolio.

However, most financial services companies claim at least one full-time member of staff working on arts partnerships and nearly 10 percent of companies have a large staff of more than 16. Interestingly, manufacturing companies, which returned a much higher average total contribution amount, do not have high percentages of companies in the large staffing brackets, but in fact hew towards a lower number of employees dedicated to the arts. These data suggest that their giving is concentrated, with higher amounts being donated to fewer key partners that can be handled by fewer staff.

Figure 14

#### Number of staff for arts support, by industry

How many people work on arts support within your company?

	All	Financial services	Manufacturing	Nonfinancial services
<i>n</i> =	113	35	22	31
None (other than making a contribution, we don't have any employees who focus even part of their time on supporting arts organizations)	19%	26%	14%	16%
Fewer than 1 person (e.g., part time or one full time employee spending only a portion of their time)	20	11	36	29
1 – 5 people	34	31	32	32
6 – 10 people	4	6	0	0
11 – 15 people	4	6	5	3
16+ people	12	9	9	13
I don't know	7	11	5	6

Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

## Departments

As Figure 15 shows, as many as 81 percent of companies with 25,000 or more employees position those people within their corporate philanthropy teams, either the foundation or corporate contributions departments. This is more than double the average of 40 percent. Smaller companies in terms of employee numbers are more inclined to house arts staff in departments such as *advertising, marketing, or sponsorships* and among the *C-suite*. These percentages jibe with those that show the final decision-making authority on contributions at small companies lands with the CEO or C-suite (see accompanying Chartbook).

It's clear from these staffing trends that large companies are more inclined to participate in arts support as a charitable activity, rather than through sponsorship or marketing. Although there is often a more immediate bottom line benefit witnessed through marketing or sponsorship activities, the charitable partnerships reflect a more long-term effort to sustain relationships that can promote higher levels of employee engagement and talent development, community development, and creativity and innovation.

Figure 15

### Functional representation of arts support staff, by company size (number of employees)

If those people who work to support the arts are employees of the company (either full time or part time), which department do they work in?

	n =	All 113	1 – 99 37	100 – 24,999 50	25,000 and over 26
C-suite		22%	32%	18%	15%
Corporate contributions/foundation team		40	11	40	81
Advertising, marketing or sponsorships		34	24	44	27
Human resources		12	8	14	12
Other		19	19	22	15
Not applicable		19	27	16	12
I don't know		5	5	6	4

Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

## SECTION 3

# Measurement and Impact

### Company Objectives

This year, the survey sought to understand how companies believe the arts help them meet their business objectives (which could include their societal objectives) and the specific social outcomes related to the arts that they measure. These social outcomes are drawn from Mission Measurement and the Impact Genome Project®, which has created a series of standard social outcomes across a range of social issues, including the arts.

As Figure 16 shows, there are several business objectives that companies of all sizes seek through their arts support. The objectives that most companies believe the arts help them to achieve are: *improve the quality of life in the community* (79 percent); *contributes to the economy of the community* (63 percent); *stimulate creative thinking and problem solving* (53 percent); and *reaching underserved communities* (50 percent)

Figure 16

#### Effect of arts support on company's objectives, by company size (number of employees)

Which statements best explain the effect supporting the arts can have on advancing your company's objectives?

	All n = 113	1 – 99 n = 37	100 – 24,999 n = 50	25,000 and over n = 26
Improve the quality of life in the community	79%	65%	84%	88%
Contributes to the economy of the community	63	57	58	81
Stimulate creative thinking and problem solving	53	59	48	54
Reaching underserved communities	50	32	54	69
Offers networking opportunities and the potential to build market share	45	46	46	42
Create conversation about important issues	42	57	30	42
Improve academic performance for students	40	41	36	46
Advance corporate objectives	39	43	38	35
Help to recruit and retain employees (e.g., by offering special benefits to employees)	37	24	42	46
Enhances employee team building	37	32	36	46
Addresses issues of diversity in the workplace	36	24	38	50
I don't know	2	3	2	0

Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

The first three of these objectives show a focus on improving business success because of the arts: improving quality of life in the community is important to attracting and retaining employees; contributing to the economy of a community builds a stronger business environment; and stimulating creative thinking and problem solving inspires innovation and efficiency among the workforce.

Companies with a headcount of fewer than 100 show an interest to *create conversation about important issues*—57 percent of them responded that their arts support is intended to meet this business objective, the same percentage of companies that believe their arts support *contributes to the economy of the community*. Perhaps smaller employee pools are more inclined to share lessons and analysis of artistic events among each other, triggering debate and the sharing of insights.

## Social Outcomes Measurement

Despite this year’s survey asking a different question related to measuring social impact, the results again find a majority of companies (55 percent) do not track any standard outcomes for arts (although this does not necessarily mean they do not track any impact measures). Nonetheless, the data show signs of effort in the business community to standardize the way social impact from the arts is measured.

The most commonly measured outcome is *provide cultural enrichment*, measured by 27 percent of companies overall and as many as 35 percent of companies with revenue under \$1 million.

Figure 17

### Arts-related social impact outcomes, by company size (annual revenue)

Does your company track any of the following social impact outcomes related to arts? (Select all that apply.)

	All n = 113	Under \$1 million n = 17	\$1 million – 49.9 million n = 25	\$50 million – 999.9 million n = 13	\$1 billion – 24.9 billion n = 31	\$25 billion and over n = 16
Provide cultural enrichment	27%	35%	32%	31%	16	31%
Reach diverse audiences	25	24	20	23	23	38
Strengthen creative community	25	24	32	23	23	25
Enhance arts appreciation	22	24	28	31	13	25
Expose new artistic talent	19	29	24	31	6	19
Develop individual creativity skills	18	29	28	15	10	13
None of the above	55	47	56	46	58	56

Note: Category totals do not equate to the overall participant number due to some companies not responding to company profile questions.

Source: The Conference Board/Americans for the Arts, 2018

In a sign that large companies turn to the arts to support diversity and inclusion initiatives, those with revenues of \$25 billion or above returned 38 percent of companies that measure the outcome to *reach diverse audiences*, more than any other category. This finding aligns with the data in Figure 16, which shows an above-average percentage of large companies by employee numbers also have an interest in using the arts to *address issues of diversity in the workplace*—50 percent of them responded as such, 14 percent more than the overall category.

No majority of companies in any category responded that they measure a specific social outcome, but some significant percentages nonetheless show a preference for certain types of social impact:

- *Expose new artistic talent and enhance arts appreciation* (e.g., 31 percent of companies with revenues \$50 million to \$999.9 million)
- *Strengthen creative community* (e.g., 32 percent of companies with revenues \$1 million to \$49.9 million)

Despite some indication that companies are trying to measure the social impact of their arts contributions, overall it appears that the practice is not as advanced as other social areas.

# Conclusion

Arts organizations are enjoying broad, growing private-sector support driven by a healthy economy, increasing charitable contributions overall, and long-term partnerships that encourage companies to promote, among other things, high-level board service opportunities for employees. More than 90 percent of companies support the arts in some form, whether it's through financial contributions, in-kind contributions, or a combination of both.

Studies like *Ready to Innovate* show the connection between arts and innovation, and it seems that manufacturing companies in particular recognize this.<sup>9</sup> Although there were fewer manufacturing companies than services companies supporting the arts, they had a much higher total contributions. Industry studies have shown the importance of the arts to innovation and manufacturers were the most likely category to respond that the effect their arts support can have on business objectives is to *stimulate creative thinking and problem solving*. Additionally, more than any other industry, manufacturers said their reason for giving to the arts is because a *convincing case for why my business should give to the arts has been made*. Clearly, these companies are showing a strong interest in how the arts can directly help their business.

With the economy performing well, arts organizations are in a good position to capitalize on supportive partnerships. The high percentage of companies supporting the arts overall is positive, so it's incumbent on recipients to now demonstrate the range of societal and business benefits that arts organizations provide over the long term. This could lay the foundation for more sustained levels of support, since corporate funding will be more likely to continue during difficult economic conditions if companies are more aware of the value the arts provide.

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<sup>9</sup> James Lichtenberg, Christopher Woock, and Mary Wright, *Ready to Innovate*, The Conference Board and Americans for the Arts, 2008.

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## Related Resources from The Conference Board

### *Giving Thoughts*

*Giving Thoughts* is a blog and online publication series in which The Conference Board engages corporate philanthropy and corporate citizenship experts in an open dialogue about topical issues of concern to member companies. Visit [www.conference-board.org/givingthoughts](http://www.conference-board.org/givingthoughts).

Recent editions of the *Giving Thoughts* series:

- Anticipating Business Risk in the New Social Media Landscape
- Reviving Professional Development: A New Approach for Millennials
- Game Changers: Corporate Foundations in a Changing World

### Publications

*China and the UN Sustainable Development Goals: Policy Priorities and Business Strategies*, Research Report, 2018.

*Total Impact Valuation: Overview of Current Practices*, Research Report, 2018.

*Giving in Numbers: 2018 Edition*, published by CECP in association with The Conference Board, Research Report, 2018

"Fake News: Awareness, Attitudes, and Actions of Advertisers," *SNCR 2020*, 2018.

### Councils

Corporate Social Responsibility Council

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## Related Resources from Americans for the Arts

### The pARTnership Movement

The pARTnership Movement provides business and arts leaders with the tools, research, and best practices they need to create and sustain partnerships between the arts and business communities. Visit [www.pARTnershipMovement.org](http://www.pARTnershipMovement.org).

### Creative Industries Reports

The *Creative Industries: Business & Employment in the Arts* reports provide a research-based approach to understanding the scope and economic importance of the arts in America. Nationally, 673,656 businesses are involved in the creation or distribution of the arts, and they employ 3.48 million people. This represents 4.01 percent of all U.S. businesses and 2.04 percent of all U.S. employees (2017). Individual reports are available. A full suite of user tools and a comprehensive list of the industries included in this analysis are also provided. <http://www.AmericansForTheArts.org/CreativeIndustries>.

### Arts & Economic Prosperity

*Arts & Economic Prosperity 5* is Americans for the Arts' fifth study of the nonprofit arts and culture industry's impact on the economy. Nationally, the nonprofit arts and culture industry generated \$166.3 billion of economic activity during 2015—\$63.8 billion in spending by arts and cultural organizations and an additional \$102.5 billion in event-related expenditures by their audiences. This activity supported 4.6 million jobs and generated \$27.5 billion in revenue to local, state, and federal governments. Reports, data, user tools available at [www.AmericansForTheArts.org/AEP5](http://www.AmericansForTheArts.org/AEP5).

### Americans Speak Out about the Arts in 2018

This report provides findings from a 2018 national opinion survey by Americans for the Arts and Ipsos Public Affairs of more than 3,000 American adults. It provides current insight on topics including importance of creativity in the workplace, support for arts education and government arts funding: <https://www.americansforthearts.org/by-program/reports-and-data/research-studies-publications/public-opinion-poll-overview>.

### Advisory Group

The Business Committee for the Arts is comprised of business leaders who provide leadership on key initiatives including messaging, advocacy, and strategic alliances within the private-sector community. Visit, [www.americansforthearts.org/about-americans-for-the-arts/business-committee-for-the-arts-executive-board](http://www.americansforthearts.org/about-americans-for-the-arts/business-committee-for-the-arts-executive-board).

The Private Sector Council is an advisory group charged with helping Americans for the Arts develop and implement private sector advocacy programs and serves as leaders to other local arts agencies seeking to connect with the private sector. Visit, [www.americansforthearts.org/by-program/networks-and-councils/private-sector-network/council](http://www.americansforthearts.org/by-program/networks-and-councils/private-sector-network/council).

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