



## **Arts Funding**

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From an economic perspective the arts are usefully classified into three distinct categories: fine arts, commercial arts, and amateur arts. Within each category there are four distinct disciplines: literary, media, performing, and visual, which includes sports. The fine arts are a professional category focusing on arts for art's sake. By contrast, commercial arts are profit-making ventures. Amateur arts are recreational or leisure activities. Commercial arts generally require no public support, except for sports which receives public subsidies for stadiums and arenas. Public funding focuses mostly on the fine arts, with smaller support going to support amateur activities.

Historically, kings and princes supported the arts to promote their own power and prestige and for nation building. Accordingly, public funding for the fine arts reflects a stronger connection with political power than with economics. A review of different political traditions results in a four-fold taxonomy of the different rolls for state funding of the arts. These are: (1) the facilitator, (2) the patron, (3) the architect, and (4) the engineer. In the U.S. the political and legal tradition is one of separation of church and state, free market competition, and private philanthropy. The state acts mainly as facilitator.

The facilitator funds the arts mostly through tax exempt foundations. The state roll is to fund these entities by exempting their donations from taxation, thus amplifying private giving. In addition, the state directly funds a small but important portion of the arts. Furthermore, from time to time the state also acts as architect, directly funding and building sports stadiums and large cultural centers for the performing arts. The motivation is the same as the one kings and princes used: to demonstrate power and prestige and for community building.

Should the state pursue such activities? Sometimes the rationale makes economic sense and sometimes not. Generally speaking, state funding for commercial arts, especially for sports stadiums, is problematic. The economic

returns are generally below the costs. For fine arts the calculus is more complicated because it is difficult to directly measure the benefits created by cultural events. Studies of the economic impacts of the fine arts are all over the map. There are some clearly effective programs, such as Collier and Palm Beach counties' investments in major performing arts centers, and there are any number of expensive performing arts centers that have done little to improve the economies of their communities. So there is no definitive answer to whether actions as architects of the arts are worth the cost and the risks involved.

This is Hank Fishkind for 90.7 FM, WMFE News.

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