



NATIONAL ENDOWMENT FOR THE

Humanities Economic Impact

The NEH is in the research and knowledge dissemination business. Through grants to scholars and documentary filmmakers, universities and libraries, museums and archeological sites, we help build, maintain, and democratize America's idea base.

Measuring with precision the economic impact of NEH's research and outreach programs is impossible. Nonetheless, it is our assumption that never has the importance of history, literature, philosophy, and related disciplines -- from jurisprudence and linguistics to comparative religions -- been greater or of more practical value.

Thought that has not been imbued with perspective and imagination cannot cope with the kind of rapid, unprecedented change we see around us today. Of all the learning disciplines, the humanities do the most to provide perspective on events and circumstances and to stimulate the imagination.

To fail to study history, to refuse to learn from literature, and to ignore the lessons of philosophy and constraints of ethics are to imprison our thoughts in the here and now. Thus do we magnify the misjudgments of our contemporaries, shutting ourselves off from the wisdom and, likewise, the mistakes of others in the near and ancient past.

These observations are not abstract. The benefits of studies in the humanities to national security and commercial enterprise are manifold.

In public policy, inadequate attention to cultural issues can cost lives as well as money. For instance, despite having gone to war in the Persian Gulf a decade earlier, U.S. policy makers understood little of the Sunni/Shi'a divide when 9/11 hit. Likewise, despite the French experience in Algeria and the British and Russian in Afghanistan, we had little comprehension of the depth of Islamic antipathy to foreign intervention.

As for business, the development of a successful venture — especially one that aspires to international markets — must be based on understanding the culture of potential customers. The language of trade is more than dollars and cents. It is also about understanding people and their beliefs.

The insights provided by humanities disciplines are not a optional luxury. They are essential. They give contextual and ethical perspectives to problems in the communities in which we live and life on the planet itself.

Few institutions have done more with less. With annual spending that is 1/21,000th of the federal budget, barely more per capita than the cost of a postage stamp, the NEH is the "forgotten" research and education outreach institution in Washington.

Since the mid-1990s, federal research dollars in the sciences have tripled while investigations in the humanities have been reduced. Today the research budget of the NEH is less than 1 percent of the federal budget for scientific research and less than one-tenth of 1 percent of the federal R&D budget.

Nonetheless, NEH-supported research has resulted in 18 Pulitzer Prizes, 20 Bancroft Prizes, and numerous awards for documentary films. And last year alone, state-affiliated humanities councils put on over 55,000 programs and conferences reaching every corner of the country.

Case studies: In the course of supporting the humanities in 50 states, the District of Columbia and four U.S. territories, NEH can have a positive economic impact, typically on the local level. A few of the ways are listed below.

Leveraging

The Endowment's Challenge Grants are a powerful multiplier of the impact of federal dollars. Those programs require that each grantee organization raise three or four times as much in non-federal funding as NEH provides. Institutions do not receive any Endowment money unless they collect the matching contributions. Thus, for example, the National Civil Rights Museum in Memphis, TN -- a recent awardee -- must raise \$2.25 million in non-federal funds in order to get \$750,000 from NEH.

Since 1977, the NEH has awarded some \$897.7 million in Challenge Grants. Those grants produced \$3.02 billion in non-federal matching funds for scores of projects across the nation. In addition, another \$420 million has been raised in other NEH grant programs which require one-to-one matches. NEH awards also stimulate financial participation and commitment by the institutions and organizations receiving the grants: In fiscal year 2010 alone, this cost-sharing by recipients of Endowment grants amounted to more than \$108 million.

Local Effects

Because some grants support construction or renovation of cultural facilities, they have an impact on local economies and small businesses across the nation. A few examples:

- In Homer, AK, a \$400,000 challenge grant — coupled with \$1.2 million raised by the city — will fund construction of a new public library. The Northwest Indian College in Bellingham, WA is using a \$500,000 challenge grant and three times that sum in matching funds to support construction, fixtures, furniture, and equipment for facilities to preserve its unique Native American language and culture.
- The Rogers Historical Museum in Rogers, AR, will use \$1.5 million in matching funds plus its \$500,000 challenge grant to build and equip gallery and collection facilities as well as administrative space. And the Shelburne Museum in Shelburne, VT, is constructing a year-round exhibition and education facility by a three-to-one match for its \$500,000 challenge grant.

NEH also makes grants to cultural institutions to protect and preserve their collections. Those funds typically make their way to local construction companies, heating, ventilation and air conditioning firms, electrical contractors, architects, engineers, and carpenters, among other technical specialists.

- For example, the Norman Rockwell Museum, in Stockbridge, MA, which holds the largest collection of works by the iconic American painter, received \$225,446 from the NEH in 2008 to process Rockwell's correspondence and make catalog records discoverable online for interested researchers and members of the public. As a result, the museum was able to build expanded capacity, adopt the highest preservation standards, pursue and obtain funding from other federal agencies, and hire its first professional archivist.
- Another example is the Bessemer Historical Society in Pueblo, CO, which received a grant to help arrange and describe the mining records of the Colorado Fuel and Iron Company (CFIC), once one of the nation's largest steel manufacturers. Founded in 1872, the CFIC was the first vertically integrated steel company west of the Mississippi and operated mines throughout the intermountain region. The grant enabled the hiring of two full-time positions: a project archivist and an archives technician. The project also employs four student interns from the Colorado State University at Pueblo and six retired employees of CFIC who have been trained to assist the professional staff in moving, sorting, and rehousing the business records.
- Sometimes NEH grants can help create entire local industries. Historic Jamestown, the first permanent English colony in the Americas, was located and excavated with the help of NEH funding. Today, the site has become a popular attraction for visitors, featuring a replica fort, reproductions of the ships that brought settlers, and exhibit galleries. In calendar 2010 alone, those facilities attracted 428,868 visitors and produced \$3,996,248 in revenues.

Catalytic Effects

Sometimes NEH-supported projects result in the creation of new products and services which in turn can provide new markets. For example, the Endowment awarded a \$34,656 grant to the University of Virginia for a digital humanities project called "Neatline," a software system that allows scholars to discover and display connections among individual items in huge archival collections — connections that would otherwise be extremely difficult or impossible to uncover. The start-up was so successful that the Library of Congress awarded the team a \$665,248 implementation grant.

Books and Video

NEH-supported books contribute to the economy on a variety of scales. Some generate continuous revenue — from the multi-volume Library of America (sales to date: over two million copies) to the bestselling *Autobiography of Mark Twain* (with half a million copies in print only a few months after publication). Titles such as the *Encyclopedias of New York City* and *Chicago* and the *International Encyclopedia of Dance* spur national and international sales.

Video projects that originated from NEH grants have sometimes gone on to generate millions of dollars in sales. For example, Ken Burns' *The Civil War*, an eleven-part series that first aired in 1990, is still selling briskly today. Indeed, it has been so successful that Burns has repaid NEH \$1,349,100.

Tourism

NEH-supported traveling exhibitions can have a substantial effect on local economies. As one observer in Washington State put it, “I’ve been to towns where the population is 84 and 86 people came to the program.”

- For example, a traveling exhibition titled *Pride and Passion: The African American Baseball Experience* appeared in 35 institutions coast to coast in 2009, drawing more than 720,000 visitors. The exhibition will continue to travel through 2013, attracting hundreds of thousands more.

That sort of response has significant effects on local economies. According to a recent study supported by the Department of Commerce, 78 percent of all leisure travelers participate in cultural and/or heritage activities. Those 118 million adults spend an average of \$994 per trip, for a total of nearly \$200 billion per year, according to the U.S. Cultural & Heritage Tourism Marketing Council.

These effects are expected to be particularly evident during the 150th anniversary of the Civil War (2011-2015). NEH has made several grants with a large potential impact on tourism.

- For example, NEH gave a grant to a nonprofit organization that has been developing cultural, historical and educational resources to provide interpretive context for tourists who take “The Journey Through Hallowed Ground,” a 180-mile itinerary of Civil War sites from Gettysburg, PA, through Frederick County, MD, to Monticello, VA.
- Another grant, totaling \$220,000, supports a collaborative project called “Civil War Washington,” created by the Center for Digital Research in the Humanities at the University of Nebraska-Lincoln. The project includes a website (www.civilwardc.org) that provides multimedia background on the city’s role in the war and maps indicating little-known historic sites.
- Other awards for preservation make it possible for visitors to examine invaluable archives, such as records documenting two post-Civil War fraternal and heritage organizations, the Grand Army of the Republic and Sons of Union Veterans in Philadelphia, hundreds of Civil War photos in Culpeper, VA, and even the 1,488-item collection documenting the life and work of Margaret Mitchell, author of *Gone with the Wind*.
- In addition, through state humanities councils from Vermont to Florida, NEH has supported a host of programs that provide travelers with information about Civil War-related sites, walking tours, itineraries, and historical resources.

Exhibitions

- NEH exhibitions can have a powerful effect on the economies of the host cities. The largest recent impact was produced by ‘Afghanistan: Hidden Treasures from the National Museum, Kabul.’ During 2008-9, the show appeared in Washington, San Francisco, Houston and New York, setting records for number of visitors and number of catalogues sold, and creating gallery markets for souvenir and jewelry sales that continue today.

- Another 2009 gallery show, titled “The Third Mind: American Artists Contemplate Asia, 1860-1989,” drew 212,754 visitors to the Guggenheim museum in New York in three months alone, and 15,274 individuals participated in a wide range of educational programs offered in conjunction with the exhibition. Total revenue generated from admissions was \$1,613,636. The Guggenheim also produced a special website to enhance and continue the visitor experience, which was visited 11,772 times by 10,477 unique visitors. Sales to date of the exhibition catalogue totaled \$183,897.

Conclusion

The above programs are listed as evidence of positive impact, but it cannot be stressed enough that the principal benefit of NEH programming is to add to the store of knowledge that allows America to maintain its global lead in almost every field of scholarship. We will not be able to lead the twenty-first century unless we lead in the realm of ideas.

Americans are understandably concerned about the high unemployment rate. Jobs in our multifaceted economy come in many kinds. Those in the education industry are workers just as those who are carpenters and machinists. Just as we need an infrastructure of roads and bridges to transport goods and peoples, we need an infrastructure of schools and libraries, scholars and educators to transmit citizenship values.

The best cost/benefit program a government can advance is an educated citizenry.