

How Cultural Heritage Organizations Serve Communities

Priorities, Strengths, and Challenges

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The world is an increasingly interconnected place, busy with mobility and rapid change. Families are relocating, immigrants are settling in, and rural areas and industrial towns are being transformed through global economic shifts. A sense of community is not something many of us can take for granted any more. Yet across the United States, nonprofit cultural heritage organizations are helping people to remember and celebrate their shared experiences, traditions, identities, struggles, and aspirations.

Cultural heritage organizations bind communities together by promoting and preserving their identities, traditions, and values.

Most civic activity leads to a greater sense of community, and that is one reason it is vital to civil society and public life. For cultural heritage organizations, building and sustaining a sense of community is the primary objective. This can happen simply by providing a place for neighbors to meet on the streets and corners they share, as it does at neighborhood fairs. It can happen when an ethnic group gathers to observe an important holiday, or when a city celebrates its diverse music and food traditions, or when immigrants organize to teach their history and values to young people. It happens at county fairs and folklife programs, and in community cultural centers and native language schools.

DESPITE THEIR UBIQUITY, CULTURAL HERITAGE ORGANIZATIONS TEND TO BE RELATIVELY SMALL

Cultural heritage organizations are remarkably prolific, serving all types of communities around the country: cities, towns, and rural areas; regions like the South, the West, and New England; ethnic groups like African Americans and Native Americans; and both long-standing and newer immigrant communities. There are three distinct types of cultural heritage organization: cultural and art centers that present, promote, and provide training in community-oriented arts and cultural activities (14 percent); festival organizations that produce and sponsor public events including fairs, Fourth of July commemorations, Pioneer Days, Martin Luther King Day parades, and other annual pageants, processions, and celebrations (25 percent); and ethnic, cultural, and folk organizations that use expressive forms to encourage understanding of ethnic, cultural, racial, regional, linguistic, or religious groups or traditions (61 percent). These cultural heritage organizations, along with nonprofit public media such as the Public Broadcasting Service and National Public Radio, are essential to providing public culture in the United States.

There were 2,664 nonprofit cultural heritage organizations in 2001, controlling revenues of approximately \$1.4 billion. This amount represents 6 percent of all revenues in the nonprofit arts, culture, and humanities (ACH) sector, although cultural heritage organizations make up approximately 9 percent of all organizations in this sector. If

This analysis is based on data from the Form 990 that nonprofit organizations file with the Internal Revenue Service and that are provided by the National Center for Charitable Statistics (NCCS). While NCCS has the most comprehensive, national database on nonprofit public charities (i.e., 501(c)(3) organizations), this database underreports small organizations that receive less than \$25,000 in gross receipts annually and religious organizations because these two types of nonprofits are exempt from filing Form 990s (although some do so voluntarily). These limitations are particularly relevant to research on cultural heritage organizations. Several studies suggest that very small organizations and religious institutions provide essential structural supports for cultural heritage activities, particularly in minority, immigrant, and low-income communities (Alvarez 2005; Cleveland 2000; Rosenstein 2005; Staub 2003; Stern 1997; Wali, Severson, and Longoni 2002; Walker 2003).

cultural heritage organizations' share of revenues matched their proportional representation in the sector, these groups would increase their revenues by more than \$750 million.

On average, revenues among cultural heritage organizations are much smaller than those received by the typical arts, culture, and humanities organization—\$525,000 compared with \$842,000. And looking at average revenues obscures the fact that half

of all cultural heritage organizations are quite small, with annual revenues of less than \$100,000 (table 1). Only 114 U.S. cultural heritage organizations (4 percent of all cultural heritage groups) had budgets of \$2 million or more. Cultural and arts centers tend to represent the greatest share of large organizations (8 percent), while ethnic, cultural, and folk organizations tend to be particularly small. Almost 60 percent of all ethnic, cultural, and folk organizations had budgets less than \$100,000 in 2001. About 12 percent of these organizations had revenues of less than \$25,000.¹ Only 11 percent (or about 180 ethnic, cultural, and folk organizations in the United States) had budgets larger than \$500,000 in 2001.

CULTURAL HERITAGE ORGANIZATIONS AND ACTIVITIES APPEAR IN DIVERSE GUISES AND SETTINGS

Ethnic and cultural groups have distinct histories and values. For some groups, and at certain times and places, cultural heritage is a vital part of life every day. For others, traditions may be an important part of identity, but they become the community's focus only once a year during a pageant or a holiday celebration. The expressive forms considered most important to the preservation and promotion of community identity and cultural heritage differ as well; a native language, a traditional rite of passage, a musical style or kind of cuisine, a classical art form, or even a sport may serve as a central genre around which cultural heritage activity is organized.

TABLE 1.
Cultural Heritage Organizations, by Type and Size of Revenues, 2001

Type of organization	Percentage of Organizations with Budgets			
	Less than \$100,000	\$100,000–\$499,999	\$500,000–\$1,999,999	\$2 million and above
Cultural and arts centers (n = 375)	36	37	20	8
Ethnic, cultural, and folk organizations (n = 1,628)	59	31	8	3
Festivals (n = 661)	43	37	15	6
All cultural heritage organizations (n = 2,664)	51	33	12	4
All arts, culture, and humanities organizations (n = 28,440)	49	33	12	6

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages do not total 100 due to rounding.

TABLE 2.

Primary Program Activities of Ethnic, Cultural, and Folk Organizations, by Race/Ethnic Affiliation, 2001

Race/ethnicity	Percentage of Primary Program Activities That Are					
	Arts	Festivals	Languages	Multi	Other	Unknown
Asian/Pacific Islander (n = 339)	16	8	33	25	13	5
South Asian (n = 92)	9	15	1	39	12	25
Black/African American (n = 142)	41	27	0	11	15	5
European (n = 500)	10	28	13	22	19	8
Hispanic (n = 139)	36	27	1	19	6	10
Native American (n = 113)	24	15	4	19	33	5
Middle Eastern (n = 42)	7	5	7	29	31	21
Other (n = 62)	26	23	4	11	30	6
Multi-ethnic (n = 192)	45	25	0	10	17	3

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Numbers in bold are the predominant program activities of each racial and ethnic group.

For example, ethnic, cultural, and folk organizations vary in their programming focus depending on their specific ethnic or cultural affiliation (table 2). African American-, Hispanic-, and multiethnic-affiliated organizations are most likely to focus on the arts.² Roughly two in five organizations with these ethnic affiliations have arts as their primary program focus. On the other hand, Asian/Pacific Islander-affiliated organizations tend to emphasize language programs, while Middle Eastern-, Native American- and other-affiliated organizations are more oriented toward other expressive forms and activities, such as history programs and exhibitions or cosmological and spiritual programming. European-affiliated organizations are more likely to emphasize festivals, such as St. Patrick's Day parades, Swedish Christmas celebrations, and Scottish Highland games.

Unlike arts organizations, whose core mission typically is oriented toward creating and presenting high-quality artworks for their intrinsic value, cultural heritage organizations often explicitly describe their purpose as using diverse expressive forms to directly benefit youth, the elderly, immigrants, ethnic groups, neighborhoods, towns, and cities.³ Several recent studies suggest that the priority given to preserving and promoting identity and heritage also leads community-oriented cultural

organizations to work in highly cross-sectoral ways, sponsoring programs that serve the broad needs of communities (Borup 2003; Moriarty 2004; Walker, Jackson, and Rosenstein 2003).

To find out whether Form 990 data reflect such a broad range of programs, NCCS National Program Classification codes were analyzed to assess how many cultural heritage programs were offered outside the broader ACH designation and in what areas these programs are focused. Not surprisingly, most programs sponsored by cultural heritage organizations occur in the cultural sector—in the areas of the arts, culture, the humanities, recreation, and sports. And most cultural heritage programs are sponsored by ACH organizations. However, there are also very strong connections between cultural heritage and education, human services, and religion (table 3). Outside of programming related directly to the arts, culture, the humanities, and recreation, the five largest program areas for cultural heritage organizations are education; food, agriculture, and nutrition;⁴ human services; social science and ethnic studies; and religion.

The social science classification is a distinct subset of education, making the connections between cultural heritage and education that much more clear. In fact, the full strength of these connections is not even reflected here because the

TABLE 3.

The Largest Program and Subsector Linkages to Cultural Heritage Activities

Program areas of cultural heritage organizations	Subsectors that sponsor cultural heritage programs
Arts, culture, and humanities	Arts, culture, and humanities
Education	Education
Food, agriculture, and nutrition	Human services
Human services	Community improvement and capacity building
Social science (ethnic studies)	Religion-related
Religion-related	International

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

numerous ethnic-, culturally and community-oriented nonprofit organizations that focus their programming on raising and distributing scholarships are considered education groups rather than cultural heritage organizations, and therefore have not been counted. Among cultural heritage organizations, state and county fairs redistribute substantial amounts to education through a variety of philanthropic programs, such as scholarships, 4-H prizes, and grants to schools and community-based educational organizations. In 2001, fairs allocated close to \$27 million in this type of program activity.

Cultural heritage activities also are sponsored by a variety of organizations outside the cultural sector (table 3). Such programming most often appeared in the education, human services, community improvement and capacity-building, religion-related, and international subsectors. Education and religion-related organizations tend to focus on the expressive aspects of cultural heritage, sponsoring programs such as dance performances at colleges and ethnic studies institutes or traditional and folk music performances in churches. By sponsoring community arts programs or neighborhood festivals, human services and community improvement and capacity-building organizations tend to use cultural heritage activities to foster community bonds and shared identity. International understanding and exchange organizations strengthen the links between cultural heritage and regional or national traditions through traditional holiday celebrations and programs providing cultural immersion for cross-cultural adoptive parents.

CULTURAL HERITAGE ORGANIZATIONS REPRESENTING BLACKS AND HISPANICS ARE MOST DEPENDENT ON PUBLIC FUNDING

There are significant differences in the priority cultural heritage organizations give to programs outside the cultural sector, such as human services provision and community improvement and capacity building. Organizations affiliated with African American, Hispanic, and Native American ethnicities and cultures are the most likely to incorporate this kind of programming. Among the largest cultural heritage organizations, those with revenues of \$500,000 and above, only organizations affiliated with African American, Hispanic, and Native American ethnicities and cultures incorporate explicit human services and community improvement and capacity-building programs.

These programs typically receive government grants. This results in a very high level of income from government grants occurring among organizations that emphasize human services and community improvement and capacity-building programs. As table 4 shows, among ethnic, cultural, and folk organizations, the highest levels of income coming from government grants occur among African American– (29 percent), Hispanic– (26 percent) and Native American–affiliated organizations (19 percent).

In the cultural sector, dependence on government grants is often viewed as a sign of potential organizational weakness because these resources are regarded as dwindling and erratic. African American– and Hispanic-affiliated organizations

TABLE 4.

Sources of Revenue among Ethnic, Cultural, and Folk (ECF) Organizations, by Ethnic Affiliation, 2001

Race/ethnicity	Total revenue (\$ millions)	Percentage of Revenue from			
		Private donations	Public sources	Earned income	Other sources
Asian/Pacific Islander (n = 339)	127	39	4	34	22
South Asian (n = 92)	12	52	0	27	15
Black/African American (n = 142)	59	45	29	15	9
European (n = 500)	125	38	9	28	22
Hispanic (n = 139)	44	44	26	16	13
Native American (n = 113)	46	46	19	16	16
Middle Eastern (n = 42)	6	42	3	28	22
Other (n = 62)	45	62	13	7	16
Multi-ethnic (n = 192)	61	37	11	35	15
All ECF organizations (n = 1,623)	525	43	13	25	18

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: "Private" combines direct and indirect contributions. "Public" consists of government grants. "Earned income" represents program service revenues, such as ticket sales. "Other" includes revenue from membership dues, investment interest, rental income, and the like.

are particularly vulnerable to shifts in funding policy. These organizations are more likely than other cultural heritage organizations to end the year with a negative balance. In 2001, over 40 percent of African American- and Hispanic-affiliated organizations lacked sufficient revenues to meet their annual expenses. These organizations also operated on the smallest margins—1 and 2 percent, respectively. Cuts in government funding programs such as the Community Development Block Grants could severely undermine the financial base of these organizations, forcing many to close their doors.⁵

CONCLUSIONS

The purpose of cultural heritage organizations is to bind communities together by promoting and preserving their identities, traditions, and values. By providing public programs through which cultural heritage can be shared, such organizations often serve as leaders in building bridges between groups and communities as well. Cultural heritage organizations have firmly established intentions to serve communities in these ways, and these purposes are a foundation for their far-reaching programs and experiences working in the public sphere. Further, they serve groups and communities that have consis-

tently been underserved by mainstream organizations in the arts, culture, and the humanities: people of color, immigrants, and people living in rural areas and inner-city neighborhoods. Cultural heritage organizations have a unique role to play in this work, a role rooted in their connections with neighborhoods and cities, ethnic groups and immigrants, rural areas, and other communities.

Although they have these singular strengths, most cultural heritage organizations are small, and many are struggling financially. This financial insecurity undercuts their ability to provide cultural activities to groups and communities and to share these traditions with the broader public. Given their small size, many cultural heritage organizations are impeded from effectively serving as advocates and full partners in policymaking processes.

To better support cultural heritage organizations in their service to communities, several of their key characteristics must be taken into account.

- Cultural difference is central to the work of most cultural heritage organizations, so linguistic and educational differences, different traditions of intellectual property and community responsibility, and different understandings of aesthetic value and of the social, educational, and

political functions of the arts and culture must be acknowledged.

- Cultural heritage organizations are small, so documentation, outcome measures, and partnership expectations must be fitted to organizations' capacities. Bringing their work to scale presents a special challenge.
- Cultural heritage organizations focus on promoting and preserving communities by addressing diverse needs, so their programming blends program areas that many public and private funders traditionally keep distinct.
- Cultural heritage organizations reflect the values and histories of the groups and communities that build and sustain them, so they vary in their priorities and levels of development. These variations must be considered when initiating and implementing programs of support that target multiple groups and communities.

NOTES

1. In part, the careful data cleaning and recoding of cultural heritage organizations that preceded constructing this data set is likely to have contributed to revealing this finding. In identifying cultural heritage organizations, an unusual amount of attention was paid to investigating both small organizations and the NTEE A99 and Z99 codes, which generally designate "all other" groups. Small organizations are often overlooked in cleaning and coding processes. Multidisciplinary organizations and ethnically oriented organizations, such as cultural heritage organizations, often are categorized A99 or Z99.
2. The finding that African American-affiliated and Hispanic-affiliated organizations are most likely to focus on arts programming supports other research in this area. Significant evidence exists that black and Hispanic communities have a strong orientation toward the ethnic arts, and that African American-affiliated and Hispanic-affiliated ethnic arts organizations represent a very robust share of the nonprofit ethnic arts (Bowles 1992; Peterson 1996).
3. In this analysis, nonprofit organizations that work in a single artistic discipline associated with a contemporary ethnic or non-Western classical form (such as Chinese opera) have not been considered a part of cultural heritage unless community promotion or preservation is an explicit part of their mission. Instead, these ethnic arts organizations have been coded as arts organizations.
4. The close connection between food, nutrition, and agricultural programs and cultural heritage organizations appears mainly in state and county fair programs. These fair programs include such activities as stock-raising competitions and food preparation and preservation contests. Although fairs feature numerous distinct scholarship and agricultural programs, they also include significant programming in the arts, culture, and the

humanities, serving as important arts presenters in many communities, especially in the South and rural areas.

5. Because the NCCS database under-represents small businesses, religious institutions, and the ethnic arts (which are particularly important within the African American and Hispanic communities), the analysis cannot speak definitively about cultural activities for these racial and ethnic groups. However, the relatively weak financial performance of these groups in 2001 suggests the need to closely monitor the financial well-being of these types of organizations and perhaps to target capacity-building assistance toward these organizations.

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FOR MORE INFORMATION

See the report *Cultural Heritage Organizations: Nonprofits that Support Traditional, Ethnic, Folk, and Noncommercial Popular Culture* on the Urban Institute web site at <http://www.urban.org/url.cfm?ID=411286>.

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