



Strengthening America through Arts and Innovation

A Federal Policy Agenda

February 2025

NASAA
NATIONAL ASSEMBLY of
STATE ARTS AGENCIES
Knowledge ▲ Representation ▲ Community

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The arts make America stronger.

Our nation faces steep challenges at this moment in our history, as we cope with economic uncertainty, social divides and complex challenges. As America rises to meet this moment, the creative industries can fortify American innovation and prosperity, helping people and places to thrive.

The federal government has an essential role to play in making this happen. The public sector ensures that the benefits of the arts accrue to every town and rural community nationwide—not just the biggest cities. **While many industries produce jobs and revenue, only the arts offer a fivefold bottom line:**

- **The arts generate revenues for other sectors.** Restaurants, retailers and small businesses on Main Streets across America benefit from an active arts scene. The arts also represent a [\\$36.8 billion trade surplus](#) that strengthens the U.S. position in the global economy.
- **The arts improve education outcomes.** The arts contribute to good attendance and strong performance on standardized tests while teaching students the virtues of practice, persistence and imagination.
- **The arts foster good health and well-being.** The arts promote healthy aging for older adults, support healing for our nation's veterans, improve mental health and reduce our susceptibility to stress related diseases.
- **The arts strengthen the fabric of communities.** The arts encourage civic engagement, promote civic cohesion and offer a powerful antidote to isolation.
- **The arts preserve our heritage for future generations.** It is through the arts that communities tell the stories of America's people and places, celebrating who we are and who we aspire to become.

Federal support for the arts ensures that everyone in America can access these assets. **The White House, Congress and federal agencies have the opportunity to sustain the arts for the greater good of communities across America.** Federal funding enables public-private partnerships, leverages matching funds and empowers states to direct resources where they are most needed.

To this end, the National Assembly of State Arts Agencies (NASAA) encourages the following federal policy actions. As the association representing the government arts agencies of the 56 U.S. states and jurisdictions, NASAA carries a unique authority and responsibility to offer these recommendations to the White House and Congress.



National Endowment for the Arts

The National Endowment for the Arts (NEA) provides crucial leadership and funding for the arts sector. Growing the capacity of the NEA will help, [per statute](#), to encourage innovative "thought, imagination, and inquiry" and "the material conditions facilitating the release of this creative talent."

- ▲ **Sustain appropriations for the National Endowment for the Arts.** The NEA has earned bipartisan support in Congress and yields a winning return on investment: each \$1 in NEA direct grant funds [leverages another \\$9](#) from other public and private sources. Apart from its direct grant-making role, the NEA has pioneered [life-saving programs for healing wounded veterans](#), supports [rural vitality](#), and conducts groundbreaking research on important topics like [preventing opioid abuse](#) and the [economic impact](#) of the creative industries.
- ▲ **Welcome a new NEA chair.** We encourage the timely nomination and confirmation of a new NEA chairman. State arts agencies and NASAA stand ready to support new agency leadership.

Partnership with States

Federal collaboration with state arts agencies ensures that federal investments are attuned to the unique needs of each state and jurisdiction. The federal-state arts partnership also helps to deploy federal resources into more communities, extending the reach and impact of the federal investment.

- ▲ **Continue to designate 40% of the National Endowment for the Arts grants budget for states and regions.** At the direction of Congress, the NEA [distributes 40% of its programmatic funds](#) to state arts agencies and regional arts organizations each year. This highly effective partnership leverages additional public and private investments and serves far more constituents than federal funds alone could reach. States and regions use their share of NEA funds, combined with funds from state legislatures, to support more than 30,000 [grants](#) to arts organizations, civic organizations, schools and artists, with a particular emphasis on rural communities, underserved populations and arts education. ***The 40% set-aside should be continued, along with state and regional flexibility in how those funds are deployed.***

Creative Industries

[Empirical research](#) shows that the arts strengthen broader economic conditions following periods of economic distress. The creative industries drive jobs growth, increase economic diversification, stimulate innovation and yield a [\\$36.8 billion trade surplus](#).

- ▲ **Ensure that federal policies designed to support entrepreneurship and growth include the arts.** Arts organizations and creative enterprises should be eligible for loans, grants, incentives and tax breaks designed to help small businesses. Creative entities (nonprofit, for-profit and sole proprietors) should be explicitly included in guidelines, rules and regulations to ensure that the creative sector is eligible to fully participate.
- ▲ **Enact sensible solutions to end predatory ticketing practices.** Fake ticketing, deceptive marketing and hidden fees harm consumers and arts organizations alike. Federal policy should ban such practices and enforce penalties for violations.
- ▲ **Modernize the Indian Arts and Crafts Act.** In consultation with tribes, strengthen existing statutes to prevent fraud.
- ▲ **Update tax policies applicable to creative workers and businesses as part of comprehensive tax code revision.** For instance, the Qualified Performing Artist tax deduction has not been updated since the 1980s. As written, the bill prevents many middle-income artists from receiving tax relief.

Harness Creativity across the Federal Government

The challenges currently facing America are highly complex and will require innovation, determination and empathy to resolve. The arts excel in these capacities. The federal government can take greater advantage of the arts to solve some of America's most pressing problems. Opportunities to do this are not limited to the National Endowment for the Arts; they exist within and across other federal agencies.

- ▲ **Increase the use of healing arts therapies for military populations.** Clinical studies show numerous [positive outcomes](#) when the arts are incorporated into treatment, rehabilitation and support programs for active-duty service members and veterans as well as their families and caregivers. More funding can be allocated through the Department of Veterans Affairs and the Department of Defense to enable arts based therapies and community based cultural programming. Increasing appropriations for the National Endowment for the Arts likewise can increase the reach and impact of [NEA programs](#) that promote healing for members of the military.
- ▲ **Include the arts in the National Plan on Aging.** Engagement with the arts is a proven [contributor to healthy aging](#). Abundant evidence shows that arts participation also

improves the emotional [well-being](#) of older adults, reduces isolation and brings a heightened experience of purpose and joy. Any federal initiative to promote aging with health and dignity should include the arts.

- ▲ **Appoint arts-sector representatives to policy task forces and advisory councils that address significant national issues.** Creative professionals have unique and valuable expertise to contribute to policy formulation across many domains: community development, aging services, health/rehabilitation, commerce, rural development, food/agriculture and international diplomacy, to name just a few.
- ▲ **Promote federal collaborations that include the arts.** Past interagency efforts around human development and disaster recovery have met with success. This model could be replicated for aging, workforce development, mental health, civic engagement and other urgent interdisciplinary issues. The NEA has proven itself to be an able leader of and partner in these efforts.
- ▲ **Integrate the arts into infrastructure initiatives.** Transportation and infrastructure efforts can include percent for art incentives and also can utilize artists with skills in civic practice to ensure that development plans respond to community needs.
- ▲ **Grow resources for arts education.** The arts are an important part of a well-rounded education, equipping students to succeed in school, in the [future workforce](#) and in life. These effects are [especially pronounced for low-income populations](#), helping to close persistent achievement gaps.



All together, the policy directions highlighted in this platform can strengthen America by helping to fortify our economy, repair the fabric of our communities and harness American ingenuity. State arts agencies are ready and willing allies in this important national work.

About NASAA

NASAA is a nonprofit, nonpartisan organization representing America's 56 state and jurisdictional arts agencies. We provide objective research, policy representation and membership services for state arts agencies. For more information about NASAA and the work of state arts agencies, visit www.nasaa-arts.org.