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Pekka Oesch

FOUNDATIONS AS SUPPORTERS OF THE ARTS

English Summary

The study maps and analyses the role of cultural foundations in the financing of Finnish arts and culture. While the main focus is on the years 1993 and 1997, the results are also compared to the previous study from 1987. In Finland, the year 1993 represents a period of depression between the fast economic growth of the late 1980's and the economic recovery in the second half of the 1990's.

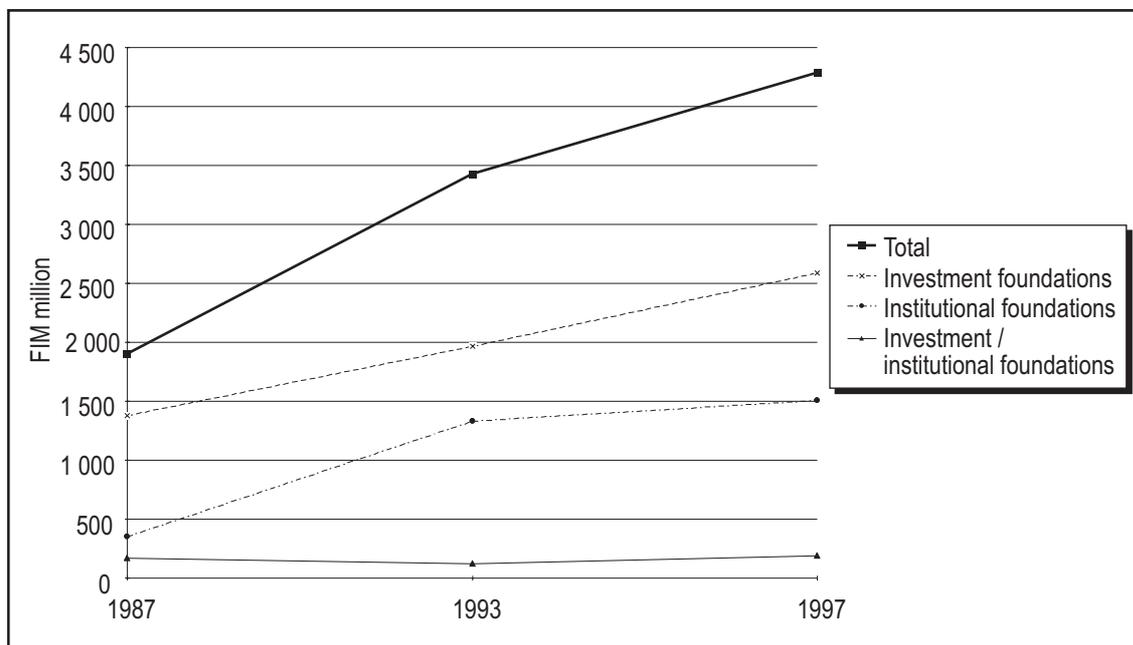
The establishment of foundations supporting arts and culture began in the late 1920's and since the beginning of the 1950's their number has grown steadily. During the 1980's there was a real boom in the birth of new foundations when 30 per cent of still active cultural foundations were established. In the 1990's the number of new foundations established has been about the same as in the 1970's.

At the end of 1998 there were about 290 independent foundations in Finland operating in the fields of arts and culture. This study focuses on 231 foundations established by private persons or associations either alone or together with the public authorities. The two major types to be found among these are investment foundations and institutional foundations. Investment foundations derive their income from the profit of their investments which, in turn, are mainly based upon the donations they have received. Institutional foundations, on the other hand, depend on annual public subsidies to maintain some specific art institution, art centre or art organisation. The share of investment foundations was 57 per cent and institutional foundations 38 per cent — the remaining share included mixed investment/institutional foundations.

The foundations were also classified according to their purpose. About 30 per cent of the studied foundations maintained some specific art institution, art centre or art organisation. The share of those supporting arts and culture in general was 21 per cent. Foundations specialising in providing support for only one art form were much less frequent: Nearly 14 per cent supported solely music while 12 per cent supported only the visual arts. For other art forms, there were only one or two foundations each specialising in supporting them alone.

The size and economic growth of foundations was measured according to balance sheets. They indicate that the period of economic depression at the beginning of the 1990's did not effect foundations as a whole. The total amount on the balance sheets in 1993 was FIM 3.2 billion and FIM 4.3 billion in 1997. After 1987, the growth of institutional foundations was very steep but since 1993 these growth tendencies have been much more gradual. Investment foundations, on the other hand, have continued to grow steadily. However, about 35 per cent of these foundations had a balance sheet showing less than FIM one million and one third of the foundations had a balance sheet showing between FIM 1-5 million. The balance sheets of these small foundations have also grown since 1987. (Figure 1)

Figure 1. Balance sheet values of cultural foundations in the years 1987, 1993 and 1997 (1997=100)

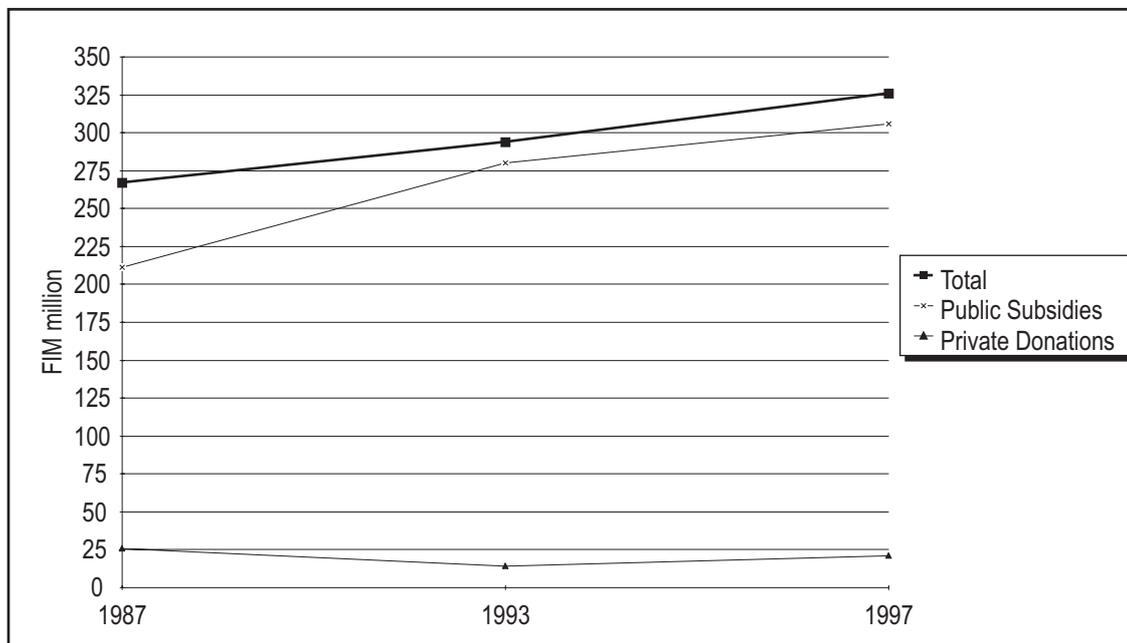


About 38 per cent of foundations had received public subsidies and private donations. Two thirds of them were institutional foundations. The total amount of public and private support was FIM 282.7 million in 1993 and FIM 326.3 million in 1997. Over 90 per cent of the total sum received by the foundations came from the state or municipalities and most of this money went to institutional foundations. (Figure 2)

Nearly two thirds (58%) of the foundations which received public or private support had also received donations. The total amount of donations for arts and culture in 1993 was FIM 13.5 million. This was only 4 per cent of all support for the foundations. By 1997 this sum had grown to FIM 20.9 million, which was 6 per cent of the total amount of support. Private support was mainly given to investment foundations. The growth line of public subsidies resembles the

balance sheet line of institutional foundations while the amount of private donations decreased between 1987 and 1993. (Figure 2)

Figure 2. Public subsidies and private donations for cultural foundations in the years 1987, 1993 and 1997 (1997=100)



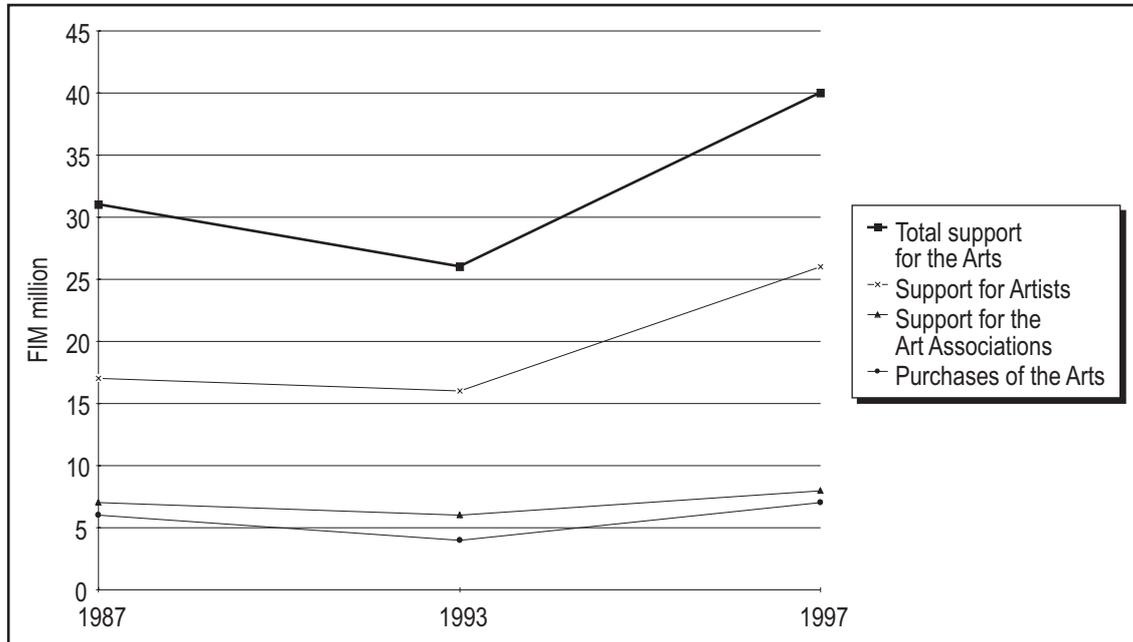
The clarification of the total financial structure of these foundations, including donations for science, capital income and the wealth of the foundations would have given a different picture of the share of public and private support in the financing of foundations. On the other hand, all foundations also benefit from tax exemptions. These aspects, however, were outside the main subject of this study.

The cultural foundations give away grants, prizes and subsidies to artists and art associations. Most of the foundations operate on a yearly basis but some also support different art forms each year. About 40 per cent of the studied foundations had given support for the arts and these were mainly investment foundations. In 1993 the total amount of support for the arts was FIM 20.5 million. This does not include arts purchases nor the effect of possible public subsidies. In 1997 foundations supported the arts to the extent of FIM 33.7 million. During a ten year period, general economic fluctuations had a stronger effect on the grants, prizes and subsidies given by foundations than on their balance sheets, public subsidies or private donations. (Figure 3)

Support towards artists and art associations was more than the foundations received as donations. The artists were given about 64 per cent of the total support for the arts and these assets have grown most rapidly since 1993. The art associations received about 20 per cent of the total support and remaining 16 per cent was used for purchases of art works. The value of purchases of art

works was FIM 4 million in 1993 and grew to some FIM 6.6 million in 1997, which was about one fifth of the total support for the arts. (Figure 3.)

Figure 3. Support by cultural foundations in the years 1987, 1993 and 1997 (1997=100)



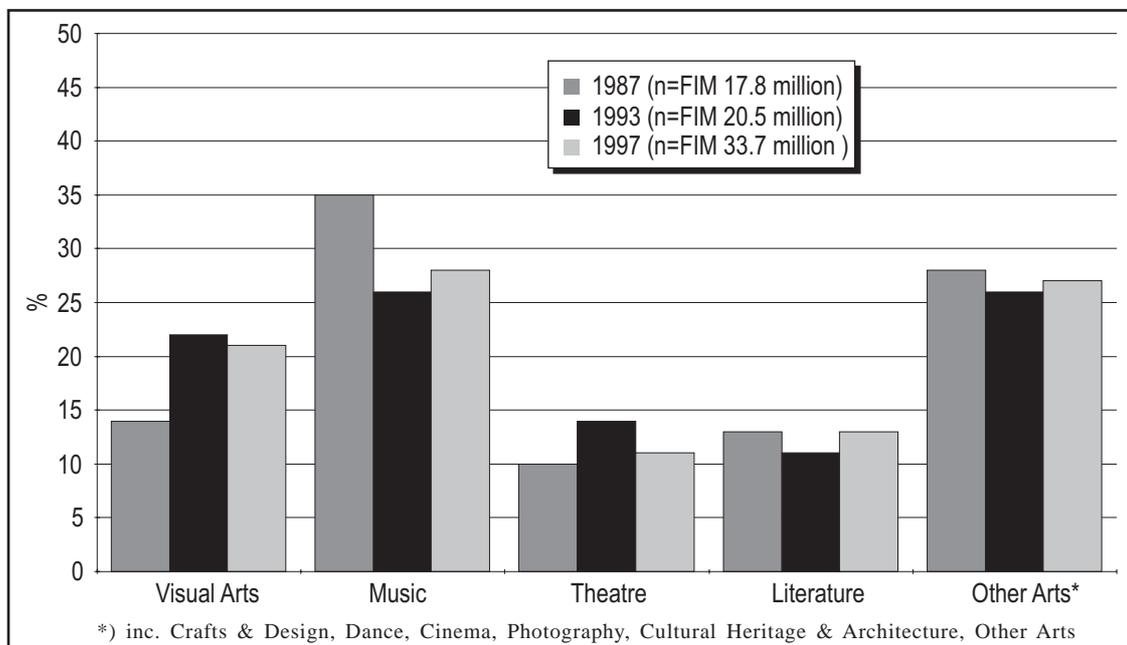
Music received by far the most support, followed by the visual arts. The share of support for the visual arts (excluding art purchases) together with music was about half of the total support for the arts. Theatre and literature, on the other hand, received 25 per cent of all grants, prizes and subsidies. Compared to these, the support for other art forms like dance and cinema and photography was very small. However, between the years 1993 and 1997 the proportional growth of the support for these was more than for any other forms of arts. (Figure 4)

Despite quite a large number of foundations operating in the fields of art and culture, there were, in any respect, only a small number of significant foundations to be found. Public subsidies as well as private donations were concentrated in a few foundations which also, on the basis of their balance sheets, turned out to be larger than the others and most of the support given to the arts was from these foundations.

The Finnish National Opera alone received half of the public subsidies and Finnish Cultural Foundation (Suomen Kulttuurirahasto) received 40 per cent of all private donations in 1993 and well over 60 per cent in 1997. The most important supporters for the arts alongside the Finnish Cultural Foundation were the Jenny & Antti Wihuri Foundation, Alfred Kordelin's Foundation and the Swedish Cultural Fund (Svenska Kulturfonden). In 1993 they together gave 53 per cent and in 1997 as much as 68 per cent of all grants and prizes for artists. Also on the basis of their balance sheets, the Finnish Cultural Foundation

and the Jenny & Antti Wihuri Foundation were clearly larger than the other cultural foundations.

Figure 4. Support by cultural foundations for different art forms in years 1987, 1993 and 1997



The support for the arts by cultural foundations follows the same pattern as the support given by the state and by the largest companies in which most support is given to those few art forms which have already established their position. Thus in terms of the results of this study, one cannot say that foundations would be more likely to support new art forms or otherwise less financed art forms than any other sector. On the contrary, the structure of the field of cultural foundations and how they give grants and prizes reflects traditional concepts of the arts and culture.