

## KEY FINDINGS

When people think of the arts and cultural amenities available in Nevada, their minds often turn to the myriad musical acts, museums and large-scale stage productions along the Las Vegas Strip. Although attractions such as Bellagio's Gallery of Fine Art, Broadway productions like Rock of Ages and the omnipresent Cirque du Soleil shows enrich the cultural fabric of the Silver State, they represent just a portion of the arts and cultural offerings that are available to both visitors and residents throughout Nevada.

In recent years, civic groups, public agencies and philanthropists have increased their commitment and investment in developing and expanding arts and cultural amenities beyond the resort corridor. These include celebrations of Nevada's unique history such as the Mob, Neon and Atomic Testing museums, venues and events for art appreciation such as the downtown Las Vegas Arts District, the Marjorie Barrick Museum at UNLV and Sculpture Fest in Reno, and the Smith Center for the Performing Arts, a world-class institution that has hosted renowned vocalists, popular plays and other performances while providing a home for local groups such as the Nevada Ballet Theatre and the Las Vegas Philharmonic.

The ongoing support and development of existing and new cultural assets strengthens the sense of community throughout Nevada. The connection between arts, culture

and community was made clear in the Soul of the Community Report by the Knight Foundation and Gallup. The survey of residents in 26 cities found that Americans' emotional connection to their communities is driven most by their communities' social offerings, and the availability of arts and cultural opportunities was rated highest among those social offerings. The report further found that communities in the study with the highest levels of resident attachment also had the highest levels of gross domestic product growth, illustrating that investment in the arts and culture can improve a city's economic environment by helping to attract and retain a qualified, engaged and motivated workforce.

Continued development of Nevada's arts and cultural amenities will rely to some degree on continued contributions from philanthropic households, corporations and foundations.

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## INSIGHTS FROM MICHAEL J. BROWN



PRESIDENT OF  
BARRICK GOLD USA

**From dance companies and musical productions to visual artists and classical musicians, Southern Nevada is home to arts and cultural assets that would make any city proud. These artistic experiences can lift the spirit, engage the mind and tug at the heart while strengthening the connections among each of us. These connections are what make the arts so important to communities and why they have traditionally enjoyed broad support from individuals, foundations and businesses.**

However, among the business world, support for arts and cultural nonprofits suffered during the economic turmoil of the past decade as the need for many basic human services took priority. Now that those days of turmoil are behind us, it is time for the corporate world to turn its philanthropic attention back to the arts in Nevada, where we have a vibrant yet underappreciated community of artists. Dedicating just a small portion of giving to the arts goes a long way, and beyond giving grants, many nonprofits are in desperate need of the business expertise and leadership that we have in abundance.

Barrick Gold Corporation supports several nonprofits in the arts and culture community, including the Nevada Museum of Art in Reno, Nevada Public Radio and the Nevada Ballet Theatre. Barrick's relationship with the ballet started a few years ago by sponsoring a matinee of The Nutcracker for about 2,000 local middle schoolers at The Smith Center for the Performing Arts. Many of these students had never been to a live performance, let alone a ballet, and the show enthralled and excited a new generation of fans. In a letter, one boy wrote that it was the most beautiful thing he had ever seen. Barrick now sponsors the annual winter production of The Nutcracker.

That boy's experience is the perfect illustration of the gratification and joy that can be found through connecting the community with the arts. In a modern world filled with unrelenting distractions, spending time at the ballet, the museum or a concert can transport us somewhere else, even if only for a brief time. That is the magic of the arts, and a prime example of why they deserve our continued support. Southern Nevada is fast becoming an international community, and a strong and vibrant arts community will go a long way toward redefining our city to the rest of the world.

The good news for nonprofit organizations that rely on private donations is that philanthropic trends point to positive growth as charitable giving in the Silver State has been climbing in recent years and by many measures now exceeds pre-recession levels.

Charitable giving by individuals in Nevada reached an all-time high in 2014, the latest year of data available from the Internal Revenue Service. In total, Nevadans claimed nearly \$1.6 billion in charitable contribution deductions, which exceeded the previous year's total by 6.1 percent. Between 2009 and 2014, individual charitable giving increased by more than \$432.5 million, a growth rate of 38.1 percent over the five-year period. The actual charitable giving amount is likely much higher, since the IRS data only captures contributions listed in itemized tax filings and therefore does not include giving by the 75 percent of Nevadans who do not itemize their tax deductions.

Nevada's high net worth households account for a significant portion of giving. In 2014, households with \$200,000 or more in adjusted gross income accounted for 2.9 percent of tax returns and 53.5 percent of charitable contributions. That year, high net worth households gave \$839.0 million to charitable causes, which was nearly double the \$425.1 million given five years earlier. Among the 28,280 high net worth households that claimed charitable contributions, average giving per tax return was \$29,700, a level that has remained relatively consistent since 2011. Average giving among high net worth households is significantly influenced by the wealthiest households. In 2014, the 2,350 households reporting \$1 million or more in adjusted gross income donated an average of \$249,500 and accounted for 70 percent of total giving among all high net worth households.

IRS data do not indicate where those contributions were given; however, the annual Giving USA report provides a

detailed picture of philanthropy across the nation. The 2016 report indicated that the arts, culture and humanities received 5 percent of all charitable giving during the year. Based on that figure, Nevada's high net worth households donated an estimated \$41.9 million to arts and cultural nonprofits in 2014.

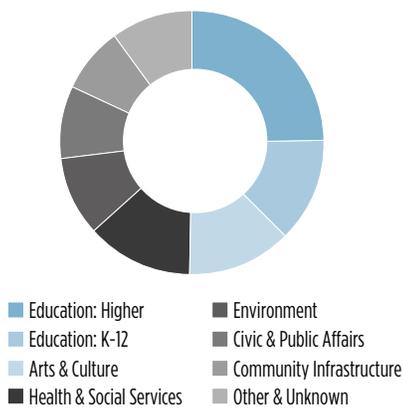
Corporate philanthropy in Nevada continues to grow as well, as the state's largest businesses donated an estimated \$132.5 million in 2015, according to the latest edition of the Nevada Corporate Philanthropy Report released by Moonridge Group earlier this month. Support for higher and K-12 education garnered the highest level of giving at 37.4 percent of donations, while arts and culture received the second-most support at 13.4 percent of corporate giving. That figure is notable, as it more than doubled the previous year's amount of 5.6 percent and is twice the national average of 6 percent, illustrating Nevada's growing corporate commitment to supporting arts and culture.

Philanthropy by Nevada-based foundations has also provided significant support of arts and cultural causes in recent years, according to data compiled by the Foundation Center. From 2002 through 2012 (latest year of data available), the state's largest foundations donated \$229.1 million in grants to arts and culture, which was the largest area of giving during that time period. More than half of that amount, \$127.5 million, was donated between 2010 and 2012, with the vast majority of that amount (\$120.9 million) directed to the Smith Center for Performing Arts.

The growing generosity of Nevadans bodes well for all nonprofit organizations, especially those dedicated to enhancing the cultural environment of the state. As the Silver State enhances its artistic and cultural amenities, the fabric of the community will only grow stronger.

### NEVADA CORPORATE GIVING

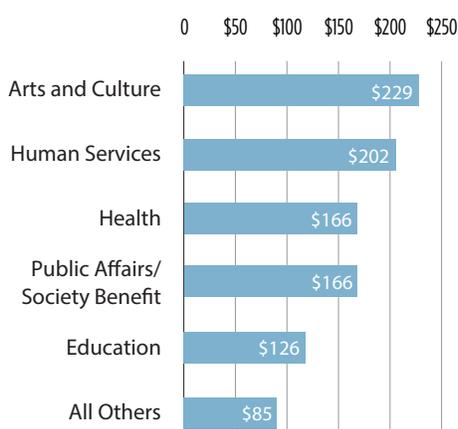
by Type



Source: Nevada Corporate Philanthropy Report 2016

### NEVADA FOUNDATION GIVING

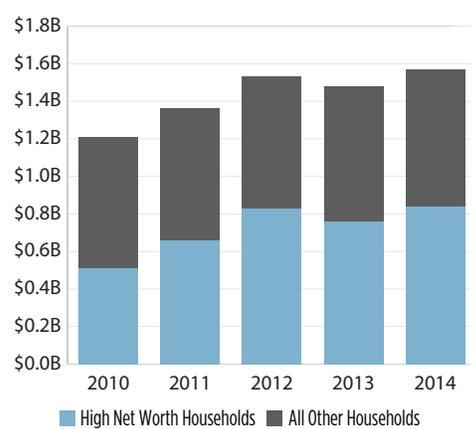
(2002-2012) in millions



Source: Foundation Center

### CHARITABLE GIVING

by Nevada Households



Source: Internal Revenue Service

The Private Bank by Nevada State Bank retained the team at Applied Analysis to explore the high net worth segment of the community. Specifically, the team has been working to better understand the size, consumer trends, needs and other aspects of this key segment of the market. Research efforts expected over the course of the next several months will focus on selected demographic and economic data, as well as information garnered through direct surveying techniques and other cutting edge research methodologies. This reporting series has been designed with these high net worth individuals in mind. We hope you find the elements of our research and analysis helpful in assessing the market.

**The High Net Worth Report is published quarterly and can be found at [www.nsbank.com/HNWreport](http://www.nsbank.com/HNWreport). For more information, please call The Private Bank by Nevada State Bank at 702.855.4596.**

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