About This Report

This latest edition in The Conference Board Business Support for the Arts series, published by The Conference Board Environmental, Social & Governance (ESG) Center in partnership with Americans for the Arts, focuses on how companies are addressing diversity, community enrichment, and economic development through the arts, including cash, in-kind donations, and volunteering.

The report is based on survey responses of 100 corporate citizenship and philanthropy professionals at public and private companies, informal discussions with Member companies that are experts in business support for the arts, and external research.

The complete set of survey results is available to Members of The Conference Board on myTCB. Members may also request an expert briefing on business support for the arts, during which the survey and other report content can be discussed in greater detail.
Insights for What’s Ahead
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▪ Companies are moving away from conventional arts funding—donations to major arts institutions, such as concert halls and museums—to align their arts giving with broader corporate citizenship and business goals. These include enhancing their diversity, equity & inclusion (DEI) efforts; restoring local community vitality; and improving their own workforce’s creativity and critical thinking skills. Sixty-two percent of respondents say that over the next three years, their corporate citizenship team will integrate arts—such as painting, drawing, music, dance, and theater—into its overall citizenship efforts to reach the underserved and communities of color.

▪ While the percentage of respondent companies supporting the arts has dropped 21 points from 2019 to 2021, the firms that are continuing to do so are generally planning to maintain their level of financial commitment. Almost three-quarters of arts funders say their giving levels will remain about the same, and 8 percent expect an increase in funding. Their work will involve designing and implementing programs in collaboration with grantees—and being willing to let the grantees lead. CEOs can help by setting an organizational tone for why and how the company will address social issues and ensuring consistent application throughout the company.
Insights for What’s Ahead

- With the increased focus on diversity, 62 percent of respondents say they are directing their funding and volunteer efforts to organizations that serve communities of color and arts organizations led by people of color. Companies are identifying recipients not only through arts organizations they currently fund, but also through employee resource groups (ERGs) and local arts councils. Enlisting ERGs requires implementing appropriate governance processes to ensure that support for the arts aligns with the firm’s corporate citizenship strategy and does not become balkanized.

- Companies are also working with nonprofit grantees to diversify the nonprofits’ staff, leadership, and board. Only 10 percent of companies are making diversity a threshold requirement for funding an arts nonprofit. But with 82 percent of arts employees identifying as White, companies can help arts organizations benefit from increasing their demographic diversity. Corporate donors have several tools at their disposal to spur a conversation on diversity with their grantees and to provide direct assistance, such as through the company’s programs aimed at placing diverse employees on nonprofit boards.
Why Companies Support the Arts
75% of companies surveyed support the arts—a decrease from two years ago.

Most who still support the arts are not doing so as a stand-alone initiative but integrating it into their other corporate citizenship programs.

Since the 2008 financial crisis, and accelerated by the pandemic and other events of 2020, corporate citizenship teams have been increasingly using the arts to address social problems and increase the cultural vibrancy of communities in which their company operates and decreasing their level of typical funding to major cultural institutions. 25 percent of respondents do not support the arts, an increase of 21 percentage points from the 2019 version of this report.
The outlook for arts funding is largely stable: 72% of respondents plan to maintain their level of support, 8% plan to increase, and 20% plan to decrease.

Question: Over the next three years, my company’s support for the arts will:

- 72% Remain about the same
- 20% Decrease
- 8% Increase

Many companies that are decreasing their support for the arts are doing because funding the arts is no longer a core strategic priority. Even as COVID-19 is having a negative financial impact on arts organizations, however, some companies are responding with increased funding.
Even as supporting the arts serves DEI and workforce goals, the leading reason why companies support the arts is to strengthen arts appreciation in general.

**Question:** The top three reasons my company funds the arts are to:

- Strengthen appreciation for the arts in general (56%)
- Enhance and complement its diversity, equity & inclusion efforts (48%)
- Help develop creativity and critical thinking in the future workforce (39%)
- Enhance its reputation (30%)
- Respond to nonprofit requests (28%)
- Build its brand in alignment with its business (26%)
- Offer fringe benefits to its employees (21%)
- Respond to employee requests (21%)
- Strengthen creativity and innovation in its employees (18%)
- Comply with a CEO directive (7%)
- Respond to customer requests (5%)
- Respond to governmental requests (2%)
- Reduce its taxes (0%)

- Strengthening appreciation for the arts can contribute to the health of civil society. Lessons learned through internal DEI efforts enhanced and complemented by the arts can be transferred to employees’ daily lives. Education and training in the arts at an early age has been shown to develop creativity and critical thinking, characteristics highly valued by employers of all types.
Enhancing Diversity
Of the 62% of respondents using the arts to address racism, a majority are supporting both organizations that serve communities of color and arts organizations led by people of color.

**Question**: The three main ways my company is addressing racism through its support for the arts are:

- Providing funding, making in-kind contributions, and/or offering volunteers to arts organizations that serve BIPOC communities - 77%
- Providing funding, making in-kind contributions, and/or offering volunteers to BIPOC-led arts organizations - 61%
- Providing funding, making in-kind contributions, and/or offering volunteers to arts programs that serve BIPOC communities which are operated by major institutions - 59%
- N/A - my company is not addressing racism through its support for the arts at this time - 38%
- Funding BIPOC forms of creative expression - 18%
- Direct funding of individual BIPOC artists - 8%

- Arts organizations can be effective engines of **community building** through broadening exposure to and appreciation for cultures other than one’s own. While many companies’ efforts are focused on addressing anti-Black racism, the models they are developing can be adapted and applied to other groups.
Most firms identify arts organizations led by people of color through the arts groups they already fund; employee resource groups and local arts councils are also popular resources.

**Question:** My company’s top three channels for identifying BIPOC-led arts organizations are:

- Existing arts organizations it funds: 63%
- BIPOC-led arts organizations it already funds: 57%
- Employee resource groups: 46%
- Local arts councils: 40%
- In-house research: 35%
- Community leaders: 31%
- Non-arts BIPOC-led organizations: 11%
- External consultants: 9%
- Local Chambers of Commerce: 6%
- Faith-based organizations: 3%

ERGs and local arts councils can help companies identify arts organizations led by members of underserved groups. **Leveraging ERGs** in this effort involves appropriate governance being in place to help ensure that funding is aligned with the company’s overall corporate citizenship strategy and does not become balkanized.
53% of firms are addressing the diversity of the arts organizations they fund—but only 10% require diversity before making a grant.

Question: My company is helping arts organizations diversify the demographics of their staff, leadership, and board by (please select all that apply):

- My company is not specifically addressing the demographics of the staff, leadership, and board of arts organizations
- Considering such diversity when making a grant
- Including staff, leadership, and board demographic data questions on grant applications
- Requiring such diversity when making a grant
- Adjusting its nonprofit board employee placement programs

- In addition to the general benefits of diversity, diversity at arts organizations can broaden their appeal among the public and donors. Respondents’ tactics to increase grantees’ level of internal diversity range from signaling the importance they place on diversity to requiring it.
Priorities for the Future
62% of respondent companies are planning to use their arts funding to achieve diversity, community enrichment, and economic development goals.

Question: Over the next three years, my company plans to use some or all of its arts program resources in an effort to use the arts to help meet its corporate citizenship goals in the following areas (please check all that apply):

- Diversity, equity & inclusion: 41%
- Community vitality and enrichment: 39%
- N/A - my company has no plans to reallocate its arts programming resources: 38%
- Business and economic development: 25%
- Mental health and well-being: 7%
- Other (please specify): 7%

- Looking ahead, a plurality of respondents will employ the arts to support their DEI goals. They are also focused on enhancing local community members’ quality of life, including through economic development. A potential area of opportunity for companies is to use the arts to address mental health and overall well-being, which have suffered as a result of COVID-19.
Six questions CEOs can ask about their company’s support for the arts:

1. Does support for the arts fit with our overall business and corporate citizenship goals?

2. How can support for the arts be integrated into our DEI efforts?

3. How can we use the arts to attract, retain, and develop the skills of our workforce?

4. How important are the arts to the communities where we do business—and how can the arts drive economic development?

5. How do we track, measure, and report on our arts programs?

6. Do we have the right governance structures in place to maximize the efficiency and effectiveness of our arts programs?