



# ARTSFUND

## State of the Art

JAMES F. TUNE  
PRESIDENT AND CEO

*After 22 months at the helm of ArtsFund and two campaigns and two allocations seasons, I feel it is timely to report to you, our donors, on how we have performed, both in raising and allocating funds responsibly to arts organizations and in providing other assistance and services to arts organizations.*

From a "press" perspective, the most important measure of how we have performed is whether we have been able to increase our funding to arts organizations. I am pleased to report that we have achieved increases well above the underlying inflation rate. In FY'05 (year ending June 30, 2005), we distributed \$2,432,705, inclusive of designated workplace giving, to 75 arts organizations in King and Pierce Counties. In FY'07 (year ending June 30, 2007), we distributed \$2,926,920, inclusive of designated workplace giving, to 68 arts organizations in King and Pierce Counties. This is an aggregate increase in funding over the two year period of 20.3%. The increases were incremental, with slightly above a 10% increase from 2005 to 2006 and slightly below a 10% increase from 2006 to 2007.

Increases in funding are probably the acid test of ArtsFund's performance, but it is critically important that the allocation of the funding be done fairly, transparently and prudently. Happily, perhaps the best value we bring to our donors is an allocations process that is second to none in the country. Allocations committees in both King and

Pierce Counties are composed primarily with employees of our major corporate donors who have the responsibility for community relations within their companies. The members of the allocations committees undertake the work as part of the responsibilities of their corporate positions, and they devote long hours to the work. Continuity is the rule with our allocations committees (the turnover of the whole takes about 5 years), and members of the committees develop substantial knowledge of arts organizations in the community. The allocations process is facilitated by a sophisticated decision-support software program known as Dwaffler® that permits each member to vote independently in forming a consensus view. In short, the allocations process simply cannot be overly influenced by any kind of jaw-boning. Reason prevails.

ArtsFund does not stop with raising and responsibly allocating funds. We also provide each arts organization that applies for funding from ArtsFund with a thorough review of how it did in the allocations process. Our goal in these meetings is to assist each arts organization by identifying areas (such as measuring success in achieving mission and financial management) that



Photo: Scott Areman

the allocations committees believe can and should be improved. The ultimate goal in our feedback to arts organizations is to assure our donors that the arts scene in our community remains vigorous. Although arts organizations always "sail close to the wind," I am pleased to report to you that we have, in fact, witnessed improvements in a number of arts organizations in the 2007 cycle based on the feedback we provided following the 2006 cycle. This

makes it worth getting up in the morning.

We will continue to work as hard as we can to deserve the confidence you demonstrate in ArtsFund by choosing to support the arts through us.

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