

# Arts Funding

## BACKGROUND

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The term “the arts” means different things to different people. Over the past few years, the Michigan Council for Arts and Cultural Affairs (MCACA)—the entity that promotes and distributes state funds for art and culture—has used a widely inclusive definition: “[any] unique human creation that allows society to view itself.” This includes the fine arts (e.g., classical music, ballet), folk arts and crafts, commercial art and design, and popular art (e.g., motion pictures, popular music).

Commercial arts (for example, decorating, advertising, landscaping) and popular arts (for example, movies, television, comic books, recordings) are profit-making ventures and thus ineligible for federal and state funds or charitable gifts. They contribute substantially to the state economy: According to a 1997 MCACA report, in Michigan the for-profit commercial arts and cultural sector—roughly 8,200 radio stations, publishers, dance schools, film production companies, and so on—accounted for approximately \$7.8 billion in direct expenditures.

The fine arts and folk arts and crafts traditionally are not-for-profit enterprises and rely on public and private help. There are 485 nonprofit “arts and cultural” organizations in the state, with \$681 million in assets (Michigan Nonprofit Association, 2000). Most are quite small: Only 30 of the state’s nearly 500 “arts and humanities” nonprofit organizations (radio and television stations, orchestras and theatres, and museums, botanical gardens, and zoological gardens) spend \$1 million or more annually (report funded by the Aspen Institute, 1999).

Data from the National Center for Charitable Statistics (1997) show that in Michigan, nonprofit arts rely more on government funding than do most other nonprofits. Michigan’s nonprofit *arts and humanities* organizations received almost 49 percent of their revenue from federal, state, and local government; 30 percent from private support by individuals, foundations, and corporations; and the balance from investment returns, sales and admission fees, and other sources. On average, *all* charitable organizations in the state derive only 14 percent of their income from public sources.

State government’s support for the arts goes back more than 40 years.

- In 1960 the Michigan Cultural Commission was created.
- This body was replaced in 1963 by the Michigan Council for the Arts, charged with stimulating creative and performing arts, encouraging public interest in the state’s cultural heritage, and promoting freedom of artistic expression.
- In 1991 a successor agency was created: the Michigan Council for Arts and Cultural Affairs. The MCACA, then housed in the Department of Consumer and Industry Services, was charged to “. . . encourage, develop and facilitate an enriched environment of artistic, creative, cultural activity in Michigan.”
- In 2001 the MCACA was moved to the newly created Michigan Department of History, Arts, and Libraries. This was accomplished through an executive order that consolidated the MCACA, Mackinac Island Park Service Commission, Michi-

gan Office of Film and Television Services, Michigan Historical Commission and Center, and, slightly later, the Library of Michigan.

In FY 2001–02 state arts funding was nearly \$28.8 million. These funds are used for grants to orchestras, museums, jazz/blues programs, film festivals, schools, theaters, dance companies, film/video programs, zoos, and arts/crafts programs. For FY 2002–03 the governor has recommended about \$24 million for arts funding.

## DISCUSSION

### Why Fund the Arts?

The nineteenth century British education reformer, Matthew Arnold, professed that the job of the arts is to “instruct and delight,” that is, not to only entertain and provide pleasure but to educate and enlighten the public. Similarly, in the twenty-first century, arts supporters believe that because the arts are essential to a vibrant and educated and moral culture, they must be supported by government. The Wayne State University Commission on Arts and Public Policy (CAPP) conducted a study for the MCACA in 1997 entitled, *Arts and the Quality of Life in Michigan, Part I*. The findings illustrate how the arts significantly affect society in several specific and important areas:

- Education
- Cultural preservation
- Crime reduction
- Benefits to at-risk youth
- Economic development
- Social cohesion

The report suggests that the arts can and do contribute measurably to improving the quality of life in the state. In addition, educators cite persuasive data showing that children who participate in the arts do better in “core” areas of education. For example, it is suggested that children who are exposed to music, particularly at a very young age, do better in math. Finally, skills fostered through creativity are in high demand in the workplace.

Conversely, some people question whether the arts should be publicly funded at all, arguing that the government should not collect taxes to support institutions that many taxpayers do not use. They believe that the arts are properly supported by devoted consumers, as sports are, or by private philanthropy. Even so, over the last decade, Michigan has consistently ranked among the top states in the amount of arts funding disbursed, indicating that the state, in general, is dedicated to supporting the arts, although

some citizens and policymakers occasionally may be ambivalent or divided over which kind and where.

In the last few years a new argument in support of the arts has emerged: The arts—especially when defined as arts *and* culture (and sometimes recreation)—are important because they are a vibrant sector of the state economy. In September 2001 CAPP, using the broad category of “arts and culture *industry*,”—which includes such products as mass-produced jewelry, clothing, and furniture as well as amusement parks and toys and product packaging—estimated that in 2001 the sector would contribute nearly \$46 billion to the state economy (data are based on the U.S. Census Bureau’s 1997 *Census of Service Industries*). Thus, for some, art has value not only for its own sake but for the state economy as well.

### Where Should the Funding Go?

Given the widely divergent notions of what constitutes “the arts” and the differing opinions on what kind of art is valuable and what is not, it is not surprising that people disagree on the who, what, and where of arts funding. Ultimately, the arts that are funded (or not) in Michigan make a statement about who we are as a state and what our cultural values are.

During the last decade, there has been a nationwide push to support arts and culture projects that address the background and tastes of an increasingly diverse citizenry, and this trend is evident in Michigan. For example, many fine-arts museums showcase what traditionally were considered to be regional or “craft” arts, such as quilting, and permanent Native American museums have been established. Some fear that public and private funding for these arts comes at the expense of the traditional fine arts. For example, some complained that the funding directed toward Detroit’s relatively new Dr. Charles H. Wright Museum of African-American History would cause the large and internationally known but financially strapped Detroit Institute of Arts (DIA) to suffer. Others believe that funding the museum was appropriate and that recognition and support of the city’s African-American heritage was overdue. (Some observers assert that the controversy was constructive and, in the end, strengthened the DIA, which, in 2000, established the General Motors Center for African American Art as a new curatorial department and resource center at the museum.) The state officially supports culturally diverse arts through MCACA’s Cultural Projects program, which aims to create a greater understanding and appreciation for differing heritages and cultures.

Even more controversial than *how* state arts funding is distributed is *where* it goes. Throughout the 1970s, 1980s,

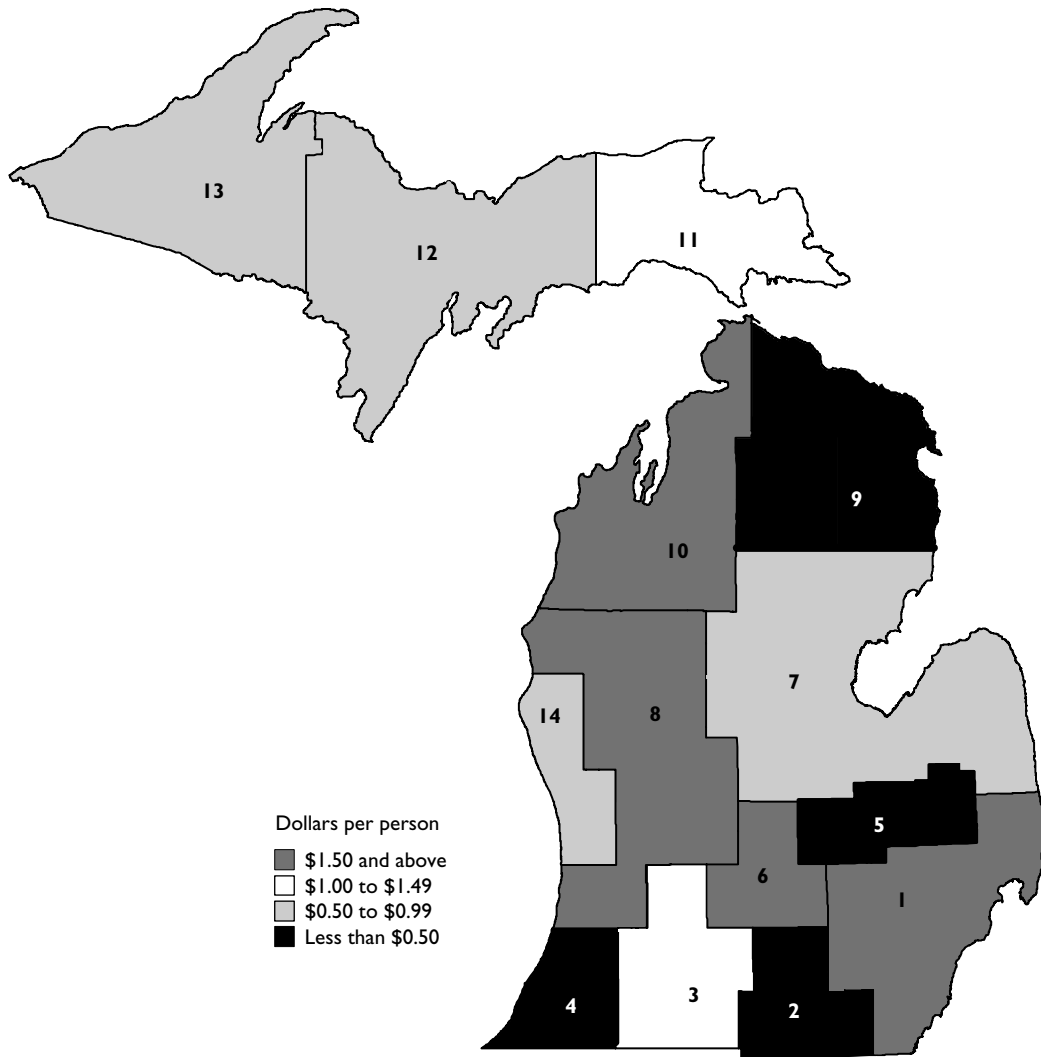
## ARTS FUNDING

and early 1990s, a majority of state arts funding supported Detroit organizations, primarily the DIA and the Detroit Symphony. The spending (1) reflected state policy that the financially fragile institutions in the state's biggest city should be assisted and (2) recognized the size, overall budget, large audience, and international reputation of the organizations. Legislators from elsewhere in Michigan, however, have complained almost from the beginning of state arts funding that the money is unevenly distributed geographically.

Statewide, MCACA funding averages \$2.29 per person. There are two ways to look at the data.

- If one visualizes the state as divided into four tiers going from south to north, the southern 18 counties (including the three-county metropolitan Detroit area) fare best: the per capita figures are \$3.11 if the legislative special grants to the DIA, Detroit Symphony, and Detroit Zoo are included, and \$1.17 if they are excluded. The central tier fares worst (\$0.98 per capita), and the northern tier and Upper Peninsula fall in the middle (\$1.08 and \$1.06, respectively).
- If one views the state as divided into MCACA's 13 service regions (see the exhibit), it may be seen that state arts funding follows a rough "L," from the Traverse City area through the Grand Rapids and Lansing areas to the southeast counties. This covers the major population concentrations with the excep-

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



SOURCE: Center for the Arts and Public Policy, Wayne State University.  
NOTE: Statewide funding/person is \$2.29.

tion of the Flint area. In some of the more sparsely populated areas, the arts grants are fewer and sometimes far between.

For the last several years state public policymakers have been trying to ensure that funding is distributed in such a way that all Michigan residents have access to state-sponsored arts. The MCACA's Rural Arts and Culture Program, launched in 2001, is designed to reach communities and organizations in 39 rural Michigan counties. The program's objectives are to strengthen and showcase the unique arts and culture of Michigan's rural communities; this is being accomplished through community-based collaborations relating to local or regional arts, history, and culture. The MCACA also is trying to fund more regional arts programs, which, because they serve a wider geographic area, reach more people than do local programs.

Finally, for more than a decade, the nation has witnessed fierce debate about public funding for controversial art. Some argue that policymakers are not qualified nor is it appropriate for them to judge the content of art, and that a work of art should not be regulated or limited by its funding sources. Other, more traditional voices insist that public funding should not support art that many Americans find offensive. While this debate has been primarily about *federal* funding, Michigan lawmakers, residents, and institutions also have questioned whether certain kinds of art are appropriate for a public audience: For example, in 1999, the Detroit Institute of Arts sponsored but ultimately decided not to open a controversial exhibition by a Michigan artist because the work was deemed "offensive to large parts of our communities."

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