

Where Does The Money Go?

Dance Funding in New York City

A Report By

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And

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Commissioned by Dance/NYC

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Executive Summary

This report, *Where Does The Money Go?*, examines dance organizations within three categories: "small" organizations have operating budgets of less than \$250,000; "medium" have budgets of under \$1,000,000; and "large" have budgets of \$1,000,000 or more.

1. During fiscal years 2000-2002, approximately 351 dance organizations operated in the five boroughs, comprising roughly 17% of New York City's cultural sector.
2. Seven out of ten of all dance organizations surveyed in this report are based in Manhattan. One third of small dance organizations are based in a borough other than Manhattan.
3. The study tracked nearly \$33.8 million flowing to New York City dance organizations from all sources combined in fiscal year 2001.
4. In baseline fiscal year 2001, private foundations granted nearly half (47%) of all contributed income surveyed to New York dance organizations. The City of New York awarded 17% of all funds studied, with corporations and New York State close on their heels at 14% and 13%, respectively. The NEA provided 5% of contributed income, and nonprofit regrant programs directed 4% of available funds.
5. Large dance organizations with annual operating budgets over \$1 million constitute 11% of the field and secured 77% of the dollars from all surveyed sources combined in fiscal year 2001. More than three-quarters (76%) of New York dance organizations have operating budgets of less than \$250,000 per year, and they received 11% of all funding. Midsize organizations received 12% of the funds and account for 13% of the field.
6. Large organizations received 86% of private foundation dollars and 92% of corporate funding to dance.
7. In line with their mission to serve a broader array of smaller and emerging dance companies, nonprofit cultural service organizations provided 85% of their regrants, and 63% of their dollars, to small organizations in fiscal year 2001.
8. During the three-year study survey period, the National Endowment for the Arts conferred its imprimatur of support to 67 New York City dance organizations, or 19% of the study sample.
9. NYSCA provided 13% of all funds surveyed in fiscal year 2001. Small organizations accounted for 51% of the grantees and received 16% of the dollars awarded. Medium organizations accounted for 26% of the grantees and received 15% of the funds. Large organizations received 69% of the dollars and accounted for 23% of the grantees.
10. In fiscal year 2002, DCA's total investment in dance through its Challenge, Program, Cultural Institutions Group (CIG), and Capital funding streams more than doubled the

funds provided by NYSCA and were six times larger than those provided by the NEA. With Capital investments removed from the equation, DCA still invested twice as much programmatic and operational funding (through Challenge, Program and CIG) in New York's dance community than the NEA.

11. Nearly 40% of all dance organizations operating in New York City receive some level of support from the New York City Department of Cultural Affairs. Small organizations accounted for 59% of grantees and garnered 12% of the available funds; medium organizations numbered 22% of the grantees and received 17% of all non-Capital dollars, while large grantees accounted for 19% of grantees and secured 71% of DCA dance dollars.

12. Combined funding from the New York City Department of Education and the Department of Youth, and Community Development amounted to nearly \$1 million in fiscal years 2001 and 2002, and accounted for 3% of all funds in fiscal year 2001 (as compared to the 4% of all funds regranted by nonprofit service organizations that same year). While large organizations attracted 47% of this funding stream, midsize organizations did particularly well, earning 44% of available funds.

Introduction

Dance/NYC commissioned this report to answer the question, "Where does the money go?" It wanted to better understand the giving climate in which New York City's dance organizations, companies, and choreographers are operating. This survey was undertaken to determine to what degree the private and public sectors (exclusive of earned income and individual donors) are supporting dance in New York City.

Public sector analysis included federal, state and city government funding sources, not just the National Endowment for the Arts, the New York State Council on the Arts and the New York City Department of Cultural Affairs, but also federal appropriations and New York State legislative awards provided by the State Office of Parks, Recreation and Historic Preservation. We also tracked awards provided in New York City by the Offices of the Borough Presidents and contracts provided by the New York City Departments of Education and Youth & Community Development.

The private sector's role in supporting dance organizations was uncovered by tabulating data from a pool of 30 foundations, 11 corporations, and 8 nonprofit service organizations that regrant funds from these private, as well as public, sources.

While this study supplies information for fiscal years 2000 through 2002, fiscal year 2001 serves as the benchmark year, offering a snapshot of funding still benefiting from the strong economy of the late 1990s, prior to the events of September 11th and the ensuing economic downturn further exacerbated by war in Iraq. The benchmark year of 2001 provides an opportunity to understand more clearly who is funding dance in New York City, without the increase of post-9/11 emergency relief funds and the consequent decrease in endowments and stock portfolios.

Who are the Grantees?

The New York City Dance Landscape

Dance/NYC sought an analysis of the contributed income support systems for small, medium, and large dance organizations which they defined as having operating budgets either below \$250,000, below \$1,000,000 or above \$1,000,000 (see Methodology, #8-9).

A dance organization was defined as a nonprofit entity whose primary emphasis is placed on creating, teaching and performing dance. The organizations studied ran the gamut from the large Alvin Ailey Dance Theater to the midsize Dance Notation Bureau to the small Balinese American Dance Theater.

Organizations included in this survey range from single choreographer-led dance companies such as Bebe Miller's Gotham Dance to large ensembles such as New York City Ballet; from traditional or heritage-based organizations such as Ballet Folklórico Mexicano De Nueva York to companies that place a post-modern spin on classical traditions such as the all male Les Ballets Trockadero De Monte Carlo. Also included are companies that many refer to casually as Merce, Trisha, and Bill T., as well as the American Tap Dance Orchestra, Flamenco Vivo Carlota

Santana, and Yoshiko Chuma's School of Hard Knocks. The study also tabulates data available on the five leading presenters and producers of dance (see Methodology, #10), such as Dance Theatre Workshop and The Joyce.

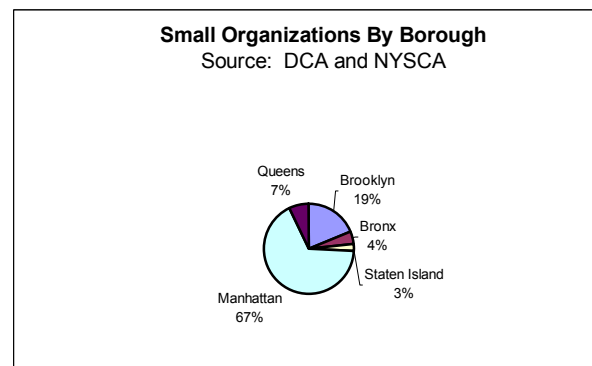
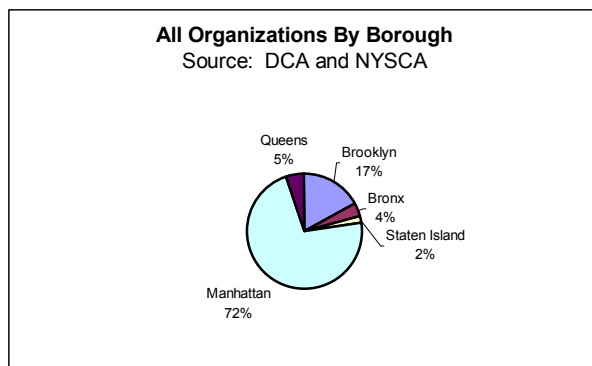
Number of Dance Organizations in New York City

To determine "where the money goes," the total number of dance organizations in New York City had to be calculated based upon data in hand. New York City's Department of Cultural Affairs supports 139 organizations within the five boroughs that claim dance as a primary or secondary discipline, and the New York State Council on the Arts supported 113 dance organizations over the period surveyed (see Methodology #2). As calculated from the compilation of the organizations supported by these two agencies with that of the National Endowment for the Arts, local borough arts councils (Bronx Council on the Arts, Brooklyn Council on the Arts, Queens Council on the Arts, Council for the Arts and Humanities Staten Island), and other private philanthropic and nonprofit sources surveyed, this study found approximately 351 dance organizations operating in the five boroughs during fiscal years 2000-2002. No doubt emerging companies which have yet to receive support from the surveyed public or private sources do exist, but, for the purposes of this study, this calculus provides a fairly accurate assessment of the New York dance field at present.

Culture Counts: Strategies for a More Vibrant Cultural Life for New York City (New York Foundation for the Arts, 2001) identified 2,095 cultural organizations in New York City. This indicates that the dance community comprises approximately 17% of New York's cultural sector.

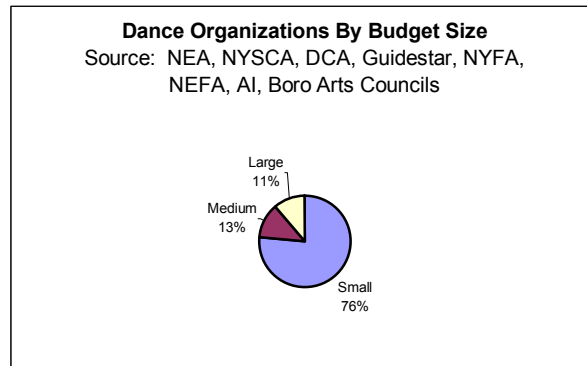
Dance Organization Location By Borough

An analysis of grantees from the New York State Council on the Arts and the New York City Department of Cultural Affairs indicates that 7 out of 10 dance organizations are based in Manhattan. That percentage declines only slightly if the organization has an operating budget of under \$250,000. One-third of small dance organizations are based in a borough other than Manhattan, a fact which may be due to the increased affordability of rent in boroughs other than Manhattan.



A Look at Dance Organization Size in New York City

Analysis of the 351 grantee dance organizations reviewed for this report reveals that 76% of dance organizations have operating budgets of less than \$250,000 per year. Midsize companies with operating budgets of just under \$1 million account for 13%, while large companies with budgets in excess of \$1 million (and in a few cases, \$10 million) constitute 11% of New York City's dance field.



Number of Grantee Dance Organizations Supported By Budget Size, FY2000-FY2002

	NEA	NYSCA	DCA	Foundations	Corporations	Regranters	Total
Small	48%	51%	59%	63%	22%	85%	76%
Medium	21%	26%	22%	20%	39%	5%	13%
Large	31%	23%	19%	17%	39%	10%	11%
Total Organizations	67	113	139	166	96	136	351

- **Small**

85% of the grantees from nonprofit service providers are small. This support represents regranting from government, corporate, and foundation sources who provide larger grants to the nonprofit service organization with the expectation that they in turn will regrant the funds to an array of emerging companies. Small organizations account for 63% of the foundation grantees, but this number might be significantly smaller were it not for a handful of foundations which have either supported the field broadly (such as The Harkness Foundation for Dance) or supported many emerging artists (such as the Jerome and Greenwall Foundations). As a percentage of the number of grantees, small organizations are less likely to receive support from corporations, where they account for 22% of the awardees.

- **Medium**

Midsize organizations (operating budgets of less than \$1 million) account for 13% of the field. At the primary government funding agencies, including DCA, NEA and NYSCA, medium organizations account for 21% to 26% of all grantees. Mid-size organizations constitute 20% of all foundation grantees surveyed, and they are among four out of ten corporate grantees. This

sector of the field is less likely to receive support from nonprofit service providers, where they are 5% of all grantees.

- **Large**

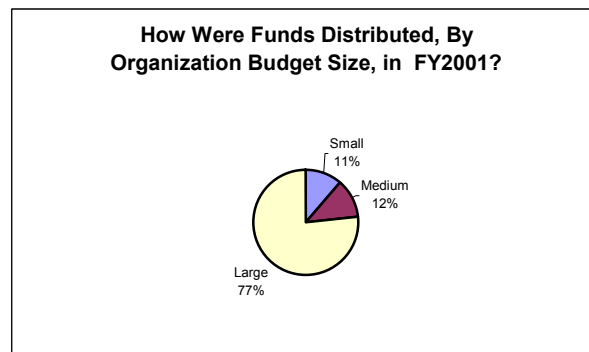
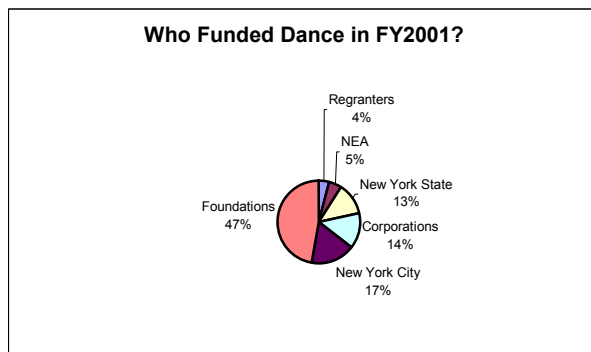
One out of ten dance organizations is large (with budgets in excess of \$1 million). Nearly one-third of NEA grantees are large organizations as compared to 23% for NYSCA and 19% for DCA. Large organizations account for 17% of all foundation and 39% of all corporate grantees. These organizations are less likely to receive regrant support from nonprofit service organizations where they amount to 10% of all grantees.

Where Does the Money Go?

Distribution of Funds to New York City's Dance Organizations

The study revealed that dance organizations gather their contributed income revenues from a variety of sources. In the baseline fiscal year 2001, foundations play the largest role, providing nearly half of all dollars. New York City and its agencies provide 17% of all funds (these figures include capital as well as programmatic support) while the State of New York provides 13%. Corporations supply 14% of funds awarded. The National Endowment for the Arts grants 5% of all funds, while nonprofit service organization provide 4% of all funds by regranting dollars to the field from both public and private sector partners.

Who gets the nearly \$33.8 million that flowed to dance organizations in FY2001? The large organizations received 77% and midsize and small companies garnered 12% and 11%, respectively of the total dollars awarded.



Percentage of Dollars Awarded to Dance Organizations By Budget Size, FY2001

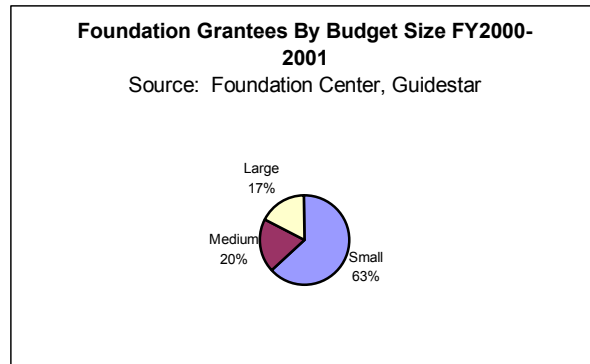
	NEA	NYSCA	DCA*	Foundations	Corporations	Regrants	Total
Small	17%	16%	12%	8%	3%	63%	11%
Medium	12%	15%	17%	9%	5%	11%	12%
Large	71%	69%	71%	83%	92%	26%	77%

*includes Program, Challenge, CIG Operating and Energy funds, excludes Capital allocations

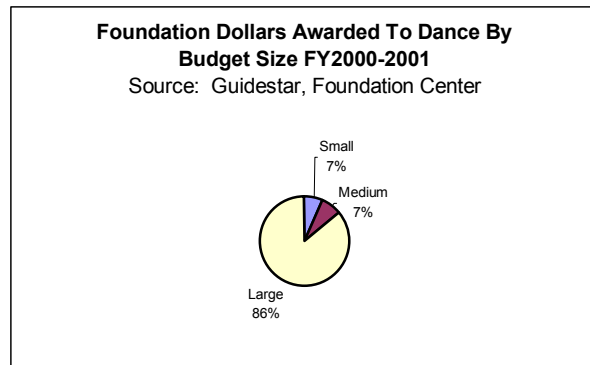
- **Foundations**

Foundations constitute the largest percentage and most significant arena of support to New York's dance community. In FY2001, foundations donated 47% of the total income tabulated in this sample.

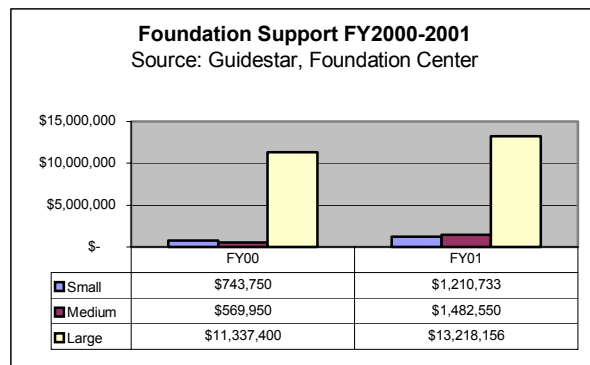
Small organizations accounted for 63% of foundation grantees and secured 7% of the dollars awarded across the two-year period in the sample. Midsize organizations accounted for 20% of foundation grantees and received 7% of the dollars awarded. Large dance organizations, which account for 11% of the field and 17% of foundation grantees, received 86% of foundation dollars.



The five dance presenters included in this survey claimed 16% of total foundation funds in FY2000 and 17% in FY2001. Of the large dance organizations, the five presenters studied received 18% of all foundation support to large organizations in FY2000 and 20% in FY2001.

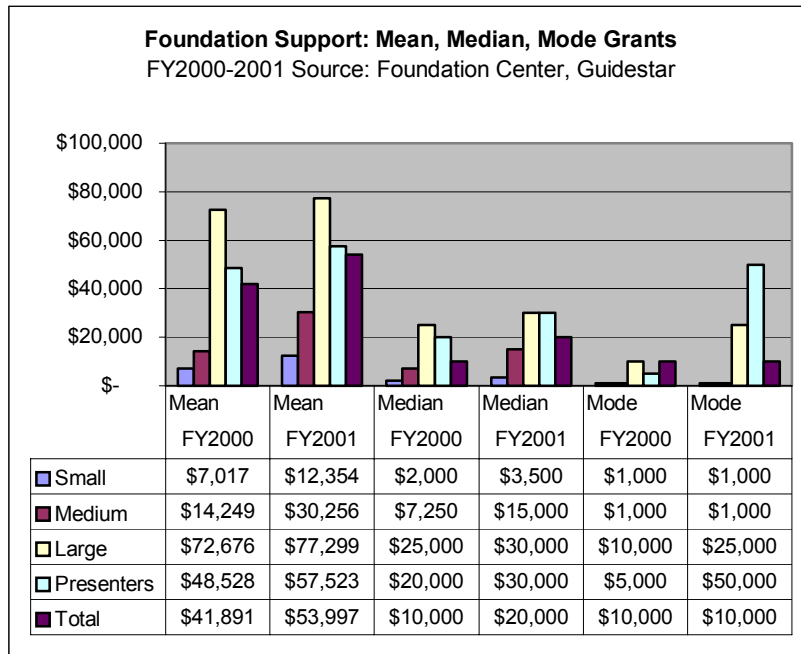


National arts funding as a whole climbed from \$3.7 to \$4.2 billion from FY2000 to FY2001 (*Arts Funding IV: An Update on Foundation Trends*, Foundation Center in cooperation with Grantmakers in the Arts, 2003), or 14%. In the same period, funding for dance increased by 17%, climbing from \$12.6 million to \$15.9 million, based upon this study's much smaller foundation sample of 30 private funders targeting dance in New York City. However, as happens with smaller data pools, the bulk of this growth can be largely attributed to the Andrew W. Mellon Foundation's increase in giving of \$3.6 million to New York City dance companies in FY2001.



According to *Arts Funding IV*, the median arts grant size was \$25,000 in 2001. The median grant to dance organizations among this sample was \$20,000 or 20% less, which in itself represents a doubling from the previous fiscal year when the median dance grant was a mere

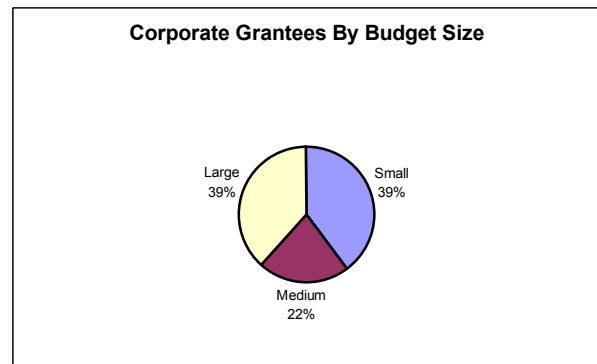
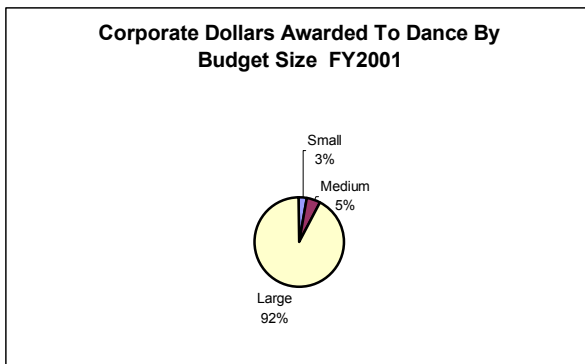
\$10,000. The most frequently occurring (or mode) grant size, however, remained unchanged at \$10,000. In FY2001, the mode grant for the five presenters increased to \$50,000. Given the data pool's size, the truer measure of presenter grant size is found in the median awards, which climbed from \$20,000 to \$30,000 from FY2000 to 2001. Midsize organizations had the same mode grant award as small companies, \$1,000, while the large organization mode grant was \$10,000 in FY2000 and \$25,000 in FY2001.

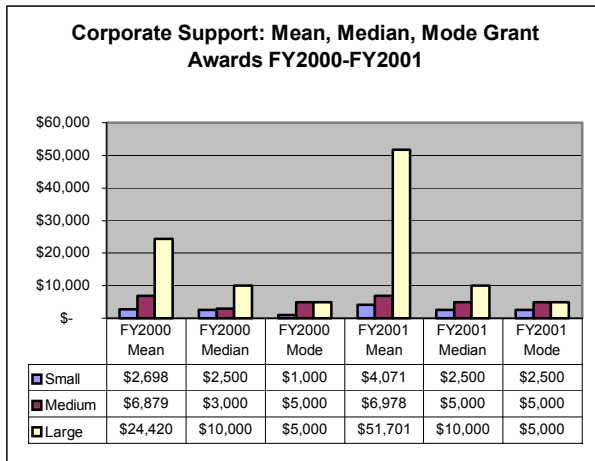


- **Corporate Support**

Corporate support for dance accounted for 14% of the total funding provided to New York's dance community in FY2001.

9 out of 10 dollars awarded by the surveyed corporations were given to large organizations, a sector that accounted for 4 out of 10 grantees. While small organizations accounted for one-fifth of corporate grantees, they received 3% of total dollars awarded in FY2001. Similarly, midsize organizations garnered 5% of all funds that year and accounted for 39% of all corporate grantees.





Mean and median grant award size for large companies outpaces those of small and mid-size organizations; compare a \$10,000 median award for large to a \$2,500 award for small organizations in FY2000 and 2001. Clearly, dance organizations with operating budgets in excess of \$1,000,000 are significantly more likely to secure corporate support. This may be the result of corporate contributions becoming more closely linked with marketing objectives that can be best met by larger organizations with longer home and touring seasons and that can provide the corporate supporter with exposure to broader audiences.

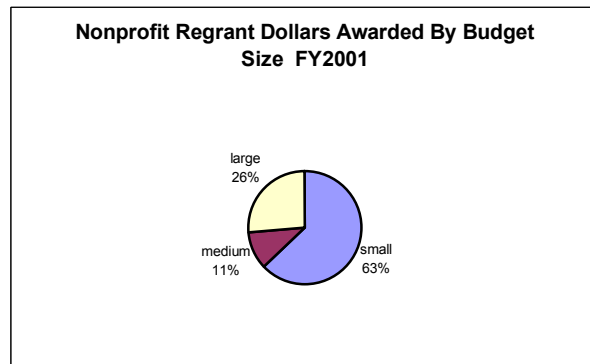
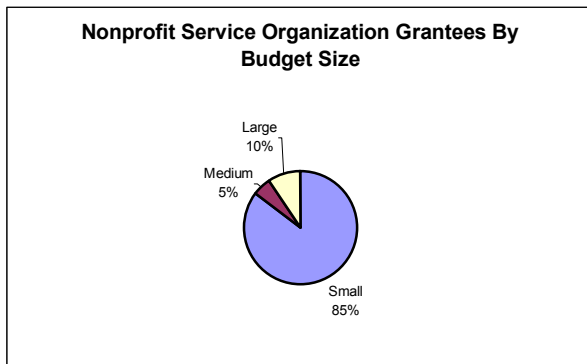
Unexpectedly, in light of their ability to package dance as a whole, the five presenters didn't fare as well in terms of corporate support, receiving just 4% of all corporate funds to dance in FY2001 and 5% of dollars awarded to large organizations.

The dramatic increase in funding between FY2000 and FY2001, up from \$2.2 to \$4.7 million, is largely accounted for by a \$2.5 million gift from Citigroup to one large dance company.

- **Nonprofit service organizations**

Nonprofit cultural service organizations receive funds from corporate, foundation and government sources, which they redistribute to the field. The expectation is that in so doing they will reach a broader array of smaller and emerging companies.

Most of the awards made by the borough arts councils are regranted dollars from private and public sources that include NYSCA, DCA, and JPMorganChase. The Bronx Council on the Arts also regrants dollars from Citigroup and manages cultural investments made by the Bronx Empowerment Zone. The New York Foundation for the Arts BUILD (Building Up Infrastructure Levels in Dance) initiative awards \$100,000 annually to small dance organizations



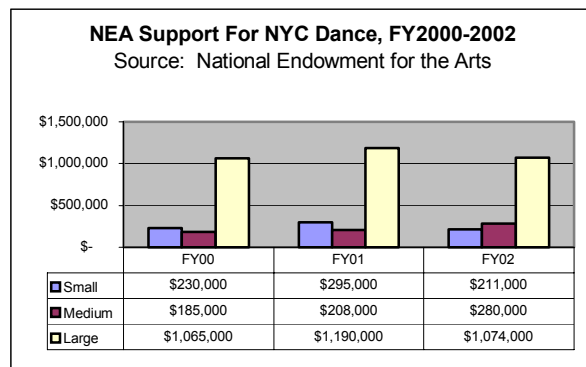
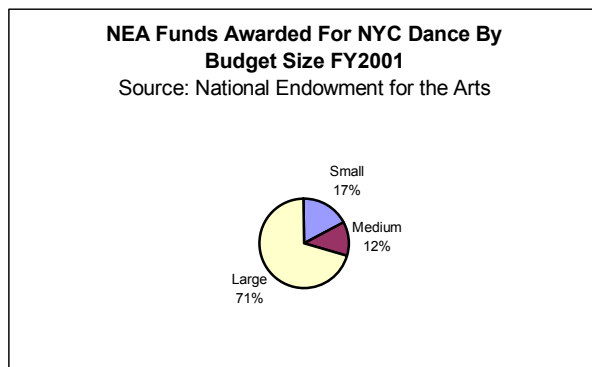
with funds provided by the JPMorganChase Regrant Program, Cordelia Corporation, and The Starry Night Fund of the Tides Foundation. A consortium of funders supports NYFA's Choreographer Fellowships. Similarly, Arts International's Fund for U.S. Artists regrants dollars provided by four partners that include the U.S. Department of State, NEA, Pew Charitable Trusts, and The Rockefeller Foundation, with some additional support for this program and the Artist Exploration Fund (a joint initiative with Arts Presenters) made possible by the Doris Duke Charitable Foundation. American Music Center provides funds for the incorporation of live music in dance performances with dollars regranted from the Mary Flagler Cary Charitable Trust. New England Foundation for the Arts National Dance Project has provided touring subsidies to New York dance presenters, production grants to New York choreographers and their organizations, and infrastructure grants with the support of The Doris Duke Charitable Foundation, National Endowment for the Arts, Andrew W. Mellon Foundation, and Altria, Inc.

85% of nonprofit service organization dance grantees are small, and they received 63% of the nearly \$1.4 million awarded in FY2001 by the surveyed regranters. Large organizations accounted for 10% of the grantees and 26% of the dollars, while midsize organizations numbered among 5% of the grantees and earned 11% of the funds granted. That same year, nonprofit service organizations provided 4% of the total awards to New York City dance groups.

- **Federal Government**
 - **National Endowment for the Arts**

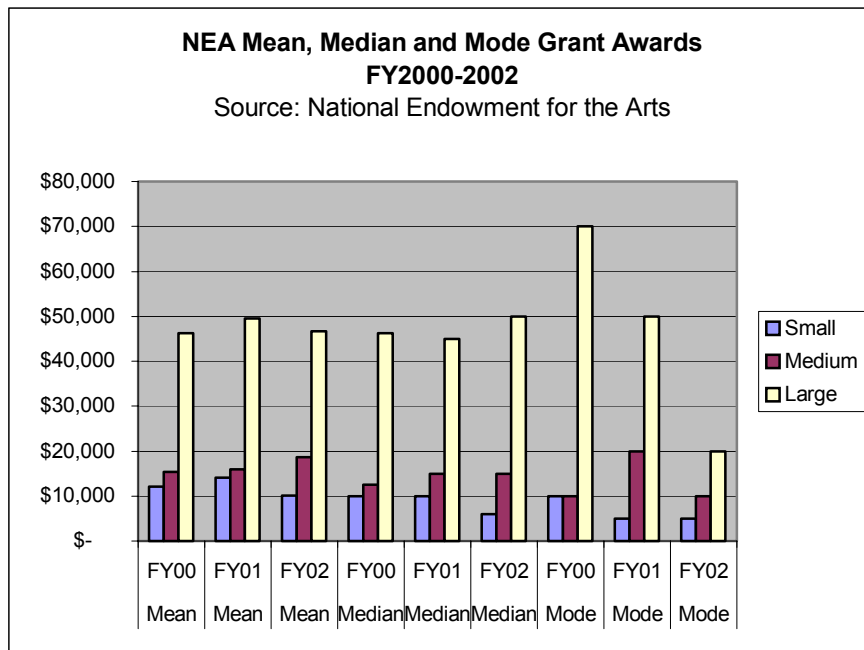
The National Endowment for the Arts provides an imprimatur of excellence for nonprofit dance organizations nationally. Just 67 dance organizations in New York City, or 19% of the study sample, received grants awarded through peer panel review from this national granting agency during the three-year survey period--making this one of the most competitive categories from which to receive funds.

Nearly one-half of the NEA grantees were small, and they received less than one-fifth of dollars awarded in FY2001. Midsize organizations received 12% of the dollars and constituted 21% of the grantee pool. Large organizations, three out of ten grantees, received seven out of ten dollars in FY2001. On average, the five dance presenters reviewed accounted for 20% of the dollars awarded to large organizations and less than 15% of all New York City dance awards.



While the median grant rose by 11% for all dance organizations (from \$17,500 to \$20,000) and by 14% for large organizations (from \$45,000 to \$50,000) from FY2001 to FY2002, the median grant declined by 40% for small organizations (down to \$6,000 in FY2002) and remains unchanged for midsize organizations at \$15,000.

The mode grant award for small organizations dropped by 50% from FY2000 to FY2001 and remains unchanged in FY2002 at \$5,000. The mode grant award for midsize organizations dropped by 50% from FY2001 to FY2002 to \$10,000, and the mode grant award for large organizations has followed a steep decline from \$70,000 in FY2000 to \$50,000 and then \$20,000 in FY2002.



While the NEA's overall budget increased over the three-year period examined (from \$97.6 to \$115 million between FY2000 and FY2002), the additional monies were largely channeled into the creation of Challenge America, a new program emphasizing underserved populations based upon geography, ethnicity, economics, and disability. The changing programmatic interests at the Endowment may account for the aforementioned decreases in dance funding to New York City.

Total NEA funds in FY2001 accounted for 5%, or just under \$1.7 million, of all funds provided to New York's dance community by the sources reviewed in this study.

○ **Congressional Appropriations**

Members of the United States Congress may add programmatic or capital support for nonprofit dance projects to federal appropriation bills. While no such support during the FY2000-2002 survey period was discovered for a New York City dance organization, one large organization secured an FY2003 allocation for a capital restoration project in the amount of \$225,000.

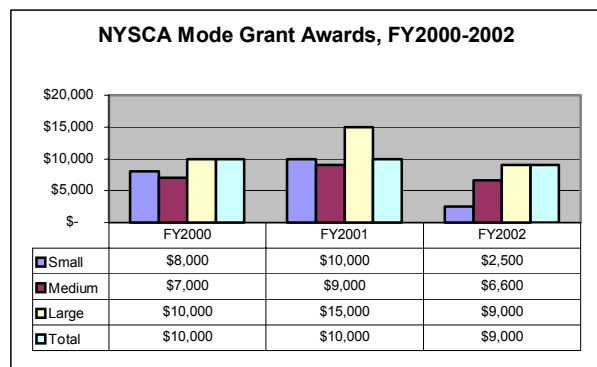
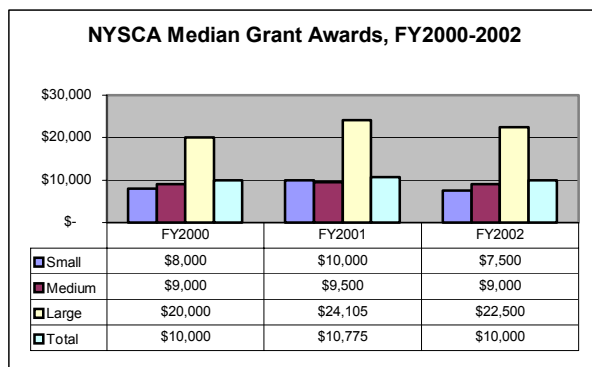
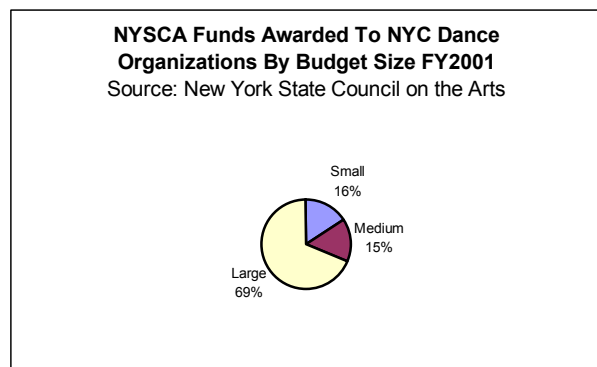
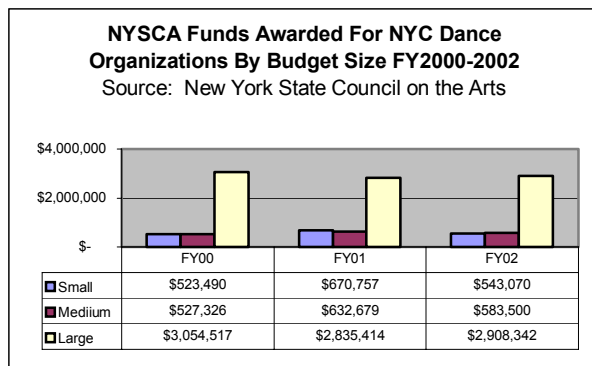
- **New York State**
 - **New York State Council on the Arts**

The New York State Council on the Arts distributes funds to cultural organizations annually. In FY2002 and 2003 NYSCA provided \$44 million in grants to cultural organizations throughout New York State, down from \$47.4 million in FY2001.

Small organizations accounted for 51% of the grantees and received 16% of the dollars awarded. Midsize organizations, which are 26% of the grantee pool, yielded 15% of New York City dance funds in FY2001. Large organizations, which account for less than 3 out of 10 grantees, received 7 out of 10 dollars. The dance presenters studied benefited from approximately 15% of all NYSCA dance dollars and 22% of awards to large organizations.

Midsize organizations haven't fared as well as their counterparts in terms of grant size at NYSCA. In both FY2000 and FY2001, midsize mode grants were \$1,000 less than those of small organizations, and in FY2001 median grants were also down for midsize groups (\$9,500) as compared to small dance organizations (\$10,000). Midsize median and mode grants however increased over those of small organizations in FY2002.

NYSCA provided 13% of all funds surveyed in FY2001, making it a significant source of revenue for nearly one-third of those organizations in the study sample.



- **New York State Legislative Awards**

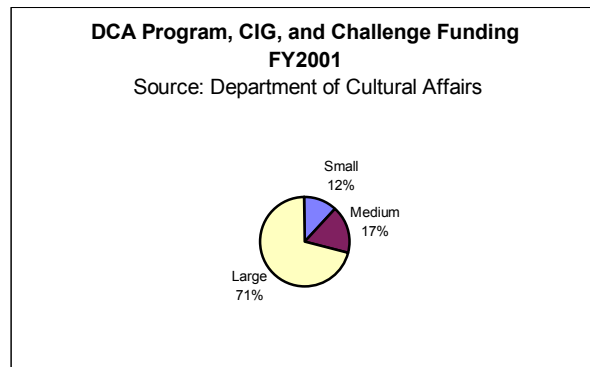
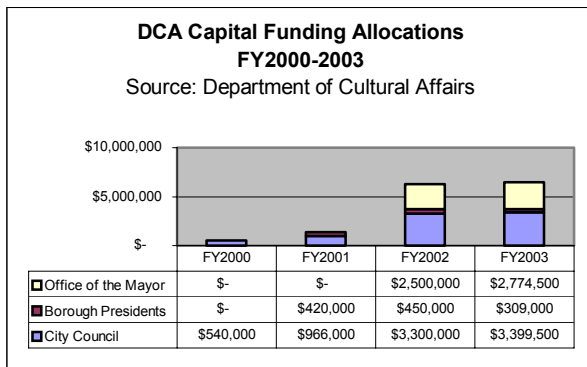
The New York State Office of Parks, Recreation and Historic Preservation provides awards annually to nonprofit cultural organizations. These funds are made based upon the recommendation of members of the New York State Senate and Assembly after they receive requests for support from an array of organizations in their districts. In FY2000, 3 out of 5 grants made to small dance organizations provided traditional or heritage based dance services. In 2001, this percentage increased to 100%. 6 out of 7 grants made to midsize companies in FY2000 were outside Manhattan. The median award from this funding source to New York City dance organizations is \$5,000. Total funds awarded to dance through this category were \$427,000 in FY2000; \$81,000, FY2001; and \$201,000 in FY2002.

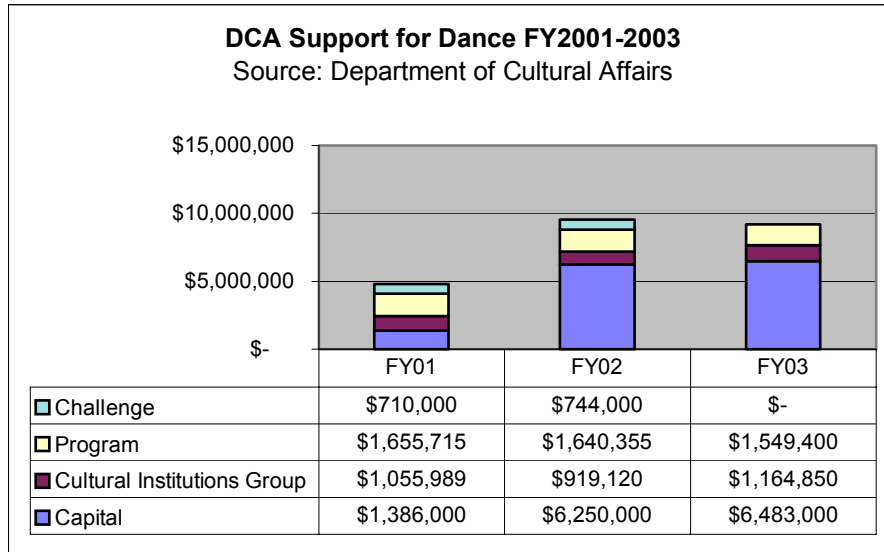
- **New York City**

- **Department of Cultural Affairs**

In FY2001, 14% of all funds awarded, or \$4.8 million, to dance was provided by New York City's Department of Cultural Affairs Capital, Cultural Institutions Group, Program and Challenge funds. This number doubled in FY2002 to nearly \$9.6 million when the City increased its investment in capital projects for the dance community from \$1,386,000 to \$6,250,000.

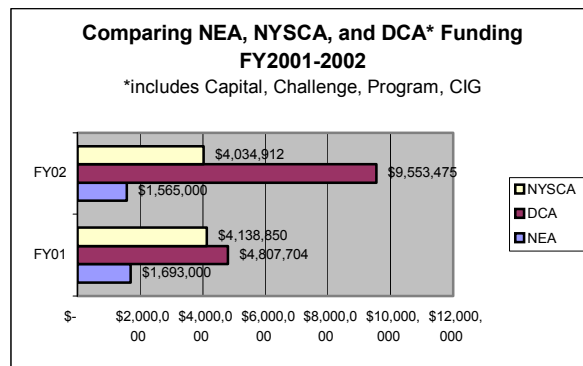
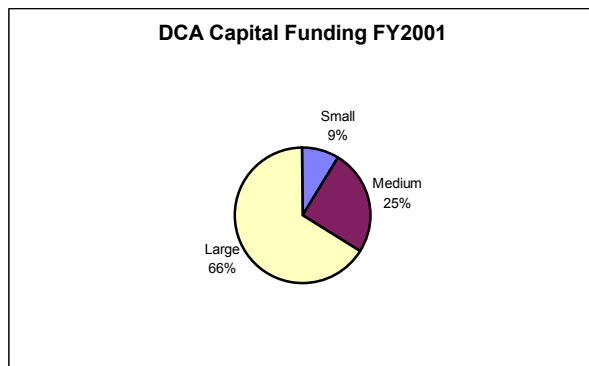
DCA supported 139 dance grantees, nearly 40% of the field, throughout the survey period. Small organizations accounted for 59% of the agency's grantees and collected 12% of its programmatic and non-capital dollars to the survey sample. Midsize organizations were 22% of the grantee pool and reaped 17% of funds allotted. Large organizations garnered 71% of the dollars and numbered among 19% of DCA's dance grantees. One reason large organizations account for such a high percentage of DCA's funding is the substantial subsidy for operations and energy costs provided to one company through the Cultural Institutions Group, which supports a select number of cultural organizations located on City property. The presenters in this study earned 12% of total DCA dance funding in FY2001 (excluding Capital support) and 16% of funds awarded to large dance organizations.





In FY2001, DCA provided \$3.4 million in programmatic funding to dance organizations through Program Services (which includes City-Adopted Budget Allocations, Arts Development Funds, and Program Development Funds), the Cultural Institutions Group, and the Cultural Challenge Program. In FY2003, the Cultural Challenge Program, a competitive program designed to encourage private giving through a publicly funded matching effort and peer panel review, was eliminated. The loss to the dance community in FY2003 was \$744,000, the total amount awarded to 23 companies in the previous year. In FY2002, the Challenge Program provided \$160,000 to 7 dance companies that did not receive any other programmatic support from DCA that year.

DCA's capital allocations for dance increased twelve-fold from \$540,000 in FY2000 to \$6,483,000 in FY2003. Two-thirds of these funds in FY2001 were awarded to large dance organizations, which are more likely to own a permanent facility. With such a large capital investment, New York City plays a leading role in supporting the dance organizations that have made the City the world capital of dance. In FY2002, DCA's total investment in dance, including Capital spending, more than doubled the funds provided by NYSCA and were six times larger than those provided by the NEA. With Capital investments removed from the equation, DCA still invested twice as much programmatic and operational funding (through Challenge, Program and CIG) in New York's dance community than the NEA.



- **Elected Officials**

Elected officials in New York City's government also play a supporting role in dance funding.

The five Borough Presidents support dance companies in a variety of ways: by advocating for awards to constituents in their boroughs for programmatic and capital support through the Department of Cultural Affairs; by recommending service contracts to meet Borough needs through agencies such as the Department of Youth and Community Development; and through the provision of discretionary or supplemental dollars. Borough President discretionary awards for dance organizations have been quite modest (median award from the Brooklyn Borough President is \$2,566; total awards in FY2001 from the Bronx Borough President were less than \$5,000 while in FY2003 the Manhattan Borough President supported four dance companies through this effort).

Perhaps the most significant financial role the Borough Presidents have played in supporting the dance community is through their appropriation of capital funds awarded by the Department of Cultural Affairs. While DCA works with cultural organizations to develop and plan project budgets, elected officials ultimately allocate funds in the annual City budgeting process. Funds are used to assist organizations with construction, renovation, and equipment purchases for restoration and expansion needs. In FY01, the Borough Presidents allocated 30% or \$420,000 of the \$1,386,000 in capital funds provided by DCA.

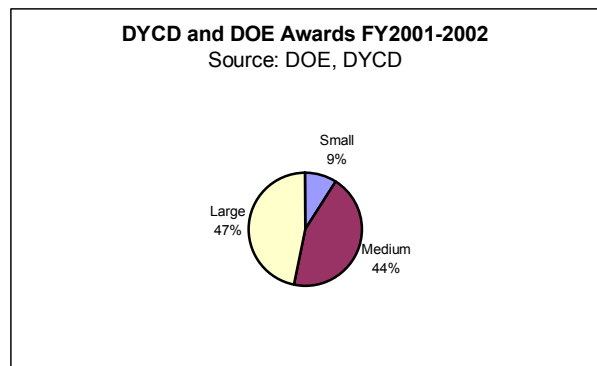
The City Council also has the ability to recommend funding for nonprofit organizations through city agencies. It plays a prominent role in allocating capital funding to dance organizations through DCA's capital budget. In FY2000, the Council provided 100% or \$540,000 in capital allocations to dance. In FY2001 they awarded 70% or \$966,000 to dance organizations and \$3.3 million in FY2002; in that year the Office of the Mayor stepped in with the significant provision of \$2.5 million in capital projects.

- **Departments of Education, Youth & Community Development**

New York City's Department of Education (DOE) awards contracts annually to nonprofit organizations that provide educational services for public schoolchildren. Similarly, the Department of Youth and Community Development (DYCD) awards contracts that provide services such as after-school, youth leadership, and recreational programming.

Combined funding from these two agencies represented nearly \$1 million in FY2001 and 2002, and accounted for 3% of all funds in FY2001 (as compared to the 4% of all funds regranted by nonprofit service organizations that same year).

While funding from these two city agencies is available only to dance organizations with a stated interest in serving New York's youth, this



is one funding stream where midsize organizations fare particularly well, drawing 44% of the dollars as compared with large organizations who attract 47% of funds available. In fact, DYCD and DOE's funding to midsize organizations in FY2001, albeit to a mere handful of grantees, is larger than the total funds the NEA gave this sector of the field that same year.

- **Empowerment Zone Funding**

The federal government provides economic development funding to revitalize specific distressed communities by using public funds and tax incentives as catalysts for private investment. As the beneficiary of these funds, the Upper Manhattan Empowerment Zone Development Corporation has dedicated \$25 million in financing to create the Cultural Industry Investment Fund. This initiative, which plans to grow to \$40 million with private sector investments, seeks to stabilize its community's cultural industry through grants, loans, and equity. Awards are made to stimulate the production of cultural products and services, which will attract larger audiences, create jobs, and increase the economic benefits of heritage tourism in Upper Manhattan. They have supported two dance organizations with these funds with grants totaling \$2.3 million in FY2000 and \$219,337 in FY2003.

The Bronx Empowerment Zone created a Culture and Tourism Venture Fund in 2002 with the approval of the New York City Empowerment Zone Corporation. Those funds are regranted by the Bronx Council for the Arts to entrepreneurial and tourist-attracting projects of Bronx-based nonprofit organizations. Culture Venture Funding awards in FY2001 and FY2003 totaled \$70,000 and \$97,000 among 3 and 2 dance organizations, respectively.

Issues For Further Consideration

New York City's dance community at the turn of the millennium appeared to be doing a healthy business in garnering support from both public and private sectors. Small, medium and large organizations appear to target particular sources of funding to generate revenue for their operations. Large organizations clearly do well with the private funding community, while the advent of nonprofit regrant programs appears to be addressing at least some of the needs of the smaller companies.

Additional analysis could be undertaken to examine the relationship between contributed income and the operating budgets of small, medium, and large dance organizations. For instance, how does the percentage of spending at medium-sized dance organizations compare to their percentage of contributed income? This analysis would further complement the work already completed documenting relationships between numbers of companies and percentages of dollars granted.

How well is the dance community in New York faring as compared to other performing arts fields? With new data assembled by the Performing Arts Research Coalition now on the verge of publication, it might be useful to compare funding dollars received by dance organizations of particular budget sizes with funding dollars received by comparably sized organizations in other disciplines such as theater, music and opera. Do particular funding sources show any predisposition favoring particular art forms?

What issues are raised by the significant percentage of funding for dance organizations flowing through presenting organizations? What are the comparative advantages and disadvantages for such a system?

The overwhelming number of dance organizations with annual operating budgets under \$250,000 poses particular challenges for the field of dance. Are the extant nonprofit regrant programs geared toward serving small organizations ample to fit their needs?

What are the comparative advantages for dance companies remaining small? What obstacles prevent a larger percentage of small organizations from crossing over the \$250,000 threshold for annual operations?

In light of the comparative paucity of mid-sized organizations, in relation to the overwhelming majority of small and the roughly equal number of large organizations, do more programs directed toward organizational development and operations need to be developed to help small organizations cross over to mid-sized, if that is their goal?

Given that midsize organizations reap the same percentage of funding from foundations, the largest source of funds awarded, as small organizations, do they have the ability to expand the size of their operations and become large, if that is their goal? What funding initiatives might assist them?

According to *Arts Funding IV: An Update on Foundation Trends* (Foundation Center, 2003), contributed income from both public and private sources, exclusive of individual donations, accounts for less than a third of the income stream utilized by the typical nonprofit arts organization circa 2000. Earned income, on the other hand, accounts for approximately half (49%) of the overall revenue of most nonprofit arts groups. How important is earned income for New York dance companies?

New York City is the world capital of dance, and the findings of this report have implications for the field as a whole. This study raises pertinent questions for Dance/NYC to reflect upon as it considers the state of funding for the dance field in the future and further develops its own research and advocacy agenda.

Methodology

The substance of this report is based on research conducted from May through July 2003. Where available, data was compiled on fiscal years 2000 through 2003.

1. Federal government data was compiled from information available to the public on the National Endowment for the Arts website, www.nea.gov. All dance-related grants were included, including grants made through the following categories: Access, Arts Learning, Challenge America, Creation and Presentation, Heritage/Preservation, Organizational Capacity, Planning and Stabilization, Technology, and Positive Alternatives for Youth. Additionally, certain grants deemed “multidisciplinary” by the Endowment were included. Information on federal appropriations was culled from thomas.loc.gov.
2. State government information was compiled from data provided by the New York State Office of Parks, Recreation and Historic Preservation and from information available at the New York State Council on the Arts website, www.nysca.org. NYSCA figures include all Dance program funds made in New York City as well as pertinent dance-related grants made through the Architecture, Planning & Design, Arts in Education, Capital Projects, Electronic Media & Film, Folk Arts, Individual Artists, Presenting, State & Local Partnership, Theatre, and Special Arts Services categories.
3. City government information was compiled from data provided by the New York City Departments of Cultural Affairs, Education, Youth & Community Development, and the Offices of the five Borough Presidents. The Upper Manhattan Empowerment Zone and the Bronx Council on the Arts provided Empowerment Zone funding data.
4. Information from the Department of Cultural Affairs includes awards made through Program Services (which includes City-Adopted Budget Allocations, Arts Development Funds, and Program Development Funds), Cultural Institutions Group (CIG), the Cultural Challenge Program, and the Capital Budget. DCA provided data on all grants made to dance organizations through the Challenge, Program and Capital budgets, as well as figures that that represented one dance company's portion of the CIG operating, energy, and Capital subsidies provided by the City.
5. Private foundation funding was compiled from data available at the Foundation Center and Guidestar, www.fdncenter.org and www.guidestar.org. A pool of 30 foundations was included in the study sample. A review of funding credits of small, medium and large dance companies generated a list of the 35 most frequent donors to New York dance. After analysis, data on the 30 foundations that gave most regularly or most significantly was compiled for this report. Participants in the study sample include: Altman Foundation, Booth Ferris Foundation, Mary Flagler Cary Charitable Trust (the bulk of whose support was regranted through the American Music Center which is covered in the nonprofit service organization section of this report), Robert Sterling Clark Foundation, Nathan Cummings Foundation, Gladys Krieble Delmas Foundation, Irene Diamond Foundation, Doris Duke Charitable Foundation, The Howard Gilman Foundation, Horace W. Goldsmith Foundation, Florence Gould Foundation, Greenwall Foundation, Agnes Gund Foundation, The Harkness

Foundations for Dance, Heathcote Art Foundation (which did not make any dance grants in FY2001), Jerome Foundation, Kresge Foundation, Andrew W. Mellon Foundation, Mertz Gilmore Foundation, New York Community Trust, The Rockefeller Foundation, Jerome Robbins Foundation, James E. Robison Foundation, The Fan Fox and Leslie R. Samuels Foundation, Scherman Foundation, Emma A. Sheaffer Charitable Trust, Shubert Foundation, The Starr Foundation, Trust for Mutual Understanding, and Lila Wallace Reader's Digest Fund. Because not all IRS 990 tax forms for FY2002 were available, this discussion focuses on FY2000 and FY2001. Awards made to Dance/USA to establish Dance/NYC were excluded because the organization is based in Washington, DC.

6. Information on giving from the corporate sector was compiled from data available at the Foundation Center and Guidestar, www.fdncenter.org and www.guidestar.org, from information available in directories and IRS 990 tax forms. In some cases, information was compiled from the corporate websites: www.citigroup.com, www.ge.com, www.icfny.org, www.metlife.com, and www.nytc.com. Unless the company had a corporate foundation, public information was largely limited, and what information was compiled is generally exclusive of corporate sponsorships and marketing partnerships. In some cases, as with AT&T and Altria, the corporate social responsibility or corporate foundation officers readily supplied the requested data. Employee benefit programs such as matching gifts and volunteer service awards were excluded. This study sample included 11 corporations: Altria, AT&T, Capezio, Citigroup, Deutsche Bank Americas, GE, Independence Community Bank, JPMorganChase, MetLife, New York Times, and Verizon.
7. Statistics on nonprofit service organization regrants to the field was provided by the Bronx Council on the Arts, Brooklyn Council on the Arts, Queens Council on the Arts, Council for the Arts and Humanities Staten Island, and New York Foundation for the Arts. New England Foundation for the Arts provided data on grants to New York City dance companies for its past three giving cycles, 2000 through 2003. Information on Arts International was compiled from its website www.artsinternational.org. American Music Center's grants were obtained from www.amc.net. Other nonprofit service providers such as Arts & Business Council were excluded from this survey because their Cultural Tourism Initiative and National Arts Marketing Project did not support dance organizations in New York; the Harlem Arts Alliance did not begin making grants until June 2003. The Lower Manhattan Cultural Council data was not made available.
8. Dance/NYC asked that the study examine the field within three benchmark categories of dance organizations: "small," which was defined as having an operating budget of less than \$250,000; "medium," with a budget of under \$1,000,000; and "large" with a budget of \$1,000,000 or more. Information on FY2001 organizational operating budgets was available from DCA and Guidestar.
9. A note on defining the term "dance organization." If organizations self-defined as dance as "primary" or "secondary" disciplines through applications to NYSCA, NEA or DCA, then information on other grants was sought on these organizations at agencies that might have categorized their applications differently. For example, Meredith Monk's company The House Foundation for the Arts receives funding from the NEA through Dance and from

NYSCA through Theatre; thus the organization was included in the analysis as was information on all grants made to it from public and private funders.

10. A note on the inclusion of performing arts presenting organizations within this study. Dance/NYC requested that five dance presenters be included in this study: Dance Theatre Workshop, Danspace, The Joyce Theater, The Kitchen, and Performance Space 122. These organizations were selected because they produce and present dance as a major element of their program. City Center was excluded because although it provides dance companies with a venue and subsidized rental fees, it is, by and large, a rental house; however, when City Center received an award through a Dance program, it was included. Other presenters such as Queens Theatre in the Park or Aaron Davis Hall, which offer annual dance seasons, were excluded because dance is a smaller component of a broader performing arts program. However, if the presenter specifically received an award through a funder's dance program, then the data was included.

Brief Biographies of the Authors

Kerry McCarthy, Principal of McCarthy Arts Consulting, provides planning, policy and advocacy research, program design, and communication services for arts and cultural organizations. Recent projects include the design and management of a multi-year capacity building initiative for the New York State Artist Workspace Consortium and Senior Project Advisor for the New York Foundation for the Arts' report *Culture Counts: Strategies for a More Vibrant Cultural Life for New York City*. Clients also include Meredith Monk/The House Foundation for the Arts, NAPAMA/North American Performing Arts Managers and Agents, and Queens Theatre in the Park. She has served as Director of Development for the Queens Museum of Art, Arts International, and The House Foundation for the Arts. Additional positions include service as Museum Director for the Center for Puppetry Arts in Atlanta and tenure at The Jim Henson Foundation and Jim Henson Productions. She holds an M.A. from New York University, a B.A. from the University of the South, and is a graduate of Coro's Leadership New York program. She can be reached at kerry@mccarthyartsconsulting.com.

Michael J. Gary is a writer and independent consultant, working mainly in the arts, specializing in advocacy, policy research, and fundraising. Last year, he prepared an arts briefing paper for Andrew Cuomo's gubernatorial campaign. Additional clients have included The Center for Arts and Culture, The Conference Board, The New York State Council for the Arts, and The Pew Charitable Trusts. He served as Senior Project Advisor and co-authored *Culture Counts: Strategies for a More Vibrant Cultural Life for New York City*, the final report of the New York Foundation for the Arts' *Cultural Blueprint for New York City* project. He has served as a panelist for the New York Foundation for the Arts, has spoken widely and published numerous articles on trends in cultural philanthropy and emergent cultural policy issues, and served as co-editor of the *The Politics of Culture: Selected Essays from the Emerging Field of Cultural Policy* published by The New Press in February 2000. From 1988 until 2000, Michael worked at The Howard Gilman Foundation where he oversaw the Foundation's arts and cultural and nonprofit portfolios. Michael graduated *magna cum laude* from Cornell University with an A.B. in English literature and received his Masters of Science in nonprofit management from New School University's Robert J. Milano School of Management and Urban Policy. He can be reached at mgary@nyc.rr.com.