



## Recent Contributions to Arts & Culture in North Texas Robert Dye, PhD

### Introduction

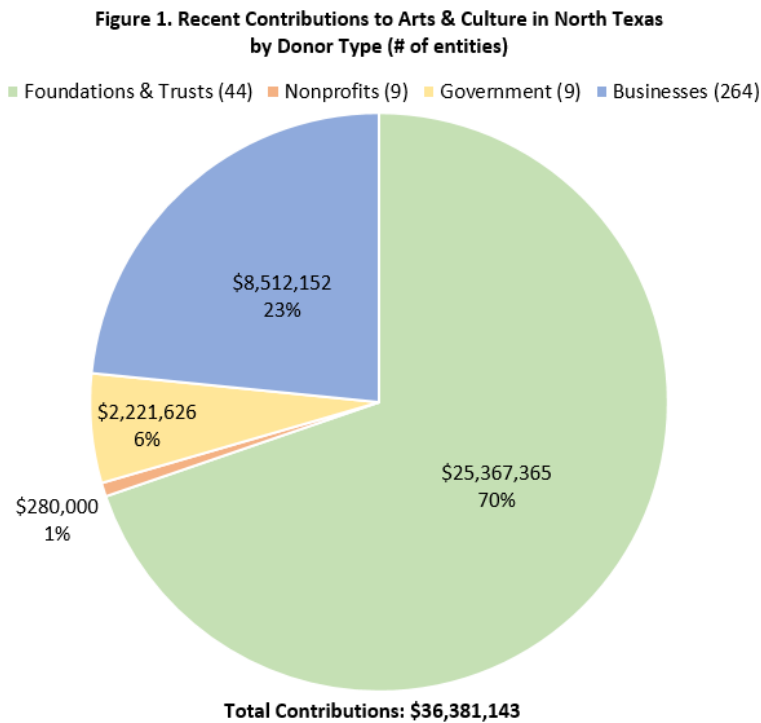
The following analysis was developed in support of donor engagement efforts by the North Texas Business Council of the Arts (BCA). BCA seeks to create strong business/arts partnerships in North Texas by matching private sector businesses with nonprofit arts partners.

### BCA Data

This analysis relies on data provided by BCA from its database of contributions to the arts and other cultural organizations located within North Texas, an area largely commensurate with the Dallas-Fort Worth Metropolitan Statistical Area.<sup>1</sup> Based on discussions with BCA, we understand that these contribution figures reflect the total donation made to arts and culture by different entities during the most recent 12-month period for which such data was available (i.e., approximately equal to each entity's 2017 calendar year or fiscal year). While we note that the data does not represent an exhaustive record of all charitable contributions, we believe it is reasonably representative of recent arts- and culture-based philanthropic activity in North Texas.

### Observations – Overall Giving

The contributions data received from BCA was segmented by contributing entity type, as follows: Foundations & Trusts (44 contributing entities), other Nonprofits (9), Government organizations (9), and Businesses (264). To gain a better understanding of the driving forces behind contributions to arts and culture in North Texas, we began our review by considering each contributing entity type's relative share of total donations, as seen in Figure 1 below:

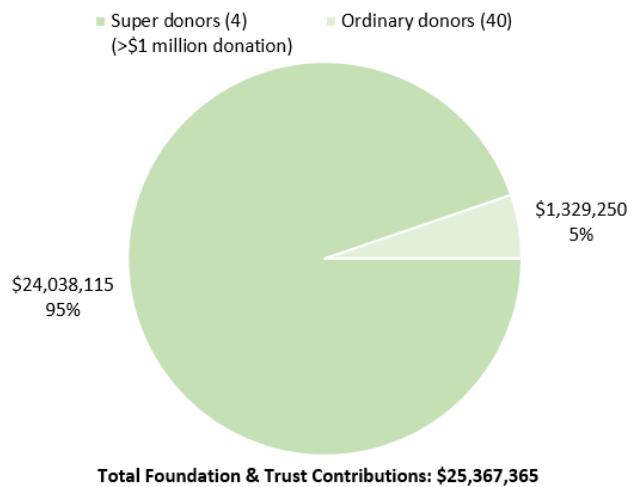


<sup>1</sup> Specifically, we understand the data reflects a North Texas region commensurate with those Texas counties organized under the following government organizations: (i) North Central Texas Council of Governments, (ii) Nortex Regional Planning Commission, and (iii) Texoma Council of Governments.

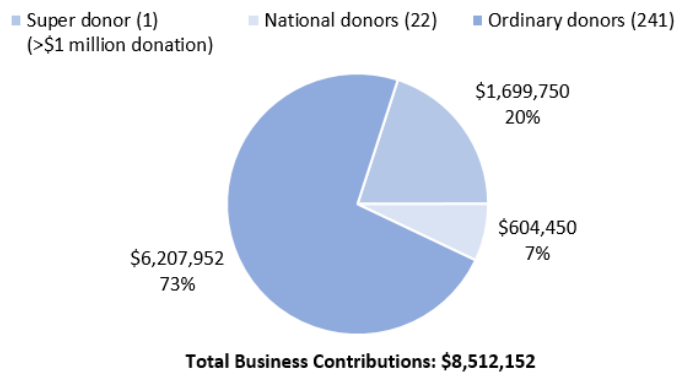
After reviewing the data more closely, we noticed the presence of seven ‘super donor’ entities that each made donations greater than \$1 million. Collectively, these super donors account for 76% of recent contributions to arts and culture in North Texas. Additionally, we noticed that several ‘national donors’ did not have a regional employment presence (i.e., zero regional employees, as reported by BCA).

A more granular view of Foundations & Trusts, Businesses, and Government organizations shows the three major types of entities contributing to arts- and culture-based philanthropic activity in North Texas. Figures 2(a), 2(b), and 2(c) demonstrate how each contributing entity type can be broken down between the previously discussed super donors, extra-regional (or national) donors, and the remaining base of donors whose recent giving can generally be described as ‘ordinary’.

**Figure 2a. Recent Contributions to Arts & Culture in North Texas by Foundations & Trusts (# of entities)**

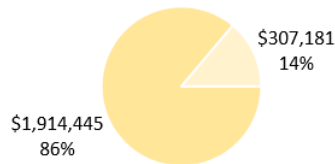


**Figure 2b. Recent Contributions to Arts & Culture in North Texas by Businesses (# of entities)**



**Figure 2c. Recent Contributions to Arts & Culture in North Texas by Government Organizations (# of entities)**

■ Super donor (2) (>\$1 million donation)    ■ Ordinary donors (9)



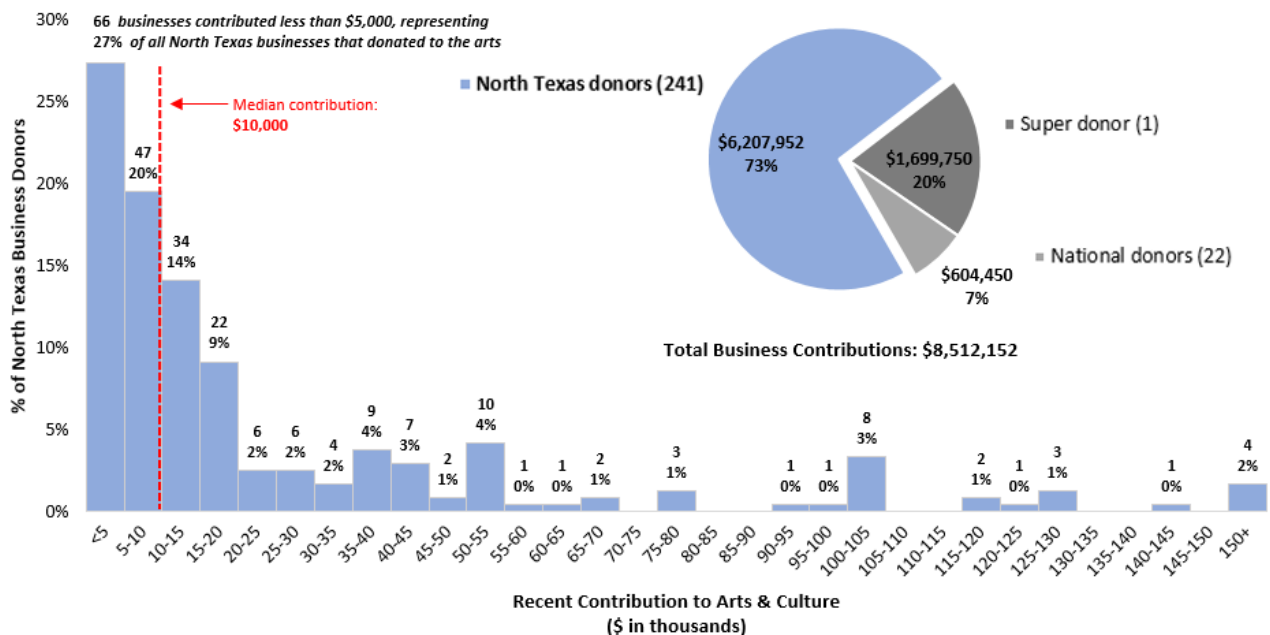
**Total Government Contributions: \$2,221,626**

**Observations – Business Contributions**

We note that BCA’s organizational mission is focused on effectively engaging the private sector to develop lasting relationships with arts-driven nonprofit groups. In keeping with the spirit of these efforts, our analysis focuses on the \$6.2 million in contributions made by North Texas-based businesses (i.e., ‘ordinary’ businesses with a regional employment presence). We believe this group of ‘ordinary’ North Texas business donors can be considered a sufficient proxy for the target group of donors with which BCA can reasonably expect to engage on a consistent basis.

Figure 3 provides further insight into how contributions from business donors were distributed:

**Figure 3. Recent Contributions to Arts & Culture by North Texas Businesses**



The histogram in Figure 3 shows the giving habits of North Texas businesses. We note that this distribution produces an average contribution of \$25,759. However, we also note that this average is heavily distorted by the small number of highly charitable donors whose contributions landed on the higher end of the giving range. It should be noted that 75% of businesses made contributions that were less than \$25,000. Therefore, we

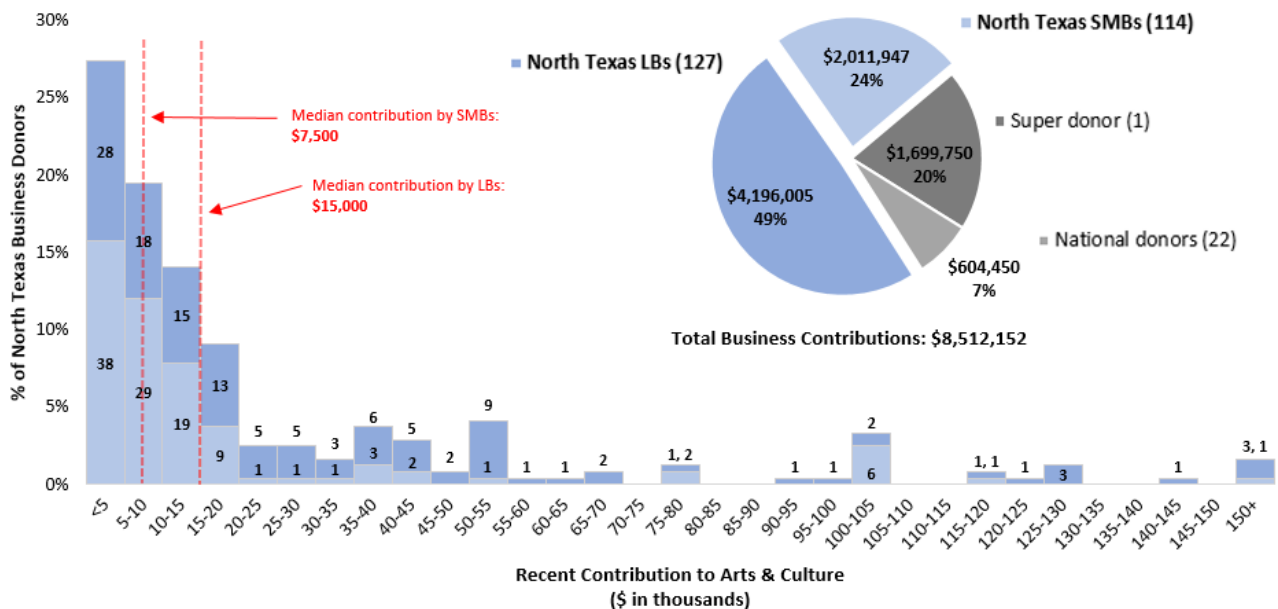
believe it is more appropriate to consider the median as the primary measure of ‘ordinary’ giving standards. We note that the median for all ‘ordinary’ North Texas businesses reviewed is \$10,000.<sup>2</sup>

**Observations – Large Business vs. Small- and Medium-Sized Business Contributions**

Recognizing that businesses vary wildly by their capacity to engage in philanthropic activity, we further segmented the ‘ordinary’ North Texas business donors between large-sized businesses (500+ employees) and small- and medium-sized businesses (< 500 employees). This distinction was developed based on our review of widely-accepted employee size standards, including those published by the U.S. Small Business Administration and U.S. Census Bureau.

Figure 4 explores the noticeable divergence in philanthropic practices between large businesses and small- and medium-sized businesses.

**Figure 4. Recent Contributions to Arts & Culture by North Texas Businesses**  
**Large Businesses (LBs) vs. Small- and Medium-Sized Businesses (SMBs)**



The histogram in Figure 4 provides us with a better sense of giving habits as they relate to the different economics facing North Texas businesses of different sizes. Specifically, we note that these distributions both retain a strong rightward skew, consistent with that described above, but note that a more significant share of large businesses made contributions in excess of \$20,000 (53 of 127, or 42%) compared to small- and medium-sized businesses (28 of 114, or 25%). It thus follows that the median contribution made by large businesses (\$15,000) is twice the size of the median contribution made by its small- and medium-sized peers (\$7,500).

**Further Considerations**

We believe that, in support of further analysis, it would be useful for BCA to collect additional data on the businesses that have made recent contributions to the arts in North Texas. Appropriate data points to consider

<sup>2</sup> The median of a distribution provides an important measure of central tendency. The median has been relied on in this analysis instead of the average because of the latter measure’s tendency to be skewed by the presence of outlying data (e.g., exceptionally large donations).



include: type of industry, annual revenues, payroll size, and the type of giving method used to generate contributions (e.g., payroll-based giving, company matching, other less formal giving initiatives).

The establishment of a consistent data collection methodology would allow BCA to look at changes in funding patterns over time. It could also allow for comparison to peer groups in other regions.

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For more information, contact Business Council for the Arts at [bca@ntbca.org](mailto:bca@ntbca.org) or 972-991-8300