Washington State Arts & Culture Sector Analysis

Exploring the arts and culture sector through the Community Accelerator Grant program, a partnership between ArtsFund and Allen Family Philanthropies

Allen Family Philanthropies

Letter from Allen Family Philanthropies

Arts and culture are foundational to the communities we call home. A film can shed light onto an unknown story. A mural painting can bring unanticipated delight to an evening stroll through the neighborhood. An elementary school choir performance can instill a newfound confidence in its young performers. Arts and culture are a means by which people share, engage, and find connection. They support well-being and give neighborhoods their distinctive character. Arts and culture therefore occupy a place alongside other essential sectors such as parks and recreation, libraries, schools, and civic institutions that make a place worth living in. When all these sectors flourish, communities are more cohesive, more resilient, and more equitable.

Healthy arts and culture organizations are essential to this vision. But when an organization struggles, the impact ripples outward: programming weakens, partnerships erode, community access recedes, and artists and culture bearers lose the channels to develop and share their work. Communities lose something irreplaceable. In 2022, Allen Family Philanthropies partnered with ArtsFund to launch the Community Accelerator Grant (CAG) program, providing unrestricted funding to arts and culture organizations across Washington state. The goal was to quickly support post-pandemic recovery, with a focus on reaching organizations that typically have less access to large-scale philanthropy. Since then, we have continued CAG due to need and demonstrated impact, investing $30 million over three years to more than 1,000 unique organizations across all 39 counties of the state.

Several years of program data reveal two things: how grant design shapes who actually receives resources and how small organizations, which are often invisible in broader data sets, are faring. For example, organizations with annual budgets under $1 million saw staff capacity decline faster relative to staff capacity at organizations with larger annual budgets. Yet there are some potential bright spots. Organizations that received reoccurring CAG awards saw a greater diversification of revenue. When organizations have funding for multiple years, they are better positioned to innovate, grow their audiences, and pursue their missions.

These findings are informing how we work, and we hope they will also encourage additional investigation and consideration. Ensuring equitable access to vibrant arts and culture requires sustained commitment and action from funders, policymakers, and communities together. We all need to show up. In this spirit, we offer this report as a first step and hope it will spur additional data, funding, and audience support for arts and culture organizations throughout our state.

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Cover Image credits

Left: Seattle Symphony Orchestra
Middle: Shunpike
Right: Mariachi Northwest Festival

Executive Summary

The Community Accelerator Grant (CAG) program launched in 2022 through a partnership between Allen Family Philanthropies and ArtsFund. Designed as a responsive fund, CAG supported arts and culture organizations throughout Washington state as they navigated programmatic and operational disruptions caused by the COVID-19 pandemic.

Courtesy of: The Vera Project

CAG built upon earlier COVID-19 relief efforts, particularly the Washington State Department of Commerce's 2021 Nonprofit Community Recovery grants that distributed $10.78 million to 702 nonprofits. Between 2022 and 2025, CAG distributed $30 million to more than 1,000 organizations statewide, shifting the sector's response from immediate relief to longer-term recovery. To address traditional barriers to accessing funding, CAG engaged a Community Advisory Panel, prioritized communities that are often excluded from large-scale philanthropy, and awarded grants to all eligible applicants.

Drawing on grant application data, financial analysis, and interviews with grantee organizations, this report examines how funding design influences access, how organizations are navigating ongoing financial pressures, and what these patterns suggest for the future, providing a unique lens into the structure, health, and dynamics of Washington state's arts and culture sector.

Intentional, low-barrier funding expanded support for priority communities. Through a low-barrier application process, relational outreach strategies, equity-based award considerations, and guidance from a Community Advisory Panel, CAG provided unrestricted funding that was accessible and responsive to community needs. Awards prioritized communities that have often been furthest away from large-scale philanthropy, including Black, Indigenous, and people of color (BIPOC), lesbian, gay, bisexual, transgender, and queer/questioning (LGBTQ+) people, people with disabilities, and people residing in rural communities. As a result, the number of grantees centering these priority populations grew by 32% over three years; in 2025, 84% of grantees centered one or more of the priority populations in their programming. This suggests that access to grant funding can be reshaped through intentional program design.

Sustained, flexible funds bolster organizational capacity and infrastructure. CAG added flexible capital to the arts and culture sector each year, trusting individual organizations to know where it was most needed. Most grantees that received three years of CAG funding (84%) grew their spending over the grant period by expanding investments in staff and programming. They also exhibited shifts toward more diversified revenue streams, growing the proportion of their revenue from earned sources by 8 percentage points, which points towards progress in rebuilding post-pandemic audiences. These patterns imply that consistent, flexible funding supports longer-term planning and has the potential to catalyze growth in other revenue streams, leading to increased stabilization across the sector.

Modest grants are especially meaningful for small and fiscally sponsored organizations. CAG awards were modest in size, averaging $10,000-$15,000 each year. For some organizations, these grants represented a meaningful share of total revenue: In 2024, the average award for organizations with budgets between $25,000 and $50,000 was $11,127 (29% of total annual revenue), while the average award for fiscally sponsored organizations was $15,965 (19% of total annual revenue). These smaller and fiscally sponsored organizations are critical to the arts and culture ecosystem, often serving as community connectors and providing entry points for emerging artists. However, these organizations tend to have less access to funding opportunities and did not experience a large influx of pandemic relief funding more accessible to organizations with larger budgets and 501(c)(3) status. By including them as eligible, CAG provided an opportunity for smaller budget and fiscally sponsored organizations to take steps towards increased stabilization.

Persistent financial pressure is restructuring how organizations staff their work. Despite signs of recovery from the pandemic, the arts and culture sector continues to face significant capacity strain. Financial volatility has led to shrinking operating surpluses and increased pressure on organizations of all sizes, with notable impacts on staffing structures and disparities among groups with different budget sizes. Since 2023, personnel spending as a percentage of expenses has decreased for CAG grantees, particularly among rural organizations and those with budgets below $100,000. In 2024, personnel expenses grew more rapidly than forecasted for organizations with budgets over $500,000, indicating an effort to invest in staff among this group. Organizations with budgets over $1 million added an average of five staff positions between 2023 and 2024, while organizations with budgets under $1 million reduced staffing by an average of one position. The data reflects not just financial strain, but a structural realignment with lasting implications for who can sustain arts and culture work over the long term.

Courtesy of: Union Arts Center

As CAG's reach expanded, average award sizes decreased, revealing tension between depth and breadth. CAG's design enabled significant expansion in access, reaching organizations in each of Washington's 39 counties, but also revealed a fundamental tradeoff: as more eligible organizations applied, average award sizes decreased and the percentage of grantees centering priority populations declined. Average awards fell by 28%, from $14,910 in 2023 to $10,753 in 2025. With funding fixed at $10 million each year, expanding reach reduced the purchasing power and potential impact of individual grants during a period of rising costs, underscoring the tension between breadth of access and depth of investment. At the same time, the number of grantees centering priority populations grew from 596 organizations in 2023 to 785 in 2025, while their share of the overall grantee pool declined from 89% to 84%. Priority organizations experienced smaller declines in average award size than the overall grantee pool, although rural organizations saw a larger decline among the priority groups at 25% over the three-year period.

CAG applications provide insight into financial data that is often excluded from public sources. Many national datasets used to understand nonprofits rely on IRS Form 990 filings, which only capture detailed financial information for organizations with budgets exceeding $50,000; approximately 70% of arts and culture organizations in Washington fall below this threshold. This limits our understanding of their revenue, expenses, and operating budgets. Data collected and analyzed through the CAG application offers insights into the finances and operations of these organizations, revealing divergent dynamics across budget size, geography, and other organizational characteristics. This new perspective reinforces the importance of inclusive funding, coordination, and shared data for understanding the financial health of the arts and culture sector, and for identifying where investment can have the greatest impact.

Courtesy of: Base Camp Studios

Implications for the arts and culture sector. This review of three years of CAG application data offers a meaningful window into Washington's arts and culture sector and demonstrates the role that intentional, flexible, and low-barrier funding design can play. Organizations historically excluded from large-scale philanthropy participated in the program, capturing a segment of the sector largely invisible in national datasets. Taken together, the findings underscore the importance of accessible grantmaking, sustained investment in smaller and rural organizations, inclusive decision-making, and stronger statewide data infrastructure.

01

Introduction

Courtesy of: Shunkpike

The arts create space for difficult conversations, preserve cultural memory, and give young people a way to see themselves reflected in their surroundings. They draw people out of their homes and into shared experience — a function that grows more valuable as that shared experience becomes harder to find.[1]

Courtesy of: Emerald City Ballet

Studies continue to demonstrate the sector's value across social, economic, and civic indicators. ArtsFund's "Livability Impact Study of the Arts"[2] shows strong connections between cultural investment and community well-being, including economic activity, civic engagement, and health outcomes in Washington state. Creative economy assessments from the Washington State Arts Commission (ArtsWA) reinforce this importance, finding that the arts contribute $79 billion to the state's economy and employ more than 190,000 people statewide.[3] Some communities in Washington have long benefited from exceptional arts vibrancy. The Seattle metropolitan area has ranked among the most arts-vibrant communities every year since 2015, while San Juan and Jefferson Counties demonstrate notable cultural strength relative to rural communities across the country, according to SMU DataArts.[4,5]

Yet the sector's breadth and diverse ecosystem is also part of what makes it difficult to see clearly. Data gaps leave many organizations in this ecosystem invisible to the policymakers, service providers, and grantmakers meant to support them. Understanding who is present, who is missing, and the conditions they face is essential for meaningful investment in the sector's future.

Addressing that data gap is among the core purposes of this report. Commissioned by Allen Family Philanthropies in partnership with ArtsFund and developed by SMU DataArts, it draws on quantitative analysis of application data from the Community Accelerator Grant (CAG) program and the Washington State Department of Commerce Nonprofit Community Recovery (NCR) grants, alongside IRS Form 990 data, U.S. Census data, and existing sector research. Together, these sources are used to examine **three central questions:**

01

How do organizations differ in financial health, capacity, and experience depending on size, geography, and the communities they serve?

02

How does the CAG funding model function across that diversity?

03

What patterns of equity and access emerge when grantee data is viewed alongside broader sector and public funding trends?

The full list of research questions is included in the Appendix. Additionally, nine in-depth interviews with CAG grantee leaders complement the quantitative findings, grounding them in the lived realities of the organizations at the heart of this work.

Courtesy of: The Rhapsody Project

Research Approach

At its core, the quantitative analysis drew on NCR and CAG application and award data from 2021 to 2025, capturing revenues and expenses, personnel and operating capacity, board and staff demographics, and other organizational characteristics.

To situate grantees within the broader sector, the analysis also incorporated IRS Form 990 data for Washington arts nonprofits, foundation-level data on philanthropic funding concentration, U.S. Census American Community Survey data, and existing sector research for community-level comparisons.

The full cohort of 1,101 CAG grantees in 2023, 2024, and/or 2025 provided a representative view of the arts ecosystem in Washington state. We supplemented the analysis using a balanced panel of 353 organizations that received funding every year from 2021 to 2025, allowing us to explore how these specific organizations evolved.[6]
However, a full picture of arts and culture activity in Washington extends beyond the formalized organizations and projects captured through traditional data collection systems. Findings based on this dataset should therefore be interpreted as directional rather than comprehensive.

To complement the applicant data, nine in-depth interviews were conducted with CAG grantees. Selected participants reflected a range of organizational types, including small-budget organizations, organizations centering priority populations, rural organizations, and fiscally sponsored projects. Interviews explored how these organizations access and use unrestricted funding, how they navigate workforce and staffing pressures, and how CAG support intersects with their broader financial and community context. Their voices appear throughout the report to illuminate what the data alone cannot fully capture.
Full methodological detail is available in the Appendix.

Courtesy of: Seattle Art Museum

02

Washington Arts & Culture Funding Landscape

Courtesy of: Mariachi Northwest Festival

Across the broader ecosystem of arts funding in Washington, much of the sector's resources are concentrated or unavailable to many cultural organizations. This section explores these dynamics, which served as a backdrop to the development of the Community Accelerator Grant (CAG) program.

Courtesy of: Shunpike

Philanthropic foundation support for arts and culture in Washington is concentrated among a small number of funders and regions. The four largest funders provided more than half (51%) of all foundation funding to the arts and culture sector, based on the most recent comprehensive IRS data across all foundation types from 2023. While many foundations (697) made awards to arts organizations that year, just 35 made ten or more awards.[7] Foundation funding to the arts also tends to be highly concentrated in King County, which receives 78% of philanthropic dollars statewide, despite representing just 30% of Washington's population[8] and 42% of its arts and culture nonprofits.[9]

Federal funding reached fewer arts organizations between 2022 and 2024. Federal agencies, including the National Endowment for the Arts (NEA), the National Endowment for the Humanities (NEH), and the Institute of Museum and Library Services (IMLS), provide large awards to a relatively small number of organizations. In Washington, between 2022 and 2024, the number of arts and culture nonprofits receiving federal funding declined by 25-38% (Table 1).

> "Funding has felt a little less stable, from government sources and government-based grants. And yet, I've heard so many times, 'We had more applicants than ever, and this was a very difficult decision' ... Our organization has gotten more noes, I think, in the last year than before."
>
> — BIPOC-Led Fiscal Sponsor

Courtesy of: Hilltop Artists

Table 1

Federal Arts Awards Reached Fewer Washington Organizations and Total Funding Also Declined

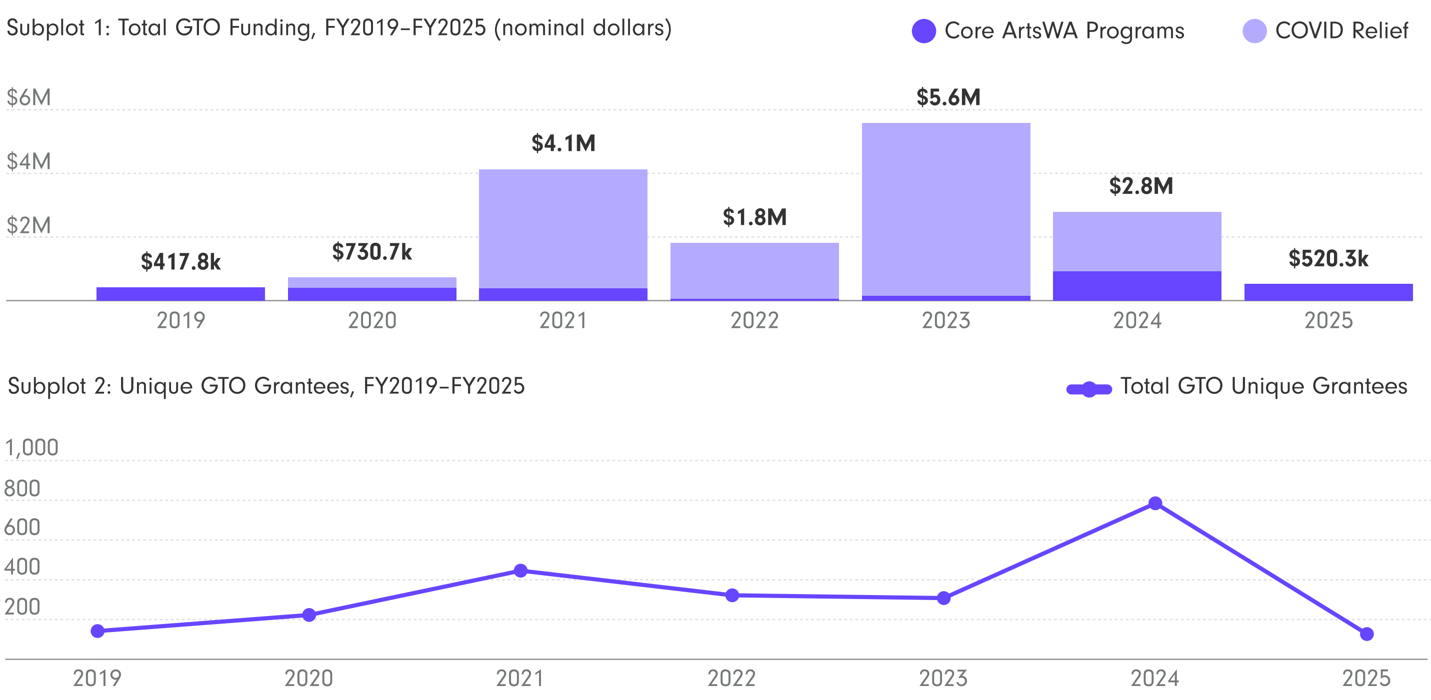
Organization	Year	WA Orgs Funded	Total Awarded
NEH	2022	14	$1,281,700
	2023	14	$3,114,544
	2024	9	$853,399
NEA	2022	85	$4,012,673
	2023	75	$3,117,929
	2024	63	$2,982,481
IMLS	2022	50	$8,643,033
	2023	27	$6,509,063
	2024	31	$8,198,984

Notes: Counts reflect unique organizations in most cases. Each organization typically receives no more than one award per agency per year; limited exceptions occurred during COVID relief funding cycles. Dollars are in nominal terms.

Pandemic-era gains in funding access through state grant support have not been sustained. ArtsWA supports Washington's arts and culture ecosystem through a variety of funding programs. Their Grants to Organizations (GTO) program, similar to CAG, provides direct grant funding to nonprofit and fiscally sponsored arts organizations. Temporary COVID relief funds increased total GTO awards to a peak of $5.6 million in FY2023 (Figure 1, Subplot 1). In FY2024, GTO distributed the remaining relief funds, reaching the highest number of unique grantees in the period (Figure 1, Subplot 2). By FY2025, after temporary relief funding ended, total GTO funding had returned to levels similar to FY2019, and the number of organizations receiving grants had declined.[10]

Fig. 1

COVID Relief Temporarily Expanded ArtsWA GTO Funding and Reach Before Returning to Near Pre-Pandemic Levels by FY2025



Notes: Figure 1 reflects ArtsWA's Grants to Organizations (GTO) program only. Funding amounts and grantee counts shown do not represent ArtsWA's total investment in Washington's arts and culture sector through its other grant programs and initiatives. ArtsWA grant data is reported by the agency's July–June fiscal year, while CAG funding is reported by calendar year. Annual comparisons should therefore be interpreted as reflecting overall trends rather than perfectly aligned reporting periods.

Local public funding remains uneven across communities. In addition to support provided through municipal and county arts agencies, some jurisdictions have adopted dedicated council- or voter-approved funding streams through Washington's Cultural Access program. The program authorizes counties and municipalities to establish a local sales and use tax of up to 0.1% to support arts, culture, heritage, and science organizations, as well as educational opportunities for K–12 students. To date, five[11] programs have been enacted: Tacoma Creates (2018), Inspire Olympia (2022), Doors Open King County (2023), and programs in Vancouver and San Juan County (2024). Of these, the King County, Tacoma, and Olympia programs have begun raising and distributing funds, raising annual totals of approximately $100 million, $30 million, and $2.3 million respectively.[12] These programs represent meaningful infusions of resources in the communities where they have been adopted, but they do not address funding access across the rest of the state.

Fiscal sponsorship expands access to funding, though not all opportunities are open to fiscally sponsored projects. Fiscal sponsors provide financial oversight and serve as a conduit for funding projects without federal 501(c)(3) status, the designation that allows federal income tax exemption. The CAG program was open to fiscally sponsored projects to extend opportunity to smaller arts groups with less access to mainstream funding. Fiscally sponsored organizations had average expenses of less than $200,000 and median budgets under $70,000.

Courtesy of: Port Gamble S'Klallam Foundation

> "We're lucky to have the Wenatchee Valley Museum and Cultural Center as our fiscal sponsor. The first time we applied for this grant, I was like, 'Holy smokes!' because the budget wasn't part of what I do. I would ask, 'Now what do I need?' 'Okay, how do I do that?' 'What kind of paperwork do I need?' Having a partnership with the museum has been very helpful ... If I hadn't had help from the museum, I don't know if I would have been able to complete the application."
>
> — Fiscally Sponsored Project

03

The Community Accelerator Grant Program

Courtesy of: Common AREA Maintenance

CAG provided flexible, unrestricted funding to arts and culture organizations across Washington state in support of post-pandemic recovery, while also deepening the field's relationships with a broader and more diverse range of arts organizations than traditional grantmaking typically reaches. From 2022 to 2025, CAG distributed $10 million annually to more than 1,000 unique organizations, totalling $30 million awarded across all 39 of Washington's counties.

Courtesy of: Friends of KEXP

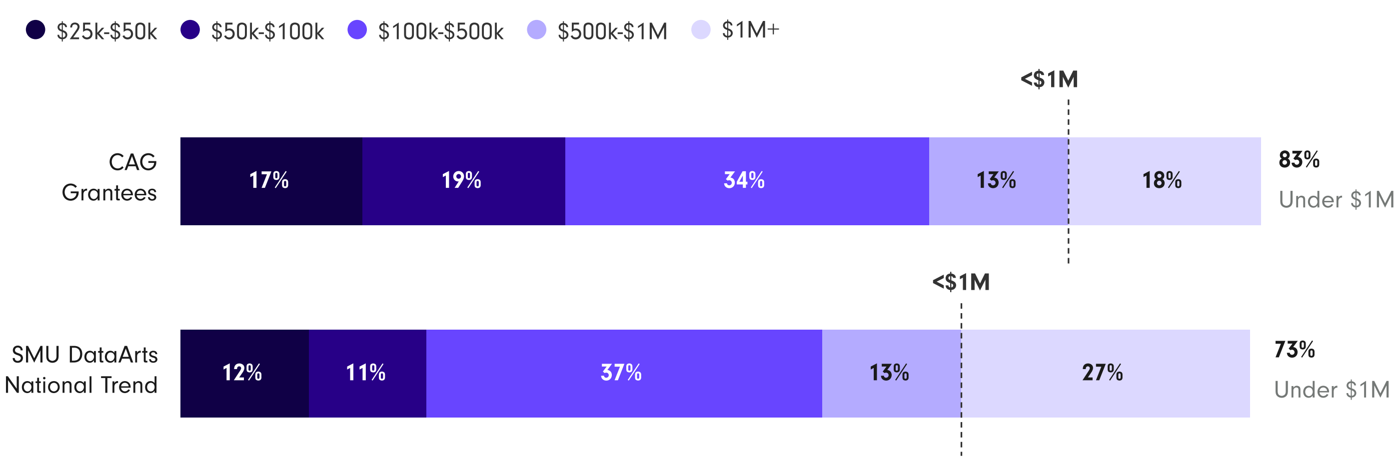
The program was open to any organization focused on producing or supporting arts and culture activities with an annual operating budget of $25,000 or more. A defining feature of CAG was that every eligible organization received funding, reflecting a recommendation from the Community Advisory Panel and the program's noncompetitive design. Grants ranged from $2,500 to $25,000 to be used however an organization saw fit, whether that meant keeping the lights on, hiring staff, or launching new programming. The program's reach grew over time, expanding from 671 grantee organizations in 35 counties in its first year, to 930 organizations in all 39 counties by 2025.

The CAG portfolio reflects a wide range of organizational types, including fiscally sponsored organizations and Tribal entities, varying in size, geography, and communities served. Eighty-two percent of CAG grantees operate with budgets below $1 million, representing a larger share of smaller-budget organizations than national figures typically reflect (Figure 2).

Fig. 2

A Higher Proportion of CAG Grantees Operate With Budgets Under $1 million

CAG grantees (n=1,101): most recent available expense data from organizations funded in at least one program year, 2023–2025).
SMU DataArts National Trend (2025) (n=3,931): most recent fiscal year data within a three-year window (FY2022–FY2024) from organizations with budgets of $25,000 or more, to align with CAG eligibility



Note: SMU National Trend data is collected from nonprofit organizations who completed a Cultural Data Profile (CDP).

CAG Centered Equity in Program Strategy

CAG aimed to add flexible capital equal to 10-20% of COVID-related losses to the sector, based on findings from ArtsFund's "COVID-19 Community Impact Study."[13] The program also prioritized populations with limited access to mainstream funding, including BIPOC individuals, LGBTQ+ individuals, people with disabilities, and people residing in rural communities.

Organizations that prioritize these populations are centered in the CAG design because the communities they serve bring critical perspectives and lived experiences that strengthen local arts and culture ecosystems.

These organizations ensure diverse voices and cultural heritage are celebrated and accessible to all. They foster community well-being by providing culturally relevant creative outlets that strengthen social bonds and improve mental health.[14] Economic and civic impacts are also substantial: America's nonprofit arts sector generates over $150 billion annually and drives local jobs and tax revenues, with BIPOC-led arts organizations producing community benefits equal to national averages.[15] By investing in these organizations, CAG supports more representative, innovative, and sustainable solutions that benefit the broader community, addressing historic inequities in mainstream arts.[16]

Several design features set the CAG model apart: co-design with a Community Advisory Panel, an equity-based award allocation process, relational outreach, and a low-barrier application.

Community Advisory Panel

Each year, a Community Advisory Panel was recruited to represent the geographic scope of Washington state and included BIPOC individuals, LGBTQ+ individuals, and people with disabilities to inform the program's design. The panel met annually to guide decisions around application and eligibility criteria, award distribution, and community outreach, helping to ensure the program remained responsive to the communities it serves.

Courtesy of: Seattle Rep

Equity-Based Award Allocation

Award distribution prioritized organizations centering populations that have often been the furthest away from large-scale philanthropy, including BIPOC groups, LGBTQ+ people, people with disabilities, and people residing in rural communities.

The application included two distinct ways for organizations to indicate a connection to priority populations: population-centered and population-led. Each captures different dimensions of an organization's relationship to the communities it serves.

Priority Population Centered. The CAG application defined centering as when "people's voices are not just included or invited to participate in an organization's programming but are the focus of an organization's work." Organizations indicated whether they centered BIPOC, LGBTQ+, or disability communities using a five-point scale ranging from strongly disagree to strongly agree. Organizations selecting four or five were classified as centering the given population.

Priority Population Led. An organization is classified as population-led when more than 50% of its board members identify as members of that population, based on demographic data collected through the application.

Rural. Organizations were classified as serving rural populations based on their location, using the Revised Code of Washington definition of rural counties as those with a population density of less than 100 persons per square mile.[17]

Relational Outreach

ArtsFund conducted outreach with 30 statewide organizations, meeting communities through trusted relationships rather than requiring engagement with formal philanthropic networks. Many CAG grantees first learned about the opportunity through informal networks consisting of peer organizations, community members, volunteers, and fiscal sponsors. Fiscal sponsors often served as active information intermediaries for their sponsored projects, helping navigate a funding landscape that can be difficult to access without established infrastructure.

> "We do provide a service to our fiscally sponsored groups, where we have a list [of available grants], and we have a grants calendar, which we track every opportunity we can find that might be available, we want to get the word out as much as possible."
>
> — Fiscal Sponsor

Low-Barrier Application

The application process was designed to be simple and omitted typical reporting requirements common in traditional grantmaking. An annual informational webinar included ASL interpretation, visual descriptions, auto-generated captions, and language translation to increase program accessibility. Interviewees described the process as clear, accessible, and low-burden relative to other grant programs. In follow-up evaluation surveys, grantees described it as a "refreshing change" from funding norms that often favor larger and higher-capacity institutions. For organizations operating with lean staffing, reduced administrative burden is not merely a convenience but a meaningful form of capacity support. As one BIPOC-led organization noted, every hour spent on complex applications is an hour diverted from programming and community engagement.

> "If every grant was like the CAG grant, I would only have to work 50 hours a week instead of 70."
>
> — BIPOC-Led Organization

Courtesy of: TwispWorks

CAG's Equity-Based Strategy Changed Funding Access Patterns

Over the three-year span of the CAG program, the number of organizations centering priority populations grew by 32%, from 596 organizations to 785 (Table 2). Averaged across three years, 73% of grantees identified as BIPOC-centered, 64% as LGBTQ+-centered, and 58% as disability-centered.

Growth in organizational counts was also observed in rural and fiscally sponsored organizations. From 2023 to 2025, participation by rural organizations grew by 66%, increasing rural organizations' share of all grantees from 16% to 19%. Over the same period, the program doubled the number of fiscally sponsored organizations supported, with their share of the overall grantee pool increasing from 10% to 13%.

Table 2

Growth is Occurring Across Organization Types

Organization Type	2023	2024	2025	3-year Growth	3-year Change
All Population-centered Organizations	596	703	785	+189	32%
BIPOC-centered	510	580	633	+123	24%
BIPOC-led	257	298	349	+92	36%
Disability-centered	335	361	429	+94	28%
Disability-led*	22	27	40	+18	82%
Fiscally sponsored	65	101	124	+59	91%
LGBTQ+-centered	389	436	493	+104	27%
LGBTQ+-led*	37	47	68	+31	84%
Rural	105	163	174	+69	66%
Tribal*	5	16	18	+13	260%
All grantees	671	811	930	+259	39%

Note: An asterisk (*) indicates a small sample size.
3-year growth represents the number of organizations added to the CAG grantee pool from 2023 to 2025. 3-year change represents this growth in percentage terms.

Prioritizing historically underfunded and rural communities resulted in increased representation of smaller-budget organizations. As CAG's grantee pool expanded, newer participants tended to have smaller annual operating expenses, which lowered the overall median budget of grantees. In 2023, 74% of grantees had budgets under $500,000 (based on FY2022 data); by 2025, that share increased to 83% (based on FY2024 data), largely due to growth in the number of organizations with budgets below $100,000 (Figure 3).

Grantee staff are more racially diverse than Washington's adult population, while the broader creative sector is generally less so.[18] CAG grantee boards, however, remain less diverse than the statewide population (Figure 4).

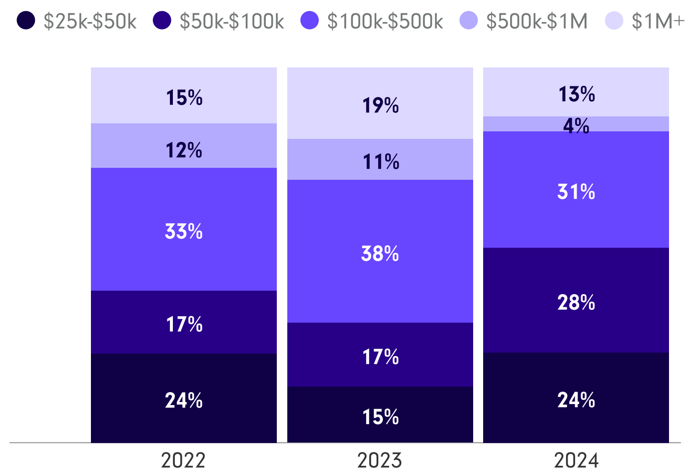
Nearly 18% of CAG grantee staff identify as LGBTQ+, and board representation increased from 11.5% in 2024 to 12.9% in 2025. While not a direct comparison, the Williams Institute at UCLA estimates that 6.9% of Washington adults identify as LGBTQ+, suggesting greater LGBTQ+ representation within the CAG workforce than the state as a whole.[19]

The connection between leadership, staff, and the populations CAG was designed to serve is visible in the data. Organizations led by members of BIPOC and LGBTQ+ populations are more likely to employ staff from those same communities; and while overall movement is modest, the direction is consistent. CAG's efforts to reduce barriers to participation are reaching the people doing the work, even as governance structures are slower to shift.

Fig. 3

The CAG Grantee Pool Has Shifted Toward Smaller Budget Organizations Over Time

Share of CAG grantees by budget size, FY2022–FY2024

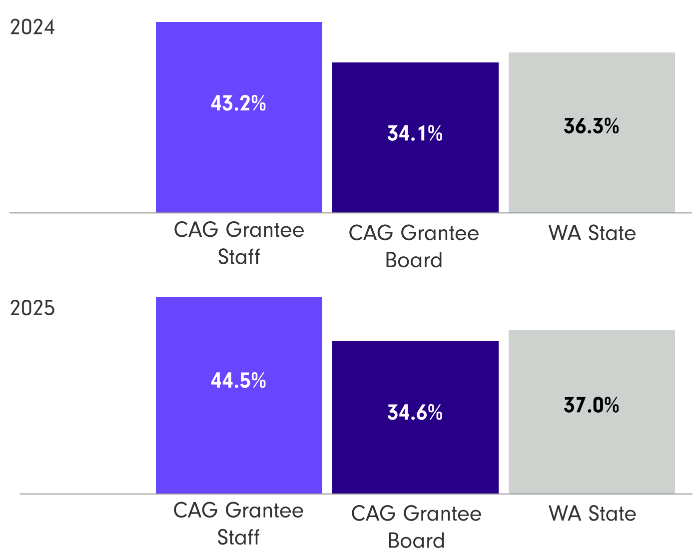


Note: The actual budget size was not available on the 2025 application; only the forecasted budget is available for 2025.

Fig. 4

CAG Grantee Staff are More Diverse Than the State Population

BIPOC composition of CAG grantee staff and boards compared with Washington state adults



Note: Statewide population data is from the WA Office of Financial Management (adults aged between 20-69). CAG 2023 is excluded due to differences in how organizations were asked to provide staff and board demographic data.

CAG Expanded Reach While Maintaining Equity Priorities

The CAG grantee pool has expanded its overall reach significantly, growing the number of smaller and underrepresented organizations, particularly those with the smallest budgets, located in rural communities, fiscally sponsored, or serving populations that have historically faced barriers to funding access. Over time, organizations centering priority populations have consistently represented the majority of grantees (Table 2).

As the number of organizations served has grown, average grant size has declined. With the total funding pool remaining static at $10 million total per year, each additional eligible applicant meant a smaller award for all recipients (Table 3). At the same time, rising costs have reduced the purchasing power of those awards. The combination of smaller awards and higher costs moderates the scale of impact of each award. This is the core tension between breadth and depth of investment: reaching more organizations has come at the cost of how much each one receives.

Notably, priority group organizations experienced smaller average decreases in award size than their non-priority group counterparts over the same period (Table 4). This suggests that CAG's equity-based award consideration continued to shape distribution even as overall award sizes declined.

Courtesy of: Hilltop Artists

Table 3

Average Award Size Decreased as Total CAG Awards Remained Consistent and the Grantee Pool Grew, 2023-2025

Year	Count	Total Awarded	Average Award
2023	671	$10,004,800	$14,910
2024	811	$10,000,000	$12,330
2025	930	$10,000,000	$10,753

Notes: Dollars are in nominal terms. ArtsFund contributed $4,800 in 2023.

Table 4

Smaller Reductions in Average Awards to CAG's Priority Group Organizations

Organization Type	2023	2024	2025	3-year Change
BIPOC				
BIPOC-centered	$16,557	$14,138	$12,684	-23%
Not BIPOC-centered	$10,441	$8,293	$6,580	-37%
Disability				
Disability-centered	$16,443	$13,985	$13,247	-19%
Not Disability-centered	$13,689	$11,253	$8,581	-37%
LGBTQ+				
LGBTQ+-centered	$16,728	$14,159	$13,078	-22%
Not LGBTQ+-centered	$12,788	$10,509	$8,081	-37%
Fiscally Sponsored				
Fiscally Sponsored	$17,902	$15,965	$14,677	-18%
Not Fiscally Sponsored	$14,766	$11,963	$10,132	-31%
Rural				
Rural	$14,628	$13,742	$11,043	-25%
Not Rural	$14,857	$12,141	$10,664	-28%
Overall	**$14,910**	**$12,330**	**$10,753**	**-28%**

Notes: Dollars are in nominal terms. ArtsFund contributed $4,800 in 2023.

CAG Funding Has Greater Influence on Smaller and Fiscally Sponsored Organizations

The share of revenue from CAG funding indicates the importance of the grant relative to other revenue sources. While this measure may not speak explicitly to the scale of CAG's impact, it could suggest how general operating support has the potential to be catalytic.

CAG represents a consistent share of revenue for the average grantee. In fiscal year 2024, CAG awards accounted for 9.4% of grantees' revenue on average, slightly down from 9.9% the year prior. This consistency suggests that as the program grew, the proportional significance of CAG funding remained broadly stable for the typical organization.

The average CAG award ranges from $10,000 to $15,000, but its influence on an organization's financial base varies considerably depending on geography, budget size, and organizational structure. For large organizations, CAG funding is supplemental. For smaller, fiscally sponsored, and rural organizations, CAG can be genuinely transformational in shaping capacity and planning.

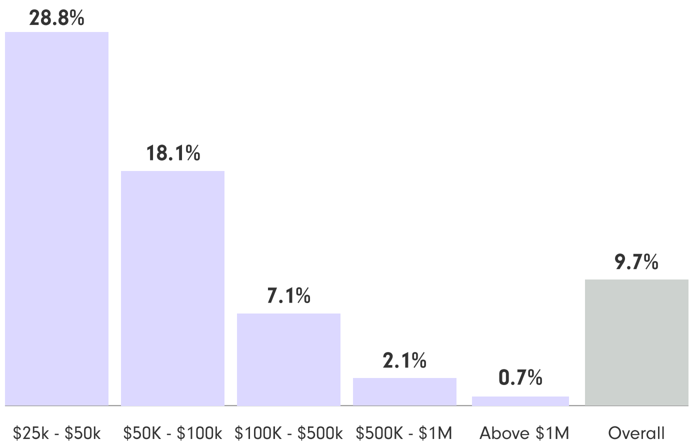
The smaller the organization, the greater the share of total annual revenue CAG funding represents. For the smallest organizations, those with budgets between $25,000 and $50,000, CAG funding represented 29% of total revenue on average, a substantially larger share than any other budget group. For large organizations with more than $1 million in annual operating expenses, CAG funding accounts for less than 1% of total revenue (Figure 5). Thus, the same award that is barely visible on a large organization's balance sheet can be anchoring for a small one.

Courtesy of: Island Shakespere Festival

Fig. 5

CAG Funding Represents a Greater Share of Revenue for the Smallest Organizations

CAG award as a percentage of total annual revenue by budget size, averaged across years (2023-2024)



Fiscally sponsored organizations derived the highest share of revenue (19%) from CAG funding, roughly double the overall average (Figure 6). This pattern likely reflects the more limited access to other funding streams that fiscally sponsored projects typically face. Fiscal sponsorship provides a pathway for emerging artists and cultural initiatives to operate without first navigating the full burden of 501(c)(3) formation, which can be time-consuming, complicated, and expensive. These projects are essential to a diverse arts ecosystem precisely because they lower the barrier for entry for artists and organizers who want to get work done quickly and efficiently.[20]

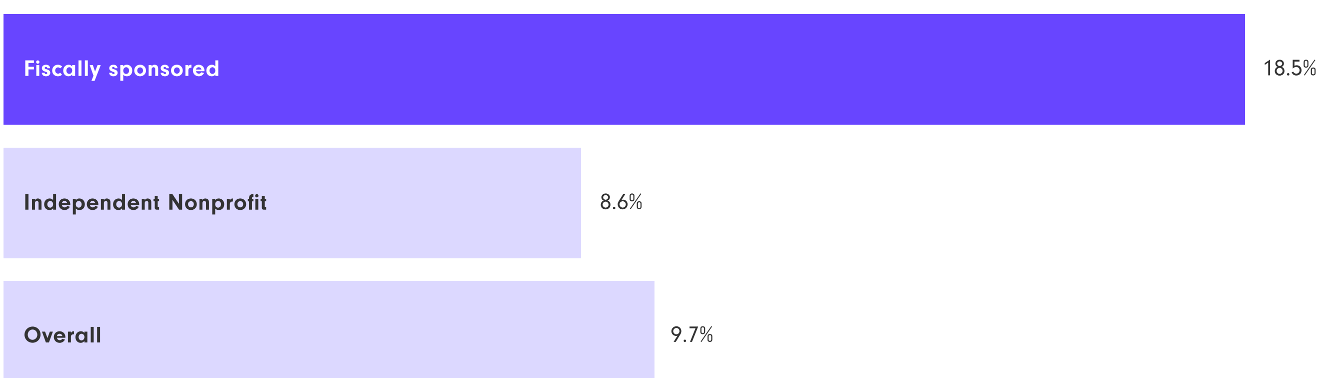
Fiscally sponsored grantees also showed substantial overlap with other priority groups. In 2025, 78% were BIPOC-centered, 62% were LGBTQ+-centered, and 47% were disability-centered. CAG's inclusion of fiscally sponsored groups appears to have served as an effective conduit for reaching priority communities that might otherwise have limited pathways into the funding landscape for arts and culture organizations in Washington state.

> "Productions that normally wouldn't have a lot of reach suddenly, because there's more money behind them, have better production, better costumes, and better production value. And they're able to get into a larger venue. We [sponsored a project that] ... received the Community Accelerator Grant, which enabled them to go from a very small 30-person venue to a 150-person venue. They had the money to put down on the space, and then they had the money to make everything incrementally better."
>
> — Fiscal Sponsor

Fig. 6

Fiscally Sponsored Organizations Rely on CAG for a Greater Share of Revenue Than the Average Grantee Organizations

CAG award as a percentage of total annual revenue by organizational type, averaged across years (2023-2024)



Reoccurring Funding Moved Grantees Beyond Survival Toward Sustainability

Since 2019, shifts in audience behavior and major funding policy have made revenue budgeting more difficult for arts and culture organizations. While earned revenue is recovering nationwide, income from some earned sources such as subscriptions and single ticket sales remains 5% below 2019 levels, leaving many organizations to navigate an uneven recovery.[21]

Receiving a CAG award for multiple years appears to be associated with meaningful financial stability and longer-term growth. Among 353 organizations that received three years of funding, 84% showed budget growth over time. Increased expense budgets can serve as a proxy for organizational investment, suggesting that organizations expanded programming, hired staff, and generally undertook more mission-driven work. Compared to the full CAG grantee pool, this group tended to skew larger in budget size, and was more likely to be non-rural (87%) and BIPOC-centered (89%). CAG grantees noted that funding allowed them to sustain operations, and to complete and expand programming.

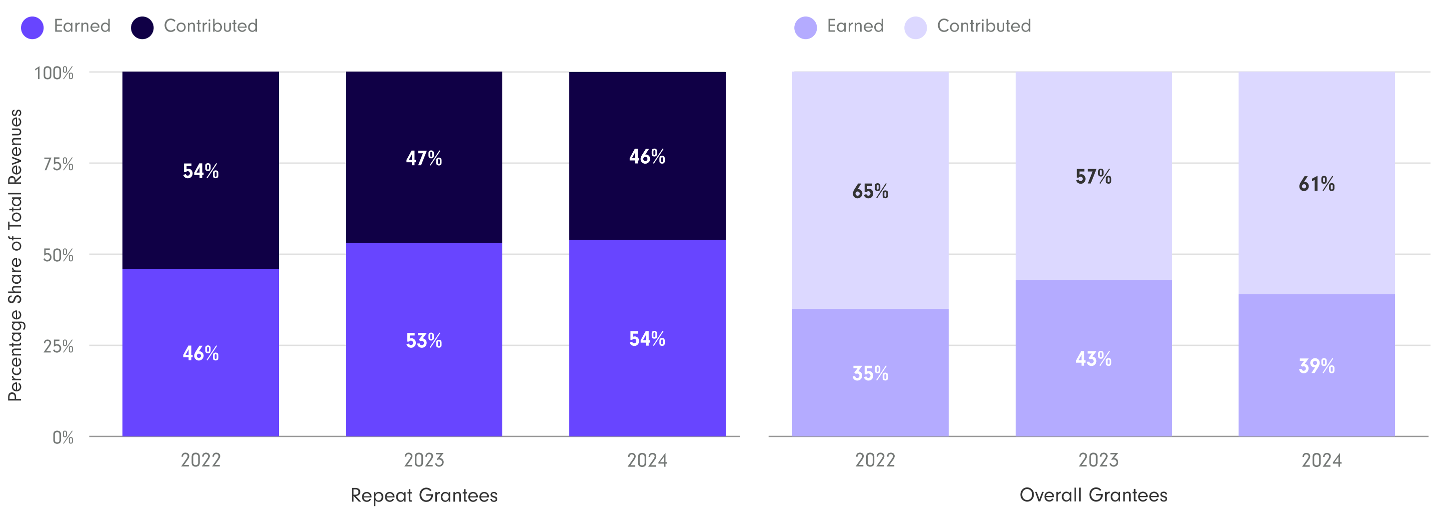
Reoccurring CAG awards support grantees' efforts to diversify revenue. Across the broader grantee pool, most revenue came from contributed sources. But for grantees funded in multiple grant cycles, the revenue mix shifted notably between 2022 and 2024, with contributed revenue making up 54% of the total in 2022 and earned revenue making up 54% by 2024 (Figure 7).

Organizations across the country have experienced volatility in both earned and contributed revenue as audiences return unevenly and pandemic-era relief funding wanes.[22] Maintaining a balance between these two revenue sources can help non-profits mitigate financial instability and reduce exposure to volatility in either category. Re-occurring support may strengthen that balance by providing longer-term predictability, allowing recipients to innovate, engage audiences, and build more sustainable earned revenue streams over time.

Fig. 7

Grantees with Reoccurring CAG Awards Shifted From Contributed to Earned Revenue Majority

Share of total revenue from earned versus contributed sources, FY2022–FY2024



"Our vision and mission are strengthening our Indigenous Peoples' Presence, Place, Sacred Space, Voice, and Relationships through cultural heritage arts, eco-cultural systems, and environmental advocacy through programming and education ... And what this funding enables us to do is expand our programming so we can bring in more artists in greater capacity to the locations where we're doing our work."

- BIPOC-Led, Renewed CAG Recipient

Courtesy of: Methow Valley Interpretive Center

04

Sector Capacity and Financial Trends among CAG Grantees

Courtesy of: Port Gamble S'Klallam Foundation

Courtesy of: Seattle Children's Theatre

Nationally and in Washington state, arts and culture organizations are facing rising personnel costs, unpredictable revenue, and persistent competition for limited philanthropic and government funding.[23] While these pressures are broadly shared, their impact varies considerably by budget size, geography, and other organizational characteristics.

This report examined financial and staffing trends from 2019 through 2024 for grantees of the NCR and CAG programs, offering an entry point into understanding the conditions experienced by organizations furthest from philanthropy and how those conditions compare to pressures felt across the arts and culture sector nationwide.

The most notable differences in outcomes were found among the smallest-budget organizations (those with less than $50,000 in annual operating expenses) and rural organizations. Financial metrics for other organizational types are also discussed where they meaningfully diverge from their peers. It is worth noting that many of these categories are not mutually exclusive; a single organization may belong to several simultaneously.

Paid Staff Capacity is Declining Across CAG Grantees

People are a critical resource that enables arts and culture organizations to deliver on their mission. Interviewees emphasized that investing in people, through increased paid time for existing staff, retention of embedded team members during program transitions, and flexible support that strengthens organizational capacity beyond program-specific funding constraints, is central to sustaining mission-driven work.

The CAG application asks organizations to list annual operating expenses divided into two categories: personnel (funding flowing to people) and non-personnel expenses.[24] Personnel spending typically makes up the greatest portion of organizational budgets.[25]

From 2019 to 2024, the share of expenses going to personnel fell by 24 percentage points for organizations with budgets below $100,000, while remaining relatively flat for organizations with budgets above $500,000 (Figure 8).

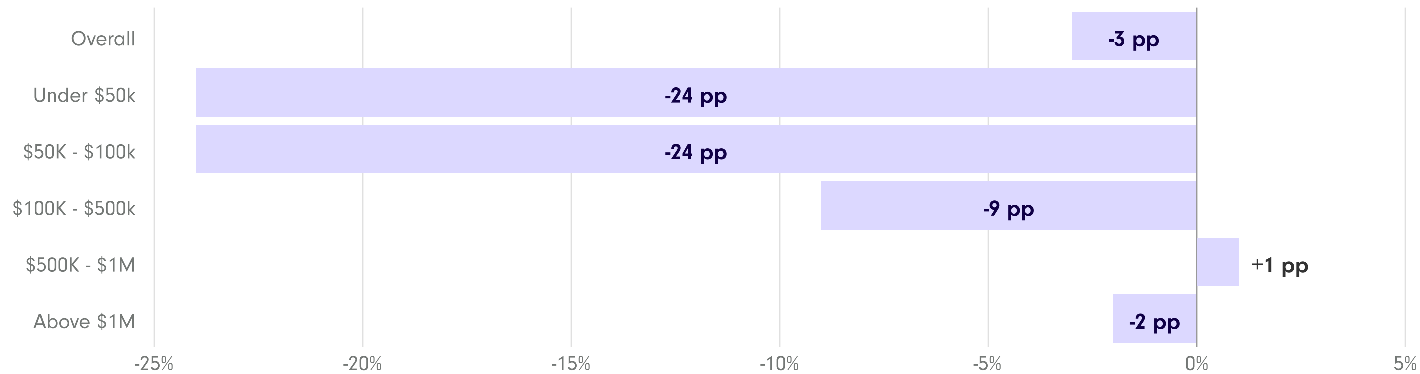
The gap in personnel spending between rural and non-rural grantees has widened over the same period. The proportion of expenses dedicated to personnel fell by 10 percentage points among rural grantees, compared to generally steady spending patterns for non-rural organizations. Personnel spending by rural organizations was already 7% lower than non-rural organizations in 2019; by 2024, that gap had widened to 15% (Figure 9).

> "The CAG award put us on the path to what we're doing now, which is paying more people to do the work. With unrestricted funding, we're able to leverage it to drive growth. We have a teaching artist training program that provides support via stipends. We're paying 15 young people to learn to do what we do and become teaching artists. This award helps support culture workers, myself included. It also helps more culture workers sustain themselves."
>
> — Organization with Smaller Staff Size

Fig. 8

The Proportion of Operating Expenses Flowing to Personnel Has Fallen

Five-year percentage point ("pp") change in personnel expenses as a share of total annual operating expenses by budget size, FY2019–FY2024



Reasearch from the National Endowment for the Arts has shown that rural organizations nationally tend to operate with significantly smaller staffing structures than their urban peers,[26] often relying on community-rooted volunteerism and historically allocating a smaller proportion of expenses to personnel.[27] In rural communities, an organization's ability to maintain consistent operations, develop programs, secure funding, and plan for long-term sustainability is frequently built on sweat equity with volunteers forming the backbone of administrative and program capacity rather than professional paid staff.[28] While volunteerism is a genuine strength in local arts communities, the growing gap in personnel investment presents real challenges. Heavy reliance on volunteers can constrain the administrative infrastructure necessary to scale and sustain organizational capacity over time.

Personnel spending was higher among organizations centering priority populations than among their peers. BIPOC, LGBTQ+, and disability-centered organizations consistently allocate a larger share of their annual operating expenses to personnel than organizations that do not focus on these populations. In FY2024, personnel spending was approximately 14 percentage points higher for LGBTQ+-centered organizations, 4 points higher for BIPOC-centered organizations, and about 2 points higher for disability-centered organizations relative to all other organizations.

> "We can't afford to hire any more people. We barely have enough to pay for the two part-time employees that we have now. Everybody else is a volunteer."
>
> — Organization with Smaller Staff Size

Courtesy of: TwispWorks

Organizations with budgets below $1 million reduced staff positions by an average of one between 2023 and 2024. This pattern was consistent across most small and mid-sized budget groups, while large organizations (those with budgets above $1 million) grew staff capacity by an average of five positions (Figure 10). It is important to note that these counts do not distinguish between full-time, part-time, contractor, and volunteer roles, making it difficult to assess the degree of impact on organizational capacity. Arts and culture organizations decreased both part-time and full-time employee counts by two positions regardless of budget size from 2023 to 2024, a more dramatic reduction than what we see in the Washington state data.[29]

Smaller organizations nationally tend to rely on leaner models than their larger peers, often with higher shares of part-time or volunteer roles relative to full-time roles,[30] leaving them with less flexibility to absorb reductions. Staff downsizing among small-budget organizations heightens these existing vulnerabilities.

Courtesy of: SIFF

Fig. 9

Personnel Costs Account for a Lower Share of Operating Budgets for Rural Organizations Than Those in Non-Rural areas

Personnel expenses as a percentage of total annual operating expenses for rural and non-rural grantees, FY2019–FY2024

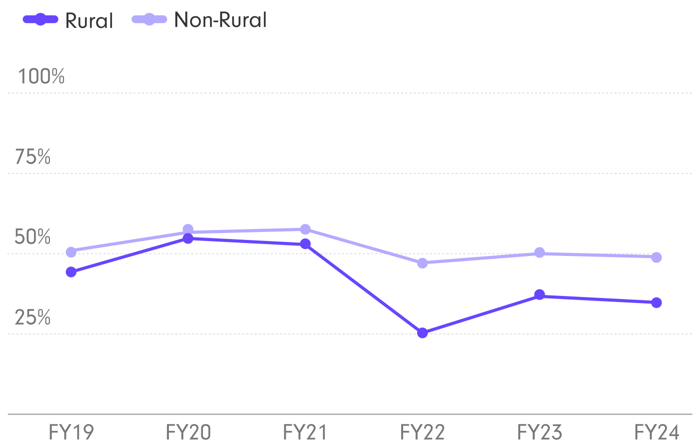
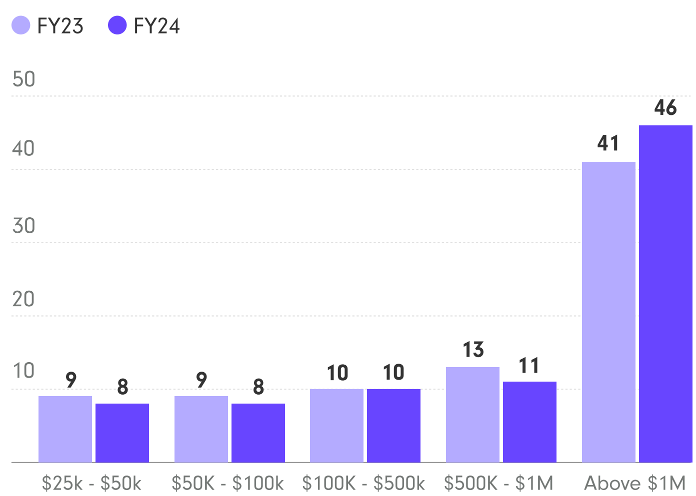


Fig. 10

Organizations Below $1 Million Reduced Staff by One Position on Average While Larger Organizations Grew Capacity

Average staff count by budget size, FY2023–FY2024 (counts include full-time, part-time, contractor, and volunteer roles)



Revenue Fluctuations Led to Increasing Financial Pressures

In the arts and culture ecosystem, financial metrics signal both the changing operating conditions organizations are navigating and the choices they make in response. Revenues, expenses, and year-end surpluses or deficits together provide insight into funding availability, spending decisions, and the effects on long-term financial stability. These indicators reflect how resources are structured and sustained over time.

Across NCR and CAG grantees of all budget sizes, revenues fluctuated widely between 2019 and 2024, while expenses remained more consistent (Figure 11).

The financial metrics in this section are not adjusted for inflation, which eroded purchasing power by 23% between 2019 and 2024. Even where total revenue has returned to 2019 levels, those dollars did not go nearly as far in purchasing goods or services in 2024.

Fig. 11

Expenses Remained Consistent Over Time While the Largest Organizations Drove Most Revenue Volatility

Total revenue and operating expenses by budget size, FY2019–FY2024 (nominal dollars)

Courtesy of: The Little Theatre of Walla Walla

Revenue rebounded unevenly depending on budget size after the pandemic. Organizations across all budget categories experienced fluctuations in revenue between 2019 and 2024, but the timing and scale of those shifts varied considerably. The smallest organizations, those with budgets below $50,000, saw losses in 2020 but grew revenue between 2022 and 2023, bringing their 2024 revenues in line with pre-pandemic levels in nominal terms. Organizations with budgets over $50,000 saw spikes in 2021 or 2022, likely driven by pandemic relief funding, but have since experienced revenue contraction. For those with budgets between $50,000 and $1 million, this contraction pushed 2024 revenues below pre-pandemic levels. Large organizations with budgets over $1 million experienced similar contraction but remained above pre-pandemic levels in nominal terms by 2024.

While the smallest organizations did not benefit from the large influxes of revenue characteristic of pandemic relief programs, CAG's provision of stable funding may have been particularly valuable to this group in recent years.

> "We're talking about a $25,000 gift, which at that time might have represented, in 2024, that probably represented as much as an eighth of our previous year's annual operating budget. That's significant, when we were at that point. Now, our budget this year is going to crop up around $700,000. That both indicates the kind of leverage and growth that this support helped foster."
>
> — King County Organization

Organizations of different sizes responded to revenue fluctuations in different ways. The smallest organizations, those with budgets below $50,000, grew spending between 2021 and 2023 alongside revenue growth, then maintained level spending as revenue growth slowed in 2024. Mid-sized organizations with budgets between $50,000 and $1 million maintained relatively consistent expenses between 2023 and 2024. Large organizations with budgets above $1 million saw the greatest volatility, reducing spending in 2021 before expanding rapidly in 2022 as funding spiked. These expansions and contractions likely reflect the personnel changes documented earlier in the report.

Recent revenue declines and relatively consistent spending are reflected in shrinking surpluses. A surplus, where revenue exceeds expenses, allows an organization to build savings over time, providing greater financial flexibility and stability. A deficit, where expenses exceed revenue, indicates that an organization is drawing on savings to cover costs. Break-even refers to a near-zero surplus, where organizations are neither meaningfully adding to nor depleting reserves. Throughout this report, surplus and deficit figures are presented as a share of total expenses to allow comparison across organizations of different sizes.

Among the grantees, the share operating with a surplus declined across all budget sizes, from 65% in 2019 to 53% in 2024. Surplus by budget size is shown in Figure 12 below.

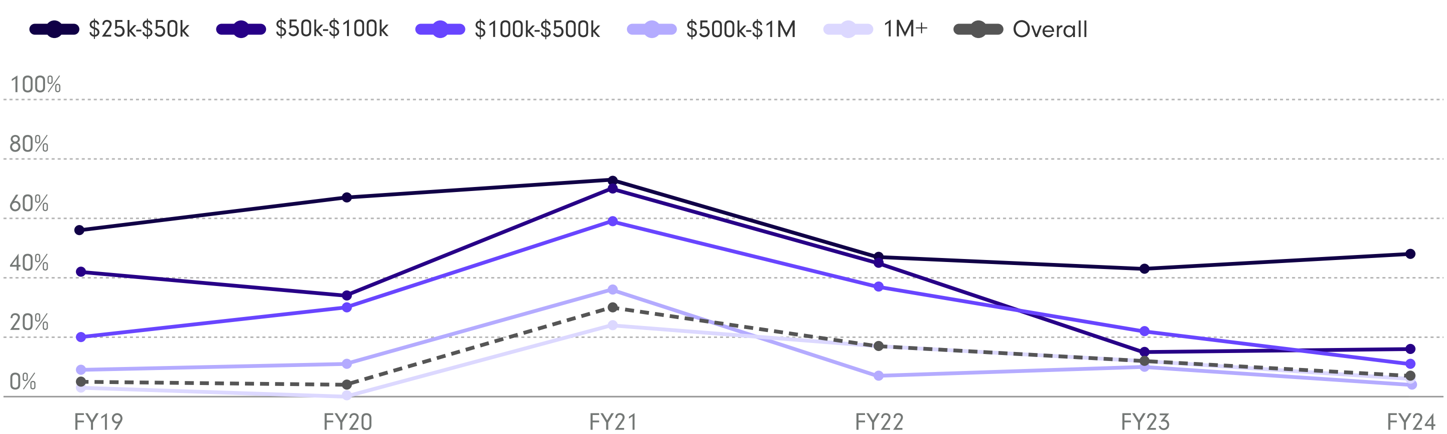
The smallest organizations, those with budgets below $50,000, consistently operated with the largest average surplus relative to expenses, and were among the most likely to end the year in surplus between 2019 and 2024. Though the size of that surplus declined over time, CAG funding, which represents an average of 29% of total revenue for this group, has helped maintain basic operations, sustain programming, and reduce vulnerability to short-term revenue gaps.

Organizations with budgets between $50,000 and $100,000 saw their average surplus as the share of their expenses diminish over the period. Large organizations started with the smallest surplus as a share of expenses of any budget categories in 2019, but improved slightly over the five-year period.

Fig. 12

Surplus as Percentage of Expenses Have Shrunk Across All Budget Groups Since 2021

Year-end surplus as a percentage of total operating expenses by budget size, FY2019–FY2024

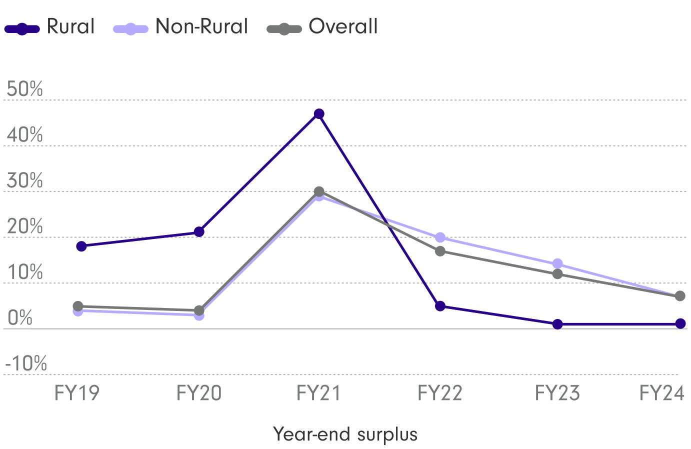


Rural arts and culture organizations often fill critical cultural gaps in communities with limited nonprofit infrastructure, sometimes serving as the sole arts organization in their area. In recent years, these rural grantees have fallen near break-even, while non-rural organizations have consistently operated with a surplus. In 2024, the average surplus for rural organizations was just 1% of expenses, compared to 7% for non-rural organizations (Figure 13). These diverging trends reflect differences in access to funding, infrastructure, and philanthropic networks. For example, King County organizations benefit from proximity to major funders, audiences, and institutional partnerships, supporting more diversified revenue streams. In contrast, rural organizations operate with fewer funding sources and smaller donor bases.[31]

For organizations centering priority populations, average surpluses show a similar post-2021 contraction, though the size and trajectory differ by group. LGBTQ+-centered organizations consistently report a smaller average surplus as a share of expenses than all other organizations across all years and have experienced a sharper decline since 2021, indicating greater financial pressure in the current environment (Figure 14).

Fig. 13

Rural Organizations Have Seen a More Dramatic Decline in Surpluses Since 2021



Note: Figures 13-15 display year-end surplus as a percentage of total operating expenses for three comparison groups: rural versus non-rural (Fig 13), LGBTQ+-centered versus Non LGBTQ+-centered (Fig 14), and BIPOC-centered versus non-BIPOC centered (Fig 15).

Fig. 14

LGBTQ+-Centered Organizations Experience Smaller Surpluses Relative to Expenses Than All Other Organizations, Especially After 2021

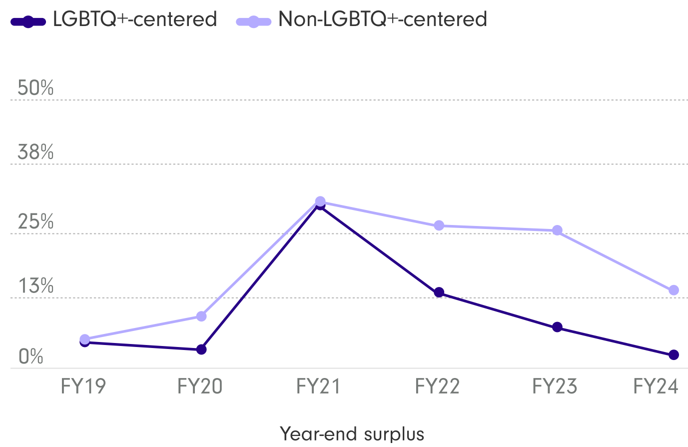
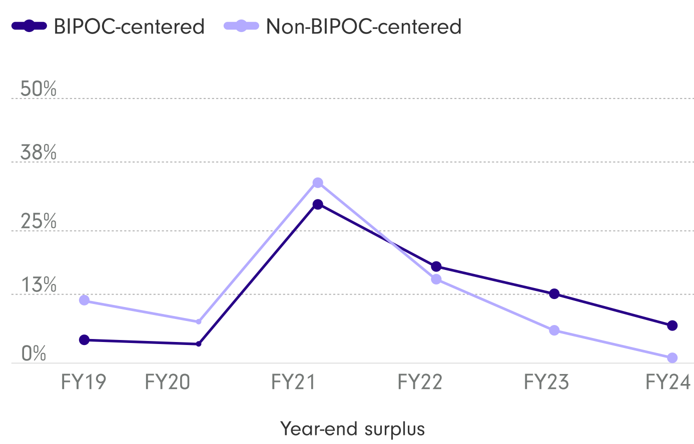


Fig. 15

Starting in 2022, BIPOC-Centered Organizations Demonstrated Stronger Surpluses Than Non-BIPOC Peers



BIPOC-centered organizations follow a different trajectory. Average surpluses as a share of expenses were smaller than those of non-BIPOC organizations from 2019 to 2021. They have exceeded their peers since 2022, even as average surplus has shrunk for both groups in recent years (Figure 15).

In contrast, disability-centered and all other organizations have converged to nearly identical pre-pandemic surplus/deficit levels by 2024, suggesting fewer meaningful differences in financial position for this group despite the broader downward trend.

05

Conclusion

Courtesy of: Fiestas Mexicanas

Washington's arts and culture ecosystem is broad and deeply rooted in communities across the state, yet much of its work remains underrecognized in the funding, policy, and strategy conversations that shape resource allocation.

Courtesy of: Emerald City Ballet

Data collected from CAG grantees brings greater visibility to organizations centering communities that are often disconnected from mainstream philanthropy, particularly small, rural, fiscally sponsored, and culturally specific organizations. In a contracting funding environment, these organizations face compounding pressures: shrinking operating surpluses, heavy reliance on contributed income, rising personnel costs, and limited access to the stable funding streams that sustain long-term growth. As pandemic relief funds expire, these strains are falling most sharply on small and rural organizations.

CAG offers a different model. Through equity-based funding distribution, reduced administrative barriers, relational outreach, and unrestricted support, the program has expanded access to organizations furthest from philanthropy, helping to stabilize and catalyze their work. CAG's inclusion of a diverse pool of grantees over time demonstrates that funding systems can be structured differently, with more equitable outcomes for organizations historically excluded from traditional philanthropy.

Washington's arts and culture ecosystem is stronger, more diverse, and more deeply rooted in its communities than any single dataset can fully capture. Sustaining that ecosystem requires clear visibility, equitable investment, and systems designed to reflect what the sector looks like, not just what is easiest to measure.

Recommendations

The findings in this report point to five areas where funders, policymakers, and sector leaders can take action to shape systems of support across the state, ensuring that organizations centering the populations furthest from philanthropy have the reliable, meaningful support needed to thrive.

01 Adopt Accessible Grantmaking Practices Across the Field

Primary actors: private foundations and public funders across Washington

Who gets funded is shaped by how funding programs are designed. Complex applications, formal outreach channels, and high administrative requirements biases towards organizational size and capacity, not organizational quality. The result is a philanthropic landscape that systematically advantages organizations that already have resources.

CAG's model demonstrates what is possible when design priorities shift toward accessibility and equity, reflected in its Community Advisory Panel, simple applications, equity-based award determinations, and relational outreach through trusted community networks. Funders across Washington should adopt accessible grantmaking practices as a shared standard. Specific commitments could include page and word limits on applications, plain language requirements, oral or video application options for organizations without dedicated grantwriting staff, and structured outreach through trusted community partners rather than reliance on formal announcement channels alone. Simplifying application requirements is one of the highest-leverage investments a funder can make to broaden access and redirect the capacity of grant seekers toward community service and creative work.

02 Expand Sustained, Unrestricted Operating Support for Small and Rural Organizations

Primary actors: private foundations, Allen Family Philanthropies, and ArtsWA

Single-year grants may require annual reapplication, consuming significant administrative capacity. For organizations where CAG's unrestricted funding award represents 20% to 35% of total annual revenue, the funding uncertainty of future grant cycles can be challenging. Long-term organizational investments are strengthened with a financial planning horizon that extends beyond twelve months, including for operational expenses such as personnel to build administrative capacity, reduce volunteer dependence, and/or retain the staff whose institutional knowledge is irreplaceable.

Staffing challenges documented in this report illustrate this concretely. Organizations with budgets under $100,000 have experienced the steepest staffing reductions since 2023 and have little budgetary surplus to absorb further pressure. Sustained, unrestricted operating support from private and public funders provides small organizations with the stability to plan, invest, and grow with confidence. The findings suggest that even modest investments at this scale can shift financial trajectories in meaningful ways if organizations can count on funding being available.

03
Establish Data Sharing Practices to Enable Deeper Use of Grants Data

Primary actors: ArtsFund, ArtsWA, and major Washington funders

The approximately 70% of Washington arts organizations that fall below the IRS 990 filing threshold are largely invisible to the research, funding, and policy decisions that shape the sector. Organizations that cannot be seen cannot be served, and funding strategies built on incomplete data are likely to continue to underinvest in the organizations most embedded in their communities.

Sharing and aggregating grantmaker data across public and private funders would go a long way toward building a longitudinal, inclusive picture of the full arts and culture ecosystem. ArtsFund and ArtsWA are natural leaders of this effort, and CAG's three years of organizational data offer a ready foundation. Beyond expanding visibility, a collaborative data sharing approach would reduce duplicative reporting burdens on organizations, improve the field's ability to track equity over time, and pave the way for more coordinated investment. The goal is not more data for its own sake, but a more accurate and actionable understanding of Washington state's arts and culture ecosystem.

04
Prioritize Representation of Diverse Communities in Arts Funding and Leadership

Primary actors: program officers and leadership at foundations operating equity-focused grant programs

CAG was designed to reach organizations serving communities that have historically faced inequities in funding access, and the program has demonstrated that this approach can work at scale. At the same time, the program's growth highlights an important tension between expanding reach and maintaining deep investment in organizations centering priority populations. As funding is distributed across a larger number of organizations, average award sizes decrease, potentially reducing the stabilizing impact that unrestricted annual support can provide for smaller and culturally specific organizations. Arts and culture organizations play a critical role in fostering community connection, preserving and transmitting cultural knowledge, and creating spaces of belonging. Funding systems should reflect this civic and cultural value by ensuring that organizations centering priority populations remain meaningfully represented in grantmaking portfolios as programs evolve.

05
Invest in Peer Learning Networks that Include Fiscal Sponsors and Are Connected to Population-Centered Communities

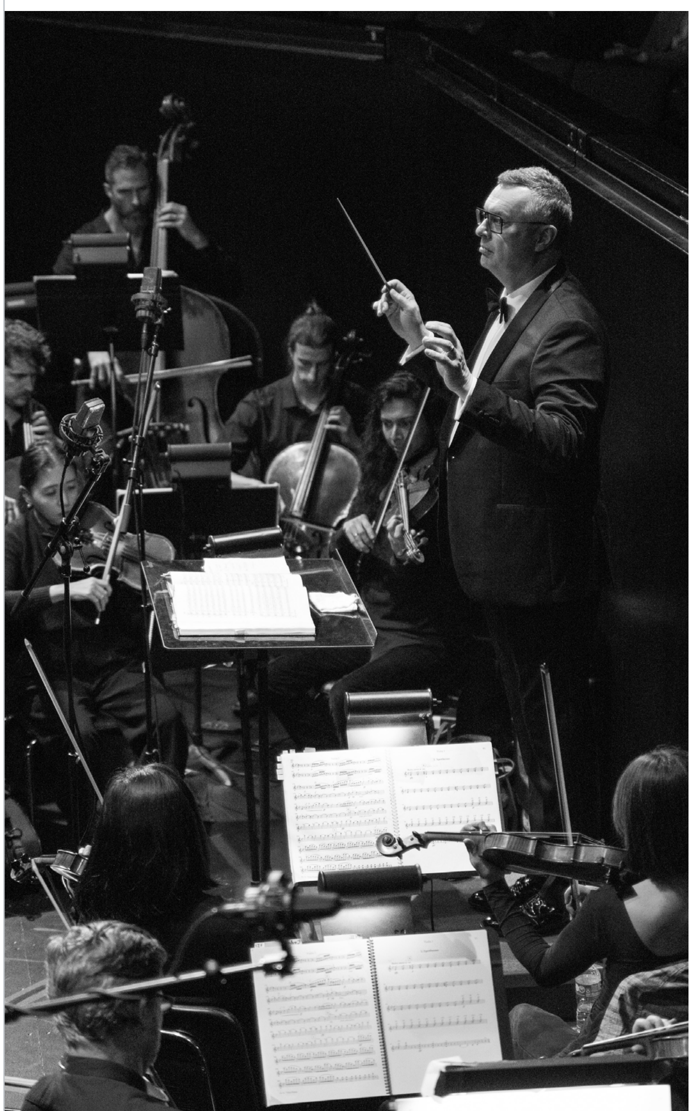
Primary actors: ArtsFund, ArtsWA, and funders with capacity-building mandates

Smaller and population-centered organizations are less visible to major philanthropies in part because they are more isolated from the networks where funding opportunities circulate. A structured peer learning network, designed explicitly to build organizational capacity, surface funding opportunities, and build trust-based relationships between philanthropy and population-centered organizations over time, would address one of the most persistent structural barriers these organizations face.

The network's design should reflect the lesson CAG's outreach model demonstrated: opportunities shared through trusted relationships travel further than formal communications. Outreach should move through community networks, peer organizations, and fiscal sponsors rather than relying on announcement channels that reach only those already connected. Fiscal sponsors in particular should be recognized and resourced as essential infrastructure within this network as active capacity-building partners; this approach would extend the reach of philanthropic capital to small and less visible populations and arts organizations. Funding fiscal sponsors for this role explicitly would strengthen one of the most effective access points already operating in Washington's arts ecosystem.

Questions for Further Exploration

The findings in this report open as many questions as they answer. Four areas in particular warrant deeper investigation.



Courtesy of: Emerald City Ballet

How can the field better capture informal and community-based cultural activity?

Much of what makes Washington's arts and culture ecosystem vibrant falls outside the reach of organizational financial data entirely. Informal community arts activities, traditional knowledge transmission sustained outside of formal nonprofit structures, and Indigenous cultural practices are among the most important expressions of cultural life in the state and can be the hardest to measure. Critically, measurement approaches designed without community input have historically caused harm, extracting data without returning value to the communities being studied. Developing research methods that reflect the full breadth of cultural participation, designed in genuine partnership with the communities being studied, is one of the most important yet unresolved opportunities facing the field.

How does a shift in the composition of an organization's workforce shape operational capacity?

When we report that organizations reduced staff counts by one position on average, that reduction could represent the loss of a full-time program director, a part-time administrator, or a volunteer coordinator, each with very different implications for organizational capacity. Because the current data cannot distinguish between full-time, part-time, contractor, and volunteer roles, the true operational impact of that reduction is difficult to quantify.

For small organizations, even a single position lost may represent a disproportionate reduction in capacity. Collecting personnel data at a more granular level to distinguish between position types can better capture the full composition of an organization's workforce, improving the ability to understand staffing pressures.

What is the true scale of non-financial capacity in Washington's arts and culture ecosystem?

The ability to galvanize non-financial support from communities is a key strength of small and rural organizations. Volunteer labor is only part of the picture. In-kind donations, community relationships, informal networks, and contributed space and services are among the resources these organizations draw on that may not be reflected in financial numbers. Developing better methods for capturing this full range of non-financial assets would significantly strengthen the case for investment in organizations whose contributions the current data cannot fully see and would give funders and policymakers a more accurate picture of what it costs to sustain them.

Does unrestricted operating support produce measurable long-term improvements in organizational stability and community reach, and if so, at what scale?

The findings here suggest it does, but the evidence base would be significantly strengthened by a longitudinal study tracking arts and culture grantees over a longer time horizon alongside a comparison group of similar organizations that did not receive unrestricted support. This type of research could also surface which types of organizations are impacted the most and what funding levels produce the strongest outcomes. The question of funding levels is a key strategy driver: identifying thresholds at which unrestricted support produces qualitatively different results would give funders far more precise guidance about how to direct flexible operating dollars for maximum impact.

What is the relationship between board composition, governance structure, and funding access?

This report finds that boards across the CAG cohort remain whiter and more racially homogeneous than both staff and Washington's adult population, even among BIPOC-centered organizations. This gap is notable, but the data available here can only gesture at its causes and consequences. Boards play a central role in organizational credibility, donor relationships, and access to philanthropic networks, meaning that governance homogeneity may be both a reflection of and a contributing factor to the funding inequities documented throughout this report. A dedicated line of research into the relationship between board composition, governance models, and funding access, including whether alternative governance structures better serve population-centered organizations, would begin to address this underexplored question.

Courtesy of: Hilltop Artists

> "These are folks that have really leaned into a philanthropy of trust. They have recognized and have proactively reached out to marginalized communities; they have been willing to educate themselves and lean into the rich traditions in our Indigenous communities in Washington, and [see] that we can be respected as high art — as sophisticated, intellectually sophisticated, with tremendous levels of skill and understanding and history and culture embedded. They have welcomed that back into the fold of what it means to do art or be an artist."

— BIPOC-Centered Organization

The organizations at the heart of this report have continued to serve their communities, sustain their missions, and carry cultural traditions despite operating in a funding environment that is tipped against them.

However, the work of making Washington's arts and culture ecosystem fully visible, equitably funded, and structurally supported is ongoing. The CAG program model demonstrates that intentional design produces meaningful outcomes for arts and culture organizations statewide. The questions that remain are an invitation to go further: to build the data-sharing practice, governance structures, and funding relationships that reflect the full breadth of Washington's cultural life and provide critical support through its ongoing evolution and growth.

Courtesy of: Seattle Children's Theatre

Acknowledgements

We would like to extend our sincere appreciation to the organizations that generously shared their time, perspectives, and experiences through interviews conducted as part of this project. Their insights were invaluable in informing our research, analysis, and recommendations.

We gratefully acknowledge the following organizations, listed in alphabetical order:

Organization	Region
Mariachi Northwest Festival	Central Region (Chelan County)
Methow Valley Interpretive Center	Central Region (Okanogan County)
Pride Across the Bridge (PAB)	Northwest Region (King County)
The Rhapsody Project	Northwest Region (King County)
Salish School of Spokane	Eastern Region (Spokane County)
Shunpike	Northwest Region (King County)
Thin Air Community Radio	Eastern Region (Spokane County)
Wenatchee Valley Museum and Cultural Center	Central Region (Chelan County)
Windz of Change Alliance	Northwest Region (King County)

Courtesy of: Seattle Rep

We would like to recognize the contributions of staff members from Allen Family Philanthropies and ArtsFund, whose ongoing review, thoughtful feedback, and engaged discussions throughout the project helped strengthen the direction, rigor, and outcomes of this work. Their commitment and collaboration were instrumental to the project's success. We would also like to thank the arts and culture organizations across Washington state who provided the data through CAG applications and photos for this report, and are working to strengthen communities through engaging arts and culture experiences.

Thank you to all who contributed their knowledge, expertise, and support throughout this process.

06

Appendix

Research Questions

Broadly, the following questions aim to guide this research and explore the role of unrestricted funding in strengthening Washington's arts and culture ecosystem, exploring which types of organizations appear to benefit most — or least — from this funding model. While these questions informed the study design, data availability and other analytical constraints limited the extent to which some questions could be examined. Limitations are described at the end of the Appendix.

Grantee Segmentation

- What differences exist across grantees when segmented by geography, genre/type of organization (performing arts, museums, etc.), organizational size, populations served, and income stream diversity?
- How do fiscally sponsored groups and Tribal entities differ from other grantees in financial structure, capacity, or needs?
- Are there meaningful patterns in how grants are used or experienced among rural versus urban organizations?

Grant Size & Impact

- What size of a Community Accelerator Grant is significant or meaningful for organizations operating across different budget levels, especially when adjusting for inflation?
- In what ways do grantees leverage this funding to attract additional revenue, increase funder confidence, or achieve strategic goals?

Organizational Health & Capacity

- What trends are visible in grantees' organizational health over time — including financial indicators, staffing, programming, and audiences?
- Are there differences in budget accuracy (budgeted versus actuals) across organizations, and what might these say about financial planning capacity?

Funding Equity

- In what ways do grantees show signs of historical under-resourcing relative to similarly sized peers in their region or field?
- What funding patterns can be identified by leadership demographics, centered populations and/or geography?
- How well do grantees reflect the communities they serve, and how equitably are resources distributed across different populations or regions?

State-Based Comparisons

- How do grantees compare to the broader Washington arts and culture sector in terms of structure, funding levels, and community reach?
- What distinguishes grantees from non-grantees in the ecosystem, and what might explain their eligibility, selection, or participation?
- How do the demographics of grantees' local communities compare to state averages (e.g., race, rurality, income levels)?

Methodology & Data Sources

This study combines longitudinal financial analysis with qualitative interviews to examine how unrestricted grant funding intersects with organizational health, equity, and community context across Washington's arts and culture sector.

The approach was designed to assess both measurable financial trends and the lived organizational realities behind those trends.

Quantitative Analysis

The quantitative analysis draws from multiple sources:

- Nonprofit Community Recovery (NCR) Grant program data (2021)
- Community Accelerator Grant (CAG) application and award data (2023–2025)
- IRS Form 990, 990-EZ, and 990N data
- IRS foundation grant data from 990PFs
- U.S. Census American Community Survey data
- Data provided by ArtsWA

Application data included budgeted and actual revenues and expenses, organizational characteristics, geographic identifiers, discipline classifications, and demographic information for staff and boards where available.

A subset of organizations was analyzed as a balanced panel, meaning they appeared consistently across multiple funding cycles. This allowed for longitudinal comparison of revenue, expense, staffing, and margin trends over time.

Publicly available IRS 990 data were used to contextualize CAG grantees within the broader Washington and national arts nonprofit landscape. Foundation 990PF data were used to assess concentration of philanthropic funding. Census data supported county-level comparisons related to community demographics and livability indicators.

Qualitative Interviews

To complement the financial analysis, the research team conducted nine in-depth interviews with CAG grantee leaders.

Interviewees were selected using a structured sampling process designed to reflect priority organizational archetypes identified during the quantitative analysis. A shortlist of candidates was developed based on size, geography, funding trajectory, and mission orientation. Priority invites were extended with alternate organizations identified to ensure representation across categories.

The primary groups represented among interviewees include:

- Organizations receiving reoccurring AFP funding (8 of 9)
- Organizations with budgets under $500,000 (5 of 9)
- Organizations that represent priority populations (5 of 9)
- Organizations that are fiscally sponsored projects or fiscal sponsors (5 of 9)

Interviews followed a semi-structured guide exploring:

- Initial pathways into CAG funding
- Use of unrestricted funds
- Workforce capacity and staffing decisions
- Revenue volatility and funding shifts
- Community impact and organizational sustainability

All interviews were conducted with permission to record and were analyzed thematically to identify reoccurring patterns related to trust, staffing stability, funding uncertainty, and ecosystem equity.

Methodology & Data Sources

Interview Guide and Questions

Overview
Share a brief overview of your organization and the work it does in your local community?
How would you describe the arts and culture community there?
Grant Interest, Eligibility & Impact
If you remember, how did your organization initially learn about the Community Accelerator opportunity?
Do you recall the amount of the award your organization received?
Do you recall aspects of the CAG that stand out or seemed appealing for your organization? If so, what were they?
Were there barriers that hindered or delayed your application to the Community Accelerator opportunity? If so, what were they?
Were there any other ways in which this award helped strengthen your organization? (Such as staffing, programs, space, or finances, for example.)
Did those changes affect your community or the people you serve?
Have these changes remained a part of your organization?
Organizations that identify as fiscally sponsored organization
Did being a fiscally sponsored organization shape your experience with this grant process? If yes, how so?
Can you share how you developed your relationship with your fiscal sponsor?
Were there any challenges or barriers that felt unique to you as a fiscally sponsored organization?
What type of support do you provide to organizations that you sponsor?
What challenges did you face in partnering with your fiscally sponsored organizations?
What resources, opportunities, or insights do you need to create more meaningful and/or equitable partnerships with your fiscal sponsored organizations?

Methodology & Data Sources

Interview Guide and Questions (cont.)

Organizations that identify as a fiscal sponsor:
What are the most common tensions or misunderstandings that arise in fiscal sponsorship relationships, and how do you address them?
What challenges, if any, do you encounter in meeting funder reporting requirements on behalf of sponsored groups?
How does unrestricted funding affect your relationship with fiscally sponsored projects?
Workforce
Can you briefly describe your organization's staffing structure? This can include, but not be limited to, full-time, part-time, independent artists, and volunteers who may work for your organization.
How did the CAG award impact your organization's staffing or workforce capacity? For example, are you able to maybe hire new staff, increase hours, stabilize positions, or retain existing team members or volunteers?
Have any of these staffing changes/improvements continued or created longer-term stability for your organization?
Grant Impact
Were you able to leverage the CAG award in any way for additional opportunities? For example, did the award generate or attract additional resources – either contributed or earned income, partnerships, volunteers, etc?
What other funding resources does your organization rely on? (this could be government funding, corporate, private donors, earned income, etc.)
Have these funding sources changed at all over the past 5 years? If so, how?
From your organization's perspective, what is the most important aspect of having unrestricted funding from this grant?
What is the story or takeaway that best illustrates why this unrestricted funding/support matters?
Do you have anything else to share about your experience with this grant—such as the process, its impact, regional realities, or suggestions for improvement?

Data Cleaning & Analytical Approach

Application and financial data were reviewed and standardized prior to analysis. Cleaning procedures included:

- Alignment of fiscal years across grant cycles
- Standardization of revenue and expense categories
- Removal of duplicate entries
- Identification and treatment of extreme outliers
- Reconciliation of budgeted versus actual financial figures

Organizations were grouped into budget-based categories to reflect distinct operating realities. Geographic classifications were applied using county identifiers and rural versus non-rural distinctions. Centered-group status was based on application responses.

Unless otherwise noted, financial figures presented throughout this report are in nominal dollars and have not been adjusted for inflation. Readers should interpret trends in revenue and expense figures accordingly, particularly for comparisons spanning multiple years.

Correlation analyses were conducted at the county level to explore associations (not causal relationships) between CAG funding and community-level indicators, including ArtsWA funding, hotel and motel tax revenue, voter participation, and health metrics.

Limitations

Several limitations should be noted.

First, demographic data for staff and boards were self-reported through application materials and were not independently verified. Definitions of centered populations may vary across organizations.

Second, community-level comparisons rely on publicly available Census and administrative data, which may not fully capture cultural participation or informal arts activity, particularly within Indigenous or community-based ecosystems.

Third, IRS 990 data lag by one to two years and may not fully reflect real-time financial conditions. Additionally, fiscally sponsored projects do not appear as independent entities in 990 data, limiting the ability to isolate their financial characteristics.

Fourth, staffing data do not distinguish between full-time, part-time, contractor, or volunteer roles.

Finally, observed relationships between funding and financial outcomes reflect associations, not causal effects.

Footnotes

[1] National Endowment for the Arts, New Research Explores Arts Engagement and Social Connectedness,press release, October 31, 2024, https://www.arts.gov/news/press-releases/2024/new-research-explores-arts-engagement-and-social-connectedness.

[2] ArtsFund. "Livability Impact Study of the Arts." 2026. https://www.artsfund.org/lis/.

[3] ArtsWA, Creative Economy, accessed March 2026, https://www.arts.wa.gov/creative-economy/.

[4] SMU DataArts, Top 100 Arts-Vibrant Communities of 2025, published January 8, 2026, https://culturaldata.org/arts-vibrancy-2025/top-100-communities/.

[5] SMU DataArts, Arts Flourish in America's Top Rural Counties: A Data-Driven Exploration, published June 27,2024, https://culturaldata.org/learn/data-at-work/2024/arts-flourish-in-rural-america/.

[6] The number of applicants varies over time due to both new entrants and attrition. Of the 671 organizations that applied in 2023, 572 (85%) also applied in 2024, while 99 did not return. In 2025, 744 organizations (92%) from the 2024 applicant pool reapplied, with 67 organizations not retained. Although some attrition may reflect organizational closures or other factors, 30 of the 99 organizations that did not apply in 2024 returned to the applicant pool in 2025.

[7] Based on SMU DataArts' analysis of IRS records filed by foundations in Washington state for 2023, the most recent year with widely available data.

[8] U.S. Census Bureau, QuickFacts: King County, Washington, https://www.census.gov/quickfacts/fact/table/kingcountywashington/PST045224.

[9] Based on SMU DataArts' analysis of IRS 990 records of organizations with an "A" NTEE code, designating them as arts and culture organizations.

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[11] ArtsWA, Cultural Access Washington, accessed April 2026, https://www.arts.wa.gov/cultural-access-wa/.

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[13] ArtsFund, COVID Cultural Impact Study, 2022, https://www.artsfund.org/wa-covid-cultural-impact-study/.

[14] Centers for Disease Control and Prevention. "How Art Can Build Trust and Lessen Health Disparities in Public Health." Listen Up! podcast transcript. May 2024. https://www.cdc.gov/health-communication/media/pdfs/2024/10/ListenUp_HowArtCanBuildTrust_Transcript.pdf

[15] Americans for the Arts. "Groundbreaking Arts & Economic Prosperity 6 Study Reveals Impact of the Arts on Communities Across America." News release, October 12, 2023. https://aep6.americansforthearts.org/.

[16] Helicon Collaborative. Not Just Money: Equity Issues in Cultural Philanthropy. 2017. https://heliconcollab.net/our_work/not-just-money/.

Footnotes

[17] Washington State Office of Financial Management. "Population Density and Land Area Criteria Used for Rural Area Assistance and Other Programs." Accessed April 27, 2026. https://ofm.wa.gov/data-research/population-demographics/estimates/population-density/rural-county-designation-assistance-other-programs/.

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[19] Williams Institute, Adult LGBT Population in the United States, December 2023, https://williamsinstitute.law.ucla.edu/publications/adult-lgbt-pop-us/.

[20] Wendy Paris, Inside the Murky, Labyrinthine World of Fiscal Sponsors, Inside Philanthropy, December 16, 2024, https://fiscalsponsorship.com/wp-content/uploads/2025/02/FiscalSponsorhip-IPWendyParis.pdf

[21] SMU DataArts, National Trends 2025, https://culturaldata.org/national-trends/national-trends-2025/.

22 Ibid.

23 Ibid.

[24] SMU DataArts, Arts Organizations Grow Staff Despite Challenging Conditions, April 30, 2024 (updated July 25, 2024), https://culturaldata.org/national-trends-2024 staffing-analysis/.

[25] SMU DataArts, National Trends 2025.

[26] National Endowment for the Arts, Office of Research & Analysis, Research Brief #1: Rural versus Urban Arts-and Cultural Organizations: Some Defining Characteristics (Washington, DC: National Endowment for the Arts, November 2017), https://www.arts.gov/sites/default/files/Brief-1-RuralVsUrbanOrganizationsAccess.pdf.

[27] SMU DataArts, Arts Vibrancy in Rural Communities Is Achieved through Collective Action, June 27, 2024, https://culturaldata.org/learn/data-at-work/2024/arts-vibrancy-in-rural-communities-is-achieved-through-collective-action/.

[28] Creative City Network of Canada, Developing and Revitalizing Rural Communities Through Arts and Creativity: An International Literature Review and Inventory of Resources, March 2009, https://www.creativecity.ca/product/summary-overview-340kb-2009/.

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