

NYS CULTURE RELIES ON \$40M-\$65M OF ANNUAL FEDERAL FUNDING

- » **Funding from NEA, NEH, and IMLS accounts for 40% of NYS Cultural Organizations' federal funding.**
- » **Uneven vulnerability statewide: dense regions may diffuse instability, and areas with few anchors could face concentrated disruptions.**

As New York State (NYS) and New York City (NYC) enter their Fiscal Year 2027 budget cycles, federal funding remains highly uncertain. Recent congressional action has restored some of the Trump Administration's proposed cuts, but the underlying risk remains. Understanding the scale and distribution of federal funding within the culture and arts sector has therefore become imperative.

This brief maps the distribution of federal funds across NYS' culture and arts ecosystem, by geography and organizational size, to clarify its impact and associated risks.

We do not seek to validate existing funding allocations or imply that uncertainty could be experienced evenly across regions or organizational types. Rather, we aim to inform the sector and the public about the scale and impact of federal funding as cultural organizations strategize and advocate in response to federal instability.

What is the federal funding impact on cultural organizations in NYS?

Last year, the Trump administration's policies hit cultural funding hard. The three main federal agencies – National Endowment for the Arts (NEA), National Endowment for the Humanities (NEH), and the Institute of Museum and Library Services (IMLS) – faced budget cuts, staff layoffs, and proposals to eliminate them.

On February 3, 2026, Congress passed the FY2026 budget in three "minibus" bills. That provides agencies—including the NEA, NEH, and IMLS—with more stable operating budgets. However, federal funding remains politically fragile: last-minute budget disputes, rescissions, or administrative delays can impede the delivery of funds to organizations.

We selected Fiscal Year 2024 (FY2024)¹ grant awards as our baseline because that year contains the most recent complete data from the NEA, NEH, and IMLS. FY2024 also provides the clearest view of the current federal support in NYS.

¹ "FY" denotes the U.S. federal fiscal year (October 1–September 30). FY2024 covers October 1, 2023 through September 30, 2024.

However, we contextualized FY2024 within a broader funding cycle, shaped by the pandemic and federal relief efforts. Because these years are exceptional rather than a trend, we grouped funding into three periods. Table 1 shows that FY2024 follows a funding peak driven by relief and reflects a 29% decline in federal support from pre-pandemic baseline.

Table 1: NYS FY2024 combined federal cultural funding FY 2019-2024, showing funding trends in biennial cycles.²

Period	Phase	NYS funds	Change vs. Baseline
FY2019-20	Pre-pandemic baseline and onset	\$64.8M	
FY2021-22	Pandemic and federal relief peak	\$80.6M	+24%
FY2023-24	Post-relief contraction/partial stabilization	\$46.1M	-29%

Our study shows that in FY2024, the federal government awarded \$40 million to 638 nonprofit organizations in NYS through the NEA, NEH, and IMLS. This represents 16% of the number of grants and 8.7% of the combined funding from the three federal agencies.

Compared with other states, NYS gets more federal cultural funding, but that funding is spread across a larger number of recipient organizations. Thus, federal changes in State funding can lead to significant operational stress, even if funding isn't concentrated. **These numbers show that New York is more vulnerable than other states to potential cuts, rescissions, or slowdowns, posing a direct threat to cultural infrastructure statewide.**

Table 2: NYS' share of total funding from the NEA, NEH, and IMLS in FY2024, highlighting variation by agency.

Fiscal Year	Agency	US Funding	NYS Share	NYS Funding
FY2024	NEA	\$143,175,008	12.27%	\$17,570,477
FY2024	NEH	\$59,459,670	20.98%	\$12,475,432
FY2024	IMLS	\$269,522,545	3.72%	\$10,024,997
TOTAL		\$472,157,223		\$40,070,906

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² NYS average annual funding (two-year avg.)

Impact by Region

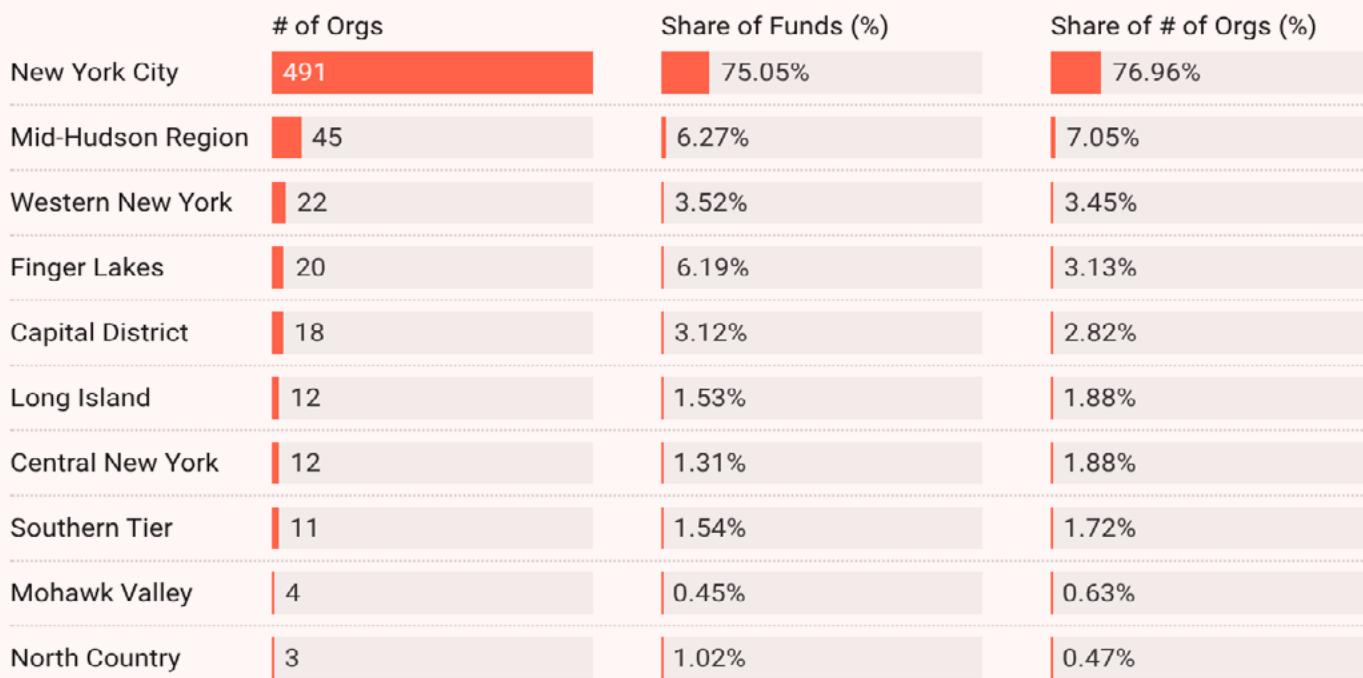
Where do federal cuts hit regional cultural anchors?

Most regions receive a small number of grants, which means these make up a larger share of regional totals. In these cases, a budget cut (a delayed award or a program cut) could significantly affect regional funding levels.

NYS regions are not uniform: some receive a few awards, but in those cases, those awards are worth more. This indicates a risk arising from awards concentrated on very few organizations. For example, the North Country has only three funded organizations, receiving FY2024 federal awards of \$15,000, \$152,382, and \$250,000. The median funding level is \$152,382, underscoring the concentration risk created by a small number of awards rather than broad participation.

The Finger Lakes region has a relatively small recipient pool (20), and its FY2024 federal funding is sharply uneven across organizations. While the region's combined NEA, NEH, and IMLS totals are driven by a small number of high-dollar awards—especially through NEH and IMLS—the typical recipient receives a much smaller amount.

Figure 1: NYS FY2024 combined federal cultural funding by region, showing the geographic distribution of awarded funds and each region's share of total funds relative to its share of funded organizations.



Created with Datawrapper

NYC's reliance on federal funds

Federal funding for FY2024 shows significant differences across regions of NYS. New York City received 75% of all NEA, NEH, and IMLS funds awarded to the state, totaling \$31 million. It also accounted for 77% of funded organizations, with 491 out of 638 statewide. This funding allocation for NYC is not atypical. Its funding share matches its share of funded organizations. This indicates that funding concentration primarily stems from organizational and award density. In other words, this larger share of Federal funding is not due to a much higher per-organization funding rate. Instead, it indicates a greater concentration of organizations in that region.

Because of this higher concentration of organizations and, hence, funding, federal support is a key part of New York City's nonprofit cultural vitality. Federal funding affects both the size and variety of programs, and any federal retrenchment—through cuts, rescissions, or administrative slowdowns—will have a disproportionate and systematic impact on NYC.

Federal grant datasets show only successful applications, not the total number of applications by region. Hence, regional differences should be interpreted as signs of gran concentration and exposure, and not as proof of biased or unfair funding outcomes in themselves.

Impact by Organization Size³

The impact of budget cuts is concentrated among large institutions.

Federal cultural funding in NYS is structurally top-heavy, shaping how federal retrenchment is experienced across organizations of different sizes. Because a disproportionate share of federal dollars flows to the largest institutions—particularly through NEH and IMLS—the immediate financial impact of cuts is concentrated among high-revenue organizations, even as instability affects a much broader swath of the sector.

Table 3: NYS FY2024 combined federal cultural funding by organizational revenue size, showing concentration by bracket through total funds, average grant, funding share versus recipient share, and a proportionality index.

FY Awarded	Org Revenue (FY)	# of Orgs	Total Funds	Funds Share	# Orgs Share
FY2024	Under \$250K	86	\$2,716,644	6.78%	13.94%
FY2024	\$250K - \$500K	74	\$2,388,507	5.96%	11.99%
FY2024	\$500K - \$1M	100	\$3,603,039	8.99%	16.21%
FY2024	\$1M - \$5M	191	\$12,248,528	30.57%	30.96%
FY2024	\$5M - \$10M	53	\$2,524,362	6.30%	8.59%
FY2024	Over \$10M	113	\$16,589,826	41.40%	18.31%
		617	\$40,070,906	100.00%	100.00%

³ For this analysis, organizational size is approximated using annual revenue, the most consistently reported indicator across nonprofits. Per IRS reporting, revenue reflects gross receipts—total amounts received from all sources during the fiscal year, before expenses. Figures are drawn from IRS Form 990 data for FY2024, unless otherwise noted.

In FY2024, organizations with annual revenue over \$10M received 41% of all NEA, NEH, and IMLS funding, even though they represented just 18% of funded organizations (113). By contrast, organizations under \$1M accounted for 42% of recipients but received only 22% of total federal dollars. Mid-sized organizations show a mixed pattern: groups with \$1M–\$5M budgets were roughly proportional, comprising 31% of recipients and receiving 31% of total funding, while organizations in the \$5M–\$10M range were modestly underrepresented, accounting for 9% of recipients but only 6% of dollars.

These distributions have distinct implications for impact. Cuts or delays to large awards would disproportionately affect high-revenue institutions that hold a significant share of total federal funding, potentially disrupting major employers and statewide cultural infrastructure. At the same time, even relatively small federal awards play an outsized role for many small and mid-sized organizations. Administrative slowdowns, compliance burdens, or delayed disbursements can create widespread operational stress across the sector, affecting organizations that receive modest grants but rely on them for cash flow, staffing stability, and program continuity.

Because federal grant datasets do not include application volumes or success rates by organization size, these figures describe how awarded dollars are distributed rather than underlying demand or competitiveness. They nonetheless underscore that federal instability does not operate along a single axis: it concentrates fiscal shock among large institutions while simultaneously introducing diffuse, systemic stress for hundreds of smaller organizations across NYS.

Federal cuts have a broader impact on small and mid-sized organizations.

While funding is concentrated among the largest organizations, federal support reaches far more small- and mid-sized organizations, especially those under \$5M.

Organizations under \$1M make up 42% of grantees but receive only 22% of federal funding, showing that while support reaches many small organizations, it does so at relatively low dollar levels.

This distribution has important implications for impact. Even when funding amounts are low, administrative slowdowns, compliance burdens, or delays in award processing can still cause widespread operational stress because many small and mid-sized organizations rely on federal funding. In other words, federal instability not only threatens institutions that hold the largest grants but also affects the day-to-day functioning of a broad swath of NYS' cultural ecosystem.

Federal instability does not operate along a single axis: it concentrates fiscal shock among large institutions while simultaneously introducing diffuse, systemic stress for hundreds of smaller organizations.

Conclusion

As of January 2026, federal cultural funding remains unsettled. Final appropriations for the NEA, NEH, and IMLS have not been enacted, and the prospect of further rescissions, administrative slowdowns, or programmatic restructuring continues to shape the operating environment for cultural organizations nationwide. In NYS—where federal exposure is both substantial and unevenly distributed—this uncertainty is not abstract. It directly affects organizational planning, staffing decisions, cash flow, and program continuity across the sector, and it frames the stakes of the vulnerability patterns documented in this brief.

Our findings indicate that federal cultural funding functions as structural support for NYS' cultural ecosystem, reaching organizations across regions and organizational scales through distinct agency funding models. While awards are geographically concentrated in New York City, the data also show meaningful reliance outside NYC.

Because federal dollars flow through three agencies with different award structures—ranging from broad, smaller-grant distribution (NEA) to fewer, higher-dollar awards (NEH) and a more regionally distributed portfolio (IMLS)—federal retrenchment would not register as a uniform reduction. Instead, it would be felt unevenly across the state: as a systemic disruption in high-density recipient geographies and as concentrated risk in regions with few cultural anchors and thin portfolios, where a small number of awards account for a large share of regional totals.

Taken together, these patterns show that federal cultural funding in NYS is not marginal. It is embedded in the sector's statewide operating environment, shaping organizational stability and resilience. As a result, federal budget instability poses risks not only to individual recipients but to the continuity of cultural capacity across NYS.

Methodology

We compiled grant award data from the National Endowment for the Arts (NEA), National Endowment for the Humanities (NEH), and Institute of Museum and Library Services (IMLS) for fiscal years 2019–2025 (2019–2024 for IMLS). This data helps us understand pre-pandemic baselines, pandemic-era fluctuations, and post-relief contractions.

Federal grant datasets provide limited organizational context, so we cross-referenced agency award records with Internal Revenue Service (IRS) Business Master File data to identify organizations' locations, financial scales, and nonprofit status. We conducted additional data cleaning and validation using USASpending records and publicly available IRS Form 990 filings to resolve inconsistencies, confirm awards, and standardize organizational identities across datasets.

Of the 638 NYS organizations receiving FY2024 awards, 617 could be reliably matched to IRS records with usable revenue information. Consequently, analyses by organizational size are based on this matched subset, while regional and agency analyses reflect the full recipient universe.

In a few cases, revenue information is not publicly reported due to filing structures, including group returns and trusteeship arrangements. These cases were identified individually through IRS records and third-party verification and are categorized separately rather than treated as missing data.

Organizations that file IRS Form 990-N (“e-Postcard”) do not report numerical revenue figures. This filing status generally indicates annual gross receipts of \$50,000 or less. These organizations are therefore classified within the “Under \$250,000” revenue category, with the understanding that their actual receipts are likely well below this threshold.

For a small number of organizations, publicly available nonprofit data sources—including IRS Business Master File extracts and third-party aggregators such as ProPublica and Candid—report expenses and net asset balances but show revenue as zero or do not provide a usable revenue figure. This pattern is inconsistent with standard nonprofit financial reporting and does not necessarily reflect the organization’s actual income level. These cases likely result from limitations in how revenue fields are captured or summarized in structured IRS data for certain Form 990 or 990-EZ filers.

We also explored integrating data to assess impacts by race and ethnicity. However, the absence of consistent EINs and other unique identifiers, combined with the presence of fiscally sponsored and for-profit entities within federal award records, prevented reliable cross-referencing at the NYS level. As a result, the current analysis focuses on geography and revenue size, while explicitly documenting the data gaps that continue to constrain equity-focused analysis in the state’s cultural sector.



This advocacy brief is a publication of the **Culture & Arts Policy Institute**. Researched and written by Gonzalo Casals and Mauricio Delfin. Data analysis by Erin Unger and graphic design by Camila Bustamente.

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