



**Written Testimony in Support of FY09 Appropriations for the
National Endowment for the Arts**

Submitted by Robert L. Lynch, President and CEO of Americans for the Arts
House Appropriations Subcommittee on Interior, Environment and Related Agencies
“Role of the Arts in Fueling Creativity and Innovation”
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Americans for the Arts is pleased to submit written testimony to the House Appropriations Subcommittee on the Interior supporting FY 2009 funding for the National Endowment for the Arts (NEA) at a restored level of \$176 million. Today, I hope to provide you with a glimpse of the cultural, civic and economic impact the nonprofit arts community is having across our country. I am grateful to Chairman Dicks for again providing Americans for the Arts the opportunity to help assemble today’s panel of witnesses from the entertainment industry, business world, and government, each of whom provides the subcommittee with a unique perspective on the arts. I would also like to commend Chairman Dicks, Ranking Member Todd Tiahrt and the entire subcommittee for their work on the historic \$20 million increase for the NEA passed in last year’s FY08 budget.

Appropriately, today is Arts Advocacy Day on Capitol Hill, an annual grassroots gathering hosted by Americans for the Arts and cosponsored by 86 national organizations representing dance, theatre, music, literature, visual and media arts—the full gamut of American culture. Collectively these groups represent tens of thousands of nonprofit and governmental cultural organizations at the state and local levels across the country. The united request that we present today is the result of the collaborative work of these passionate groups. I would like to take this opportunity to formally present you with the 2008 Congressional Arts Handbook, which provides legislative issue briefs, facts, figures, and research that the subcommittee and its staff may find helpful over the course of the year. My gratitude goes to all my colleagues who have worked together on it.

The title of today’s hearing is the “Role of the Arts in Fueling Creativity and Innovation.” I want to echo the words of this year’s Nancy Hank’s Lecturer, Daniel Pink, who has identified the workforce of the future and it’s reliance on creativity as ending the debate between the left and right sides of the brain. In the past, determining whether you were a left-brainer – the supposed rational side – or right-brainer – the instinctive side, drove the career decisions for many an individual -- maybe even some in this room. There is overwhelming evidence that the jobs of tomorrow will require *both* hemispheres as employers search for innovative ways to separate their products and services from the vast array of choices today’s consumer has. Art is a pillar of creativity and innovation. As Daniel Pink has stated in his book, *“A Whole New Mind; Why Right-Brainers Will Rule The Future.”*

“The wealth of nations and the well-being of individuals now depend on having artists in the room. In a world enriched by abundance but disrupted by the automation and outsourcing of white-collar work, everyone, regardless of profession must cultivate an artistic sensibility. We may not be Dali or Degas. But today we must all be designers.”

The *School Administrator* recently published an article submitted by Americans for the Arts called “Creating A Brighter Workforce with the Arts,” on how the critical skills sets for the knowledge-based economy of the 21st century are taught by the arts. The article certainly echoes the words of Daniel Pink’s call to better prepare our young people for success in the global workplace.

But the arts are not just a driver of industry. We understand that the funding for the arts will provide our citizenry with the kind of personal enrichment that is not easily quantifiable but for its inherent inspiring quality. Congressional Arts Caucus Co-Chair Louise Slaughter has called attention to “the stunning gifts American artists make to our daily lives. Their creative force not only helps our children learn but also makes them smarter. It brightens the life of each one of us, bringing us joy and comfort, enlightenment and understanding, in ways impossible to find otherwise. The arts and artists of America are our national treasure, which this great Nation needs, deserves, and must support as other nations do.”

Economic Impact and Reach of the Arts:

Some of the members of our panel will speak about what most of us share as the intrinsic benefits of the arts. Especially in these uncertain times, the arts have the power to inspire; create outlets for untapped creativity and expression; and engage in a shared civic discourse. And while these characteristics are widely endorsed by members of this subcommittee, the artists, and business leaders present, I also understand that elected officials, whose task it is to responsibly manage the nation’s economic well-being, need to have strong and credible data that make evident the economic benefits of a vibrant nonprofit arts and culture industry.

Provided for the subcommittee, are maps that provide a snapshot of the economic impact that nonprofit and for profit arts industries have in your Congressional District. The result of *Creative Industries: Business & Employment in the Arts*, the study documents Dun & Bradstreet business and employment data for both the nonprofit and for-profit arts sectors that comprise of arts-centric businesses that range from nonprofit museums, symphonies, and theaters to for-profit film, architecture, and advertising companies. As of January 2008, the *Creative Industries* are a formidable industry in the United States—2.98 million people working for 612,095 arts-centric businesses (2.2 percent and 4.3 percent, respectively, of U.S. employment and businesses).

As you may recall in 2002, Americans for the Arts released a groundbreaking national report, “*Arts & Economic Prosperity II: The Economic Impact of Nonprofit Arts Organizations and Their Audiences*,” documenting the significant economic return that communities have on their support for the arts. Last year, shortly after Arts Advocacy Day, we were proud to release the latest findings in *AEP III*, our largest study ever, that shows robust growth in the arts and culture sector that is enviable by any economic standard. More than 6,000 nonprofit arts organizations and nearly 95,000 arts audience attendees in all 50 states and the District of Columbia

participated in this updated study. No niche industry, the nonprofit arts and culture industry make up 1.01 % of the U.S. workforce. This may seem like a small percentage until you realize only elementary school teachers at 1.14% surpass this number in terms of jobs supported by any sector.

2007's *AEP III* report revealed that America's nonprofit arts industry generates \$166.2 billion in economic activity annually, supporting 5.7 million full-time equivalent jobs, \$104 billion in household income, and actually generating \$39.6 billion of tax revenue back to federal, state, and local governments combined. These figures represent a 24 percent increase in economic activity and 850,000 more jobs since *AEP II*. Local business leaders can certainly join in singing the praises of arts and culture organizations as they understand that more people attending events converts into residual spending by audiences that fuel local economies. As patrons dine before or after an event, park their vehicles in area garages, or take advantage of vendors and services within the event proximity, the benefits are felt by the whole of the business community.

For example, in:

- **Tacoma, Washington**, arts and culture organizations generate 967 Full-Time Equivalent Jobs (FTEs); \$17.9 million in household income; \$1.5 million in taxes for local government; \$17.8 million in event-related spending averaging more than \$20 dollars per attendee excluding the price of admission.
- **Sedgwick County, Kansas**, arts and culture organizations generate 1,512 FTEs; \$30.3 million in household income; \$2.5 million in taxes for local government; \$21.5 million in event-related spending averaging more than \$17 dollars per attendee excluding the price of admission.
- **Phoenix, Arizona**, arts and culture organizations generate 11,164 FTEs; \$213.2 million in household income; \$17.3 million in taxes for local government; \$228 million in event-related spending averaging more than \$37 dollars per attendee excluding the price of admission.
- **Erie County, Pennsylvania**, arts and culture organizations generate 534 FTEs; \$8.6 million in household income; \$624,000 in taxes for local government; \$6.7 million in event-related spending averaging more than \$15 dollars per attendee excluding the price of admission.
- **Ulster County, New York**, arts and culture organizations generate 86 FTEs; almost \$2 million in household income; \$274,000 in taxes for local government; \$838,000 in event-related spending averaging more than \$30 dollars per attendee excluding the price of admission.
- **St. Louis City and County, Missouri**, arts and culture organizations generate 18,537 FTEs; \$386 million in household income; \$28.5 million in taxes for local government; \$284.3 million in event-related spending averaging more than \$25 dollars per attendee excluding the price of admission.

The numbers are irrefutable; arts and culture mean business. Federal funding of arts and culture represents a 9 to 1 return on investment. \$1.4 billion in funding returns \$12.6 billion to the federal coffers. The arts have become as reliable driver of economic prosperity as any other U.S. industry.

Today, cities and businesses around the world are competing for the brightest minds – to work at their companies and to live in their neighborhoods. International studies have shown that the communities that offer the kind of arts and culture amenities and important to the workforce. As the arts flourish, so will creativity and innovation—the fuel that drives our global economy. No federal agency plays a more crucial role in continuing the exponential growth of this phenomenon while also feeding our souls and nurturing our dreams.

Local Arts Agencies

Since its inception, the NEA has had great influence on growing the local arts agency field, providing powerful incentives for local governments to step up their own government funding programs for the arts. The local arts agency field of community-based arts service and organizational capacity builders has expanded to include united arts funds, arts and business councils, statewide arts service organizations, and other community-based arts organizations. In 1967, shortly after President Johnson signed the act that created the NEA, there were 500 local arts agencies. That number has grown to about 4,000 today, an 800% increase.

Local arts agencies, along with state arts agencies, are the only organizations that are federally designated to re-grant NEA funds to help serve the unique needs of local arts organizations and individual artists. Also, in many cases, they are federal grantees themselves. Local arts agencies use NEA grants to create diverse public programs that include staging classic productions; fostering creativity for the physically challenged; expanding access to great works of art to underserved communities; and integrating arts in the classroom. Perhaps most importantly, local arts agencies facilitate public and private charitable giving to the arts through the regranting of local, federal and state public appropriations and, as in the case of many united arts funds, private funds from corporate, foundation, and individual sources. Some examples of local arts agencies are:

- **The Tacoma Arts Commission**, Tacoma, Washington
- **Wichita Arts**, Wichita, Kansas
- **Roanoke Arts Commission**, Roanoke, Virginia
- **The Phoenix Office of Arts and Culture**, Phoenix, Arizona

Local arts organizations that benefit from these public grants from the NEA or from state and local arts agencies include a wide range of visual art, dance, music, theater, literary, media, arts education organizations. Examples of recent NEA grants to local arts organizations include:

- **Tacoma Opera Association**, Tacoma, WA
\$10,000 - To support the production of *Carmen* by George Bizet. Vocalists Randolph Locke and Sarah Mattox will be featured in this partnership with Festival Opera of Walnut Creek, California.
- **Jefferson Center Foundation, Ltd**, Roanoke, VA
\$20,000 - To support the presentation of *The Blind Leading...*, a work that explores blindness and creativity. In collaboration with the Virginia Association of the Blind, project components will include performances, films screenings, and a colloquium with workshops on audio description.

- **Lexington Children’s Theatre**, Lexington, KY
\$10,000 - To support the production and regional tour of theater works. *Anansi* by Jeremy Kisling and *The Garden of Rikki Tikki Tavi* by Y. York to tour underserved communities.
- **Greater Boston Youth Symphony Orchestras**, Boston, MA
\$35,000 - To support the Incentive Community Program (ICP). Targeted to inner-city and minority youth, the program offers weekly music lessons, ensemble classes, and instrument rental.
- **Art Start**, Minneapolis, MN,
\$35,000 - To support River EcoJourneys, a visual arts residency program. Professional artists will work with classroom teachers at two elementary schools in St. Paul to integrate visual arts and science studies to increase students' knowledge about the intersections between art and nature.
- **Bilingual Foundation of the Arts**, Los Angeles, CA
\$10,000 - To support a Spanish-language production of *Maria La O*, a Cuban zarzuela written in 1930 by Ernesto Lecuona. The project will be targeted to the Hispanic community of Southern California, including underserved populations and high school students.

National Endowment for the Arts:

Federal support carries increased value because it sends a signal to other funders. As NEA Chairman Gioia recently noted, “In case after case, the NEA learned that its grants had a powerful multiplying effect. Every dollar that the NEA gave in grants typically generated seven to eight times more money in terms of matching grants, further donations and earned revenue.” The NEA should be a national leader in responding to the organizational capacity of arts organizations to help meet the growing needs of a growing population. Currently, however, the president’s proposed NEA budget of \$128.4 million is a disappointing departure from recent momentum to carry out this role. It is my hope that the distinguished members of this committee will continue to support the NEA’s incremental march towards restoration, thereby supporting our local economies, expanding access to art for all, and preserving our shared cultural heritage. In 1992, the NEA’s all-time-high budget was \$176 million and I ask the Subcommittee to return the Agency’s budget to this level. Thank you very much for the opportunity to testify on these issues.

