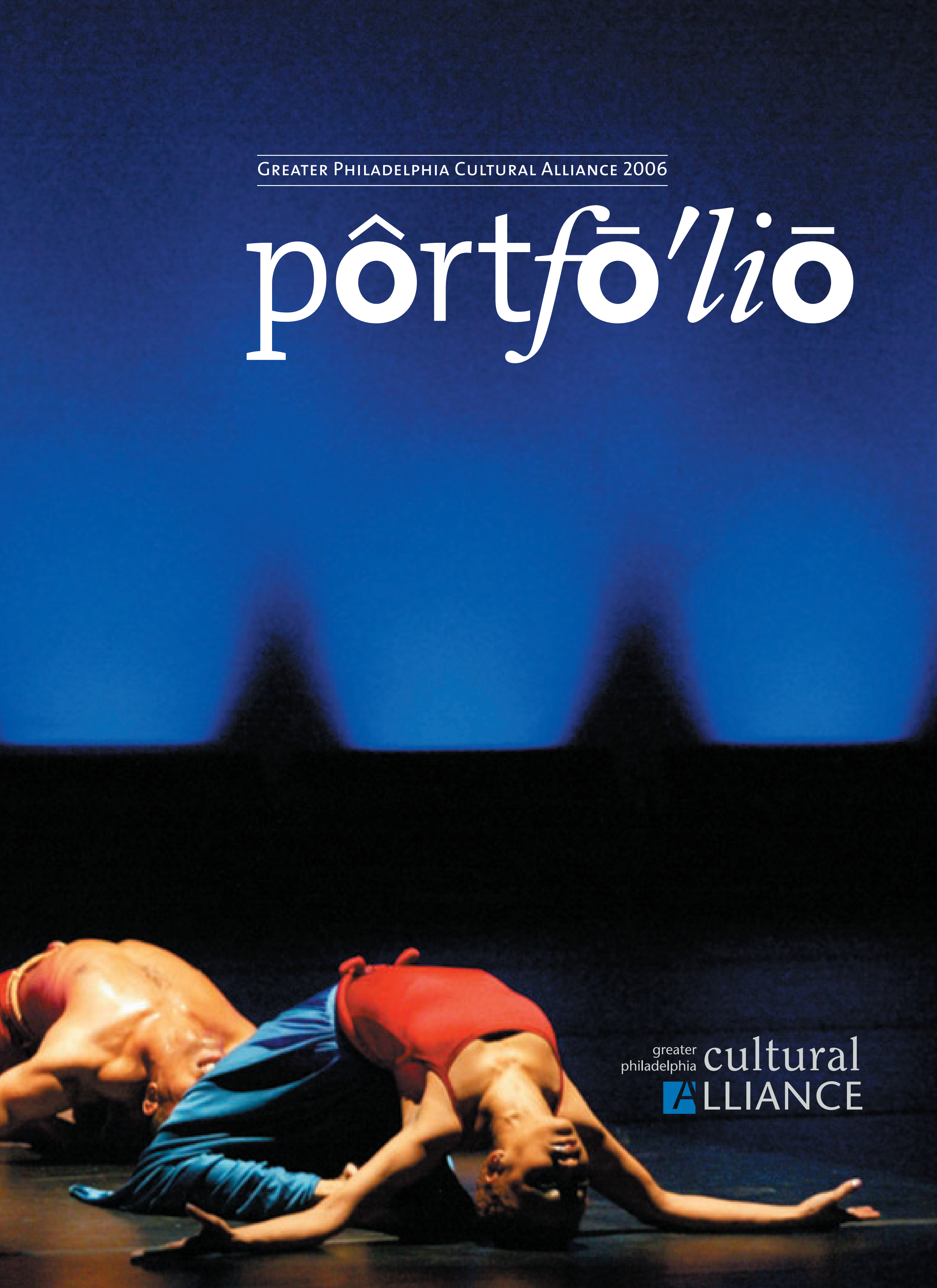
Greater Philadelphia Cultural Alliance 2006

pôrtfō'liō



greater philadelphia cultural ALLIANCE

pôrtfō′lēō

n. **1.** A portable case for holding material, such as loose papers, photographs, or drawings. **2.** The materials collected in such a case, especially when representative of a person's work. **3.** A group of investments held by an investor, investment company, or financial institution.

Source: The American Heritage® Dictionary of the English Language, Fourth Edition. Copyright © 2000 by Houghton Mifflin Company.

Citizens, policy makers, civic leaders, economists, social scientists, and planners throughout the world understand that the creative sector of a region is vital to its competitiveness and quality of life. In an increasingly mobile society, where individuals and businesses can choose freely where to live, visit or locate a business, arts and culture is a defining difference among cities and regions. A healthy cultural sector is a sign of an engaged and vibrant community—a community with a rich and secure future.

This report sets out to document the breadth, diversity, and well-being of Southeastern Pennsylvania's nonprofit cultural resources. The process of examining this sector began five years ago with the formation of the Pennsylvania Cultural Data Project (PACDP), a partnership of grantmakers and service organizations interested in creating a series of common and reliable measures for cultural organizations. With those measures now in place, and the support of 218 participating organizations, we are proud to provide this document, the Greater Philadelphia Cultural Alliance 2006 ***Portfolio***.

The term "portfolio" was chosen for all of its definitions. First, the report handily brings together in one place a diversity of data about a wide range of nonprofit cultural organizations throughout the region's five counties. The analysis and interpretation of this information provides a comprehensive and useful picture for planning the future of arts and culture in the region.

Second, just as an artist's portfolio contains varied work examples that, when viewed collectively, reveal a distinct aesthetic perspective, this portfolio contains representative data of many cultural organizations that, seen together, help us to understand their shared viewpoint, common concerns, and collective impact on our region. As an artist's portfolio changes over time, so too will this ***Portfolio***, to be produced regularly by the Greater Philadelphia Cultural Alliance.

A portfolio is also defined as a group of investments. Southeastern Pennsylvania's nonprofit cultural organizations are investments held by the entire community. These organizations define our region's image and provide a multiplicity of community services and activities for residents as well as visitors. It is the responsibility of the entire community to recognize and understand both the value and unique nature of these investments so that they may be carefully managed for future generations.

greater philadelphia cultural ALLIANCE

Key Findings

Nonprofit arts and cultural organizations are a vibrant force in Southeastern Pennsylvania, contributing to the economy, giving us a distinct civic identity, celebrating our history and culture, providing creative and educational opportunities for people of all ages, and delivering a wealth of cultural experiences for residents and visitors to enjoy.

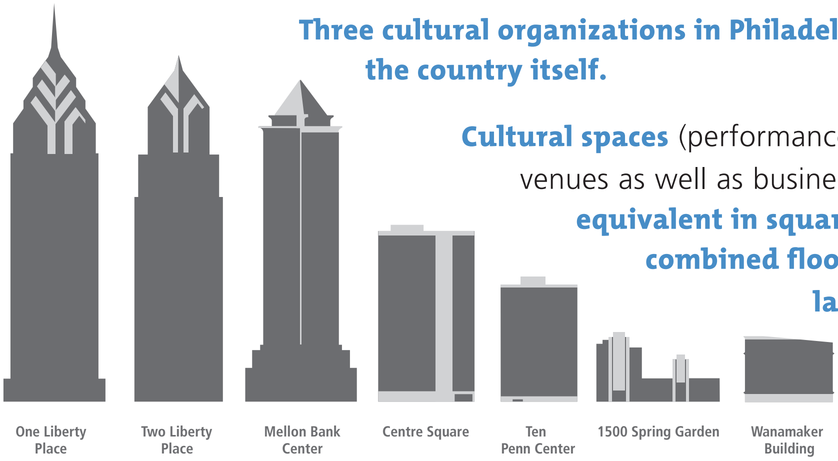
Culture in the Community

ARTS AND CULTURE IS A PROMINENT FEATURE OF LIFE IN SOUTHEASTERN PENNSYLVANIA.

There are **more than 150 cultural events per day** in Southeastern Pennsylvania, almost **56,000 in one year**. Each year, the public is able to enjoy more than 2,600 productions[1], 3,700 exhibitions, 6,600 films[2], and 1,100 lectures. The most numerous of these events are public classes, at more than 22,000[3].

Three cultural organizations in Philadelphia are older than the country itself.

Cultural spaces (performance and exhibition venues as well as business offices) **are equivalent in square footage to the combined floor space of the seven largest skyscrapers** in Center City Philadelphia.



RESIDENTS AND VISITORS ARE THOROUGHLY ENGAGED IN ARTS AND CULTURE IN SOUTHEASTERN PENNSYLVANIA.

Arts and cultural organizations report **12 million visits per year**, the equivalent of **3 visits annually for every man, woman, and child** in Southeastern Pennsylvania.

One in 5 people in Southeastern Pennsylvania have memberships or subscriptions to arts and cultural organizations, for a total of 732,000.

Annually, more than **17,000 volunteer positions are filled at cultural organizations**, a strong showing of community support.

Individuals make nearly 270,000 contributions above and beyond admission and ticket fees to cultural organizations. The average contribution (for individuals who do not sit on the boards of those organizations) is $300.

Arts and cultural experiences are highly accessible.

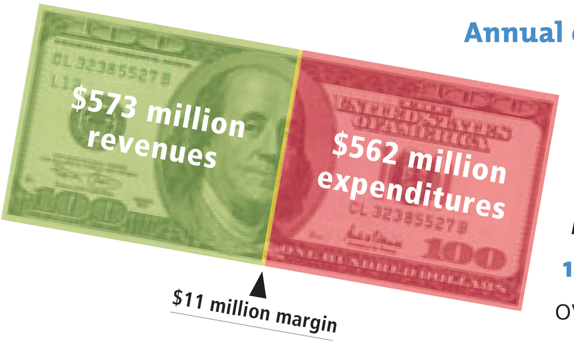
Half of all visits to cultural organizations are free of charge.

The average ticket price for paid attendance is $20, a figure that is significantly more affordable than tickets to most professional sporting or commercial entertainment events.

Two out of every 5 visits to cultural organizations are from school children.

Arts and Culture as an Industry

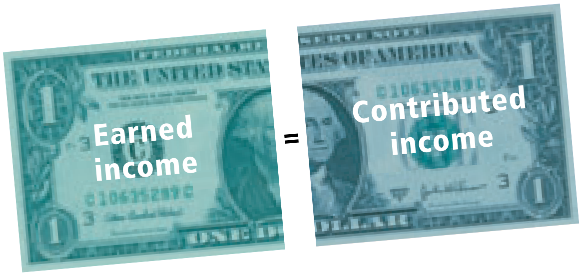
Arts and cultural organizations are significant economic assets to the Philadelphia region.



Annual expenditures by the 218 participating cultural organizations in this report **total about $562 million; unrestricted revenues total about $573 million**.

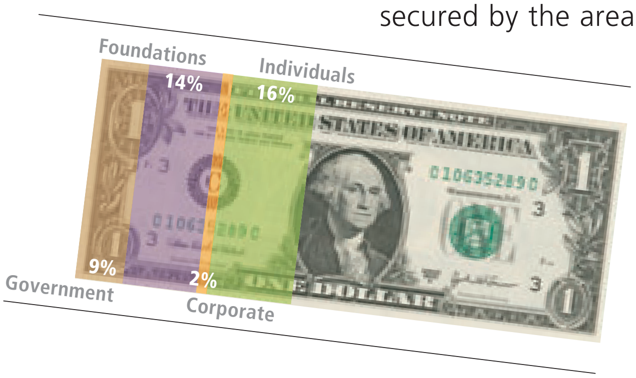
Portfolio organizations provide **over 14,000 full- and part-time jobs**, including over 5,000 jobs for artists. This is roughly equivalent to the number of employees of hotels and motels in Southeastern Pennsylvania, and larger than the number of employees in pharmaceutical and medicine manufacturing, offices of certified public accountants, advertising and related services, and architectural services[4].

It takes a mixture of earned and contributed revenues to make cultural programs available to the public.



The ratio of earned to contributed income is fairly uniform across all disciplines, coming **close to 50:50**, with the exception of service organizations, which rely more on contributed income.

Individuals are the single largest source of contributed income. Individual donations totaling $110 million represent **16% of total revenue** secured by the area's cultural organizations[5].



Corporate contributions[6] account for 2% of total revenue. Foundation support accounts for 14% of total revenue.

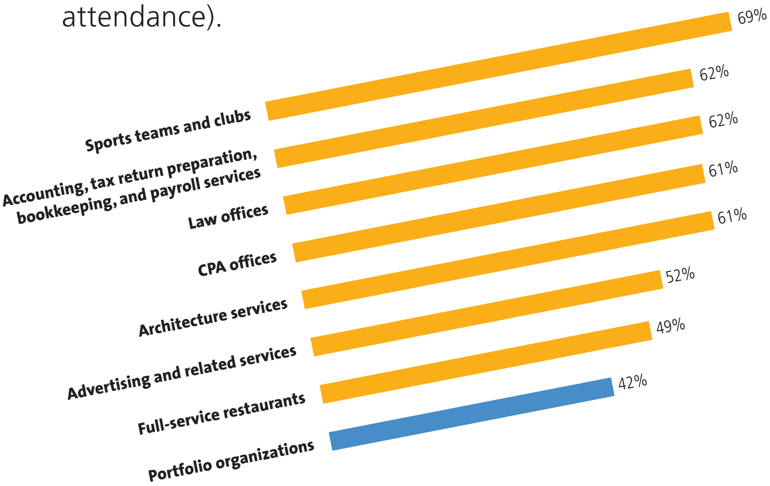
Total government support[7] accounts for almost 9% of total cultural organization revenues. **Of that, local government support[8] accounts for only 3%.**

Arts and cultural organizations run on lean budgets.

Overall, only **8% of total expenses are dedicated to fundraising activities**.

Of total expenses of $562 million for all organizations, $36 million, or **6%, is spent on marketing related expenses**. This is an average of $3 spent for marketing for each of the 12 million people who attended all free or ticketed events (excluding park attendance).

Overall, **labor costs are the highest expense for the sector, at 42%**, but this is **relatively low compared to other service sectors**, including lawyers (62%), accountants (62%), architects (61%), advertising agencies (52%), and full-service restaurants (49%)[9].



Arts and cultural organizations pursue their missions with razor-thin budget margins. **Just under half (47%) of organizations in this report operate with some deficit**. One in four participating organizations operates with a significant deficit of more than 10% of their annual budget.

Two-thirds of cultural organizations in this report have under $1 million in annual revenues.

Ten percent of cultural organizations in this report account for 70% of the spending.

Letter from the Cultural Alliance President

It is with both pleasure and anticipation that we present the Greater Philadelphia Cultural Alliance 2006 ***Portfolio***. Pleasure, because we have been working closely with our partners and members on the collection of data that make up its critical content. Anticipation, because this document can provide the candid analysis needed for honest discussion and well-informed planning.

This report has been five years in the making and is truly the product of collaborative hard work. We thank all of our partners in the Pennsylvania Cultural Data Project (Greater Pittsburgh Arts Council, The Heinz Endowments, Pennsylvania Council on the Arts, The Pew Charitable Trusts, The Pittsburgh Foundation, and William Penn Foundation) who conceived, guided and funded this important work. We are especially grateful to the 218 cultural organizations that participated. Your willingness to submit information provided the data integrity that is vital to ***Portfolio***'s usefulness. We thank our partners at the Pennsylvania Economy League who helped us to analyze and present complex data, cull the most significant facts and provide context. We also want to acknowledge Your Part Time Controller and the Drexel University Arts Administration Program, which helped guide the Cultural Data Project through its inception and development. Of course, we would also like to thank our staff and the members of the Greater Philadelphia Cultural Alliance's Board of Directors.

Finally, I'd like to thank you, the readers of ***Portfolio***, for investing time and interest in its findings. Data are only meaningful if they guide action. May this report help all of us take concrete steps to build an even stronger, more vibrant Philadelphia region.

Peggy Amsterdam

Peggy Amsterdam
President
Greater Philadelphia Cultural Alliance

Letter from the Pennsylvania Economy League Executive Director

The Pennsylvania Economy League (PEL) is pleased to be a key partner with the Greater Philadelphia Cultural Alliance in the analysis and presentation of the ***Portfolio***. The report couldn't be released at a better time as the region searches for innovative ways to support an industry we know is so important to the economy and quality of life of Southeastern Pennsylvania.

PEL conducted the last analysis of the nonprofit cultural industry almost ten years ago, profiled in its report Greater Philadelphia's Competitive Edge. Comparing organizations surveyed in 1995 and in ***Portfolio***, total arts and culture revenues and expenditures in the region have grown at an annual rate of about 5%, similar to the growth rate of personal income in the same ten-year time period. And in just the past five years, the region has welcomed such extraordinary new venues as the Kimmel Center and the National Constitution Center, as well as a variety of burgeoning arts and cultural organizations. While this progress indicates the overall commitment to arts and culture in Southeastern Pennsylvania, it does not ensure an endless stream of resources to guarantee its future.

That's where ***Portfolio*** will be particularly valuable. We know the culture industry has come a long way, but as resources remain limited, we need to know where it stands today to effectively plan for the next ten years and beyond. ***Portfolio*** identifies where the industry is strong, and where we need to focus our collective attention to make necessary improvements. In the end, we are confident that arts and culture in Southeastern Pennsylvania will flourish, thanks to all the individuals and organizations involved in promoting the industry. PEL is committed to remaining a significant partner in ensuring that success.

Steven T. Wray

Steven T. Wray
Executive Director
Pennsylvania Economy League
Southeastern Pennsylvania

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This publication was made possible by The Pew Charitable Trusts and William Penn Foundation

Preface

The Greater Philadelphia Cultural Alliance 2006 ***Portfolio*** delivers the most reliable, consistent set of data available on non-profit cultural organizations. In preparing this report, particular emphasis was placed on obtaining data from a representative sample, including the very largest cultural organizations, to ensure that overall totals for financial information include the major economic engines of the sector. As a result, only a handful of Large or Very Large organizations are missing from the data set. Given this understanding, we are confident that the ***Portfolio*** reflects a majority of the nonprofit cultural sector's overall economic activity in Southeastern Pennsylvania[10].

About one quarter of the organizations in this report are located in the four suburban counties of Southeastern Pennsylvania. Eleven of these organizations have annual expenditures over $1 million. Philadelphia organizations account for 92% of spending in this report. All of the Very Large organizations in the ***Portfolio*** are located in Philadelphia. As our data on suburban cultural organizations are not as robust, we do not report on them separately. Our goal is to expand this data in future years so that we are better able to provide an analysis of the financial contributions and activities of suburban cultural organizations.

Information on all 218 organizations included in this report is taken from the Pennsylvania Cultural Data Project.

Throughout the ***Portfolio***, organizations are classified according to four budget categories based on their annual expenses:

Small organizations have budgets of up to $250,000 per year.

Medium organizations have budgets between $250,000 and $1,000,000 per year.

Large organizations have budgets between $1,000,000 and $10,000,000 per year.

Very large organizations have budgets greater than $10,000,000 per year.

1 **Financial characteristics of Portfolio organizations•**

Organization size by annual expenses	Median expenses
Small	$98,000 ◄
Medium	492,000
Large	2,670,000
Very large	28,131,000

Organization size by annual expenses	Median total revenue
Small	93,000 ◄
Medium	494,000
Large	3,232,000
Very large	32,122,000

Organization size by annual expenses	Median total assets
Small	13,000 ◄
Medium	284,000
Large	6,345,000
Very large	$112,581,000

• Includes non-arts university financial information reported for arts activities; excludes revenues used for construction for a large organization

◄ Amount is too small to show proportionally

Disciplines

The primary activities of the organizations in this report cover a broad range of endeavors. The 11 cultural types used in this report include organizations working in nearly 50 distinct areas. A list of the cultural organizations whose data are included in each of the categories is located at the back of this document. Decisions to place organizations within the appropriate type and category were made by reviewing each organization's mission, its self-selected type, and its primary activities.

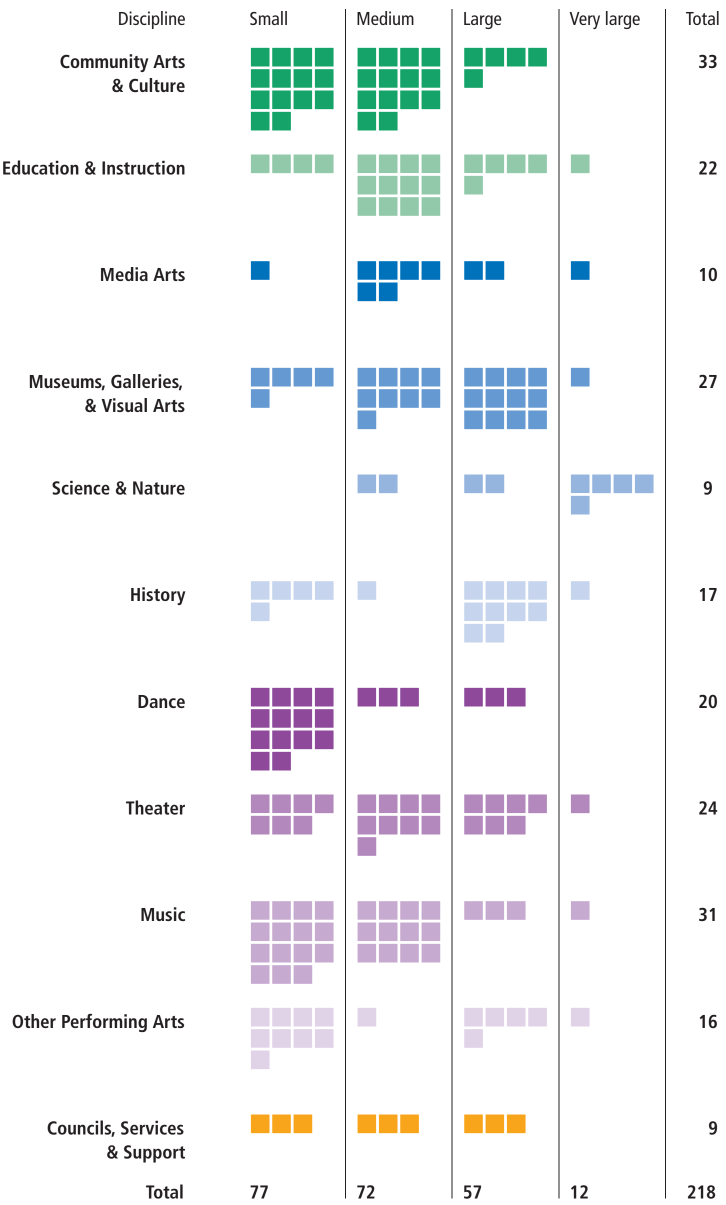
Organizations in this report are classified into the following categories and disciplines:

Community Arts & Education

Community Arts & Culture—providing arts and cultural programs to a specific community, including geographic, ethnic, linguistic, or religious.

Education & Instruction—providing music, visual, and performing arts instruction, including schools, colleges, and universities.

2 **Number of organizations by size and discipline**



Museums, Visual Arts, Historic & Scientific

History—preserving and presenting history, historical collections, or artifacts, including history museums, historical sites, archives, and libraries.

Media Arts—working primarily in print, sound, or visual media, including nonprofit radio and television broadcasters, publishers, literary societies, film and video producers, and film theaters.

Museums, Galleries, & Visual Arts—creating or displaying visual media, including painting and drawing. This category does not include science and history museums or film and video organizations.

Science & Nature—working for the advancement or presentation of science and the natural world, including science museums, horticultural organizations, zoos, planetariums, and parks.

Performing Arts

Dance—performing all types of dance, including ballet and other dance companies.

Music—performing vocal or instrumental music, including opera companies, orchestras, symphonies, bands, and ensembles.

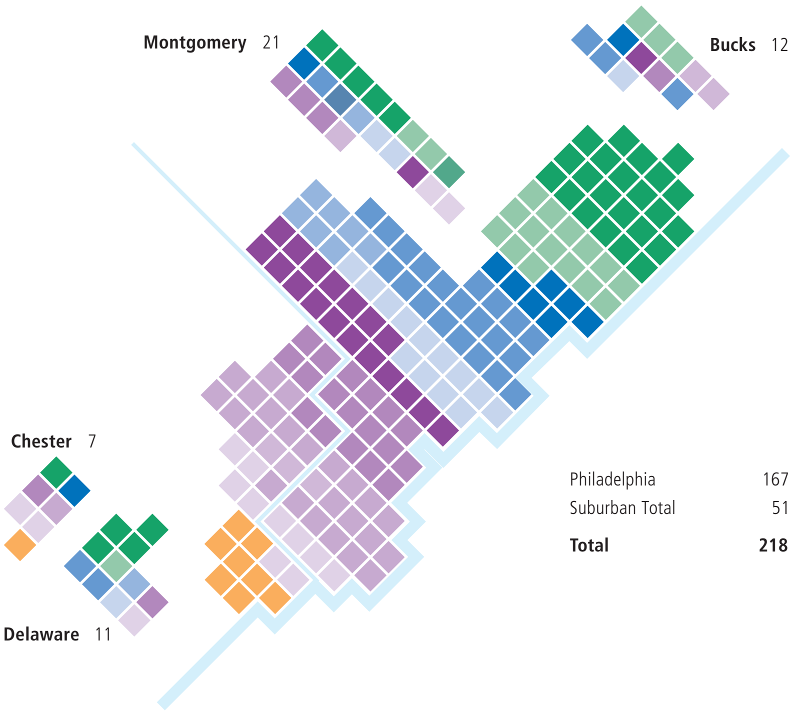
Theater—performing plays and other theater productions, including theater companies and related organizations.

Other Performing Arts—performing or presenting multi-disciplinary work not described by the above three categories, including nonprofit performance venues and festivals.

Support

Councils, Services, & Support—providing support services to the sector as a whole, to organizations in a specific discipline category, or to individual artists. Organizations in this category generally do not engage directly in the production of artistic or cultural presentations.

3 **Number of organizations by county and discipline**



While the ***Portfolio*** is comprehensive in its scope, no single publication can answer all questions about the sector. The following information is not included here:

Trend (multi-year) Data—Since data here cover the most recent fiscal year for each organization, we cannot report changes over time in this first report. Trend (multi-year) data will become available in future years[11].

New Jersey and Delaware—The metropolitan Philadelphia region—as a cultural community and economy—also includes portions of New Jersey and Delaware. At this time, only Pennsylvania organizations are participating in the Pennsylvania Cultural Data Project.

Economic Impact—This report is not an economic impact report. The ***Portfolio*** does show how cultural organizations contribute to the region's economy; however, full analysis of the impact of that economic activity requires other data, such as audience spending, not contained here. The Greater Philadelphia Cultural Alliance is currently engaged in separate research on this issue.

Individual Artists—The data in this report are from organizations and track organizational activities. This report does not directly address the activities of individual artists beyond their involvement with nonprofit cultural organizations.

For-profit Cultural Activities—The PACDP only collects data for nonprofit cultural organizations, thus for-profit cultural activity is not included in the ***Portfolio***.

The ***Portfolio*** aims to illuminate the most broadly relevant aggregate findings of the data submitted. This report is not inclusive of all data available from the PACDP, just those highlights that provide the greatest understanding of and insight into the sector. In the ***Portfolio***, percentages are rounded to the nearest whole number, and whole numbers are rounded to the nearest thousand.

This is the first ***Portfolio*** issued from PACDP data for Southeastern Pennsylvania. The Cultural Alliance will produce a ***Portfolio*** regularly, and analysis of trend data for the sector will be reported as it becomes available.

All figures contained in this report are ultimately the responsibility of those organizations submitting data to the Pennsylvania Cultural Data Project. The Greater Philadelphia Cultural Alliance, the Pennsylvania Economy League, and the PACDP are not responsible for errors in data submitted by individual cultural organizations whose information is used here.

Additional data

Employee data throughout the report is classified by four categories:

Artists include those individuals directly responsible for the creation or performance of artistic and cultural products.

Program includes individuals responsible for producing, presenting, or otherwise organizing the artistic and cultural offerings of an organization.

Fundraising includes individuals directly engaged in efforts to raise monies supporting the work of cultural organizations.

General includes individuals not otherwise described by the remaining employee data categories.

For further description of these and other terms used in this report, please refer to the glossary of terms found in Appendix A.

About the Pennsylvania Cultural Data Project (PACDP)

The Pennsylvania Cultural Data Project is a collaborative project of the Greater Philadelphia Cultural Alliance, the Greater Pittsburgh Arts Council, The Heinz Endowments, the Pennsylvania Council on the Arts, The Pew Charitable Trusts, The Pittsburgh Foundation, and William Penn Foundation. The PACDP, operated by The Pew Charitable Trusts, is a standardized online system created for collecting financial and organizational data of nonprofit cultural organizations. Participating organizations complete an online Data Profile once each fiscal year. Financial data are drawn from each organization's audit, ensuring accurate and reliable information. Participating organizations are also able to use this system to track their own data over time.

In addition to creating a streamlined data collection process for hundreds of arts and culture organizations throughout Pennsylvania, this project provides a source of consistent and reliable information on the state's cultural sector. The Data Profile was developed with the assistance of focus groups of nonprofit cultural organization staff working in the areas of development, finance and marketing. It was tested by cultural organizations, and feedback from those participants was used to revise the Data Profile and develop training materials and instructions. After three years of development and testing, the PACDP was launched in September 2004. During the past two years, 1,021 data profiles have been submitted by 423 organizations located throughout the state.

All data submitted by individual organizations are checked for errors in a rigorous process conducted by staff of the PACDP. In addition, data are periodically checked for reliability with organizations' audit records. In the event that data submission errors are found, organizations are notified by the PACDP. Organizations then have the ability to change or correct their submissions.

The data used for this report were provided by the Pennsylvania Cultural Data Project (PACDP), a statewide data collection project for Pennsylvania's cultural organizations. The data are self-reported by the organizations using the PACDP and neither the PACDP nor its Governing Group make any representations or warranties concerning the accuracy, reliability or completeness of the self-reported data. Any interpretation of the data is solely the view of the Greater Philadelphia Cultural Alliance and does not reflect the views of the PACDP or its Governing Group.

Methodology

Due to the careful checks and balances incorporated into the process of submitting data to the PACDP, we believe that this report delivers the most reliable, consistent set of data available regarding nonprofit cultural organizations in Southeastern Pennsylvania. All data on individual organizations are strictly confidential, and no information is presented except in aggregated form. To compile the 2006 ***Portfolio***, the Cultural Alliance contracted the Southeastern Division of the Pennsylvania Economy League (PEL) to analyze PACDP data collected before December 2005. The figures presented in this report are for the most recent fiscal year available for each organization, in most cases FY2003 or FY2004.

In compiling data, great care was taken to correctly represent unique instances of numbers related to cultural production. In this report, the term "productions" refers to the number of exhibitions and theatrical, dance, or music presentations in a given fiscal year. Multiple showings or presentations of the same program are not included in the total. The term "performances," on the other hand, refers to the total number including multiple showings and presentations.

Throughout the ***Portfolio***, there are sets of data that cannot be compiled as a series of unique items. These most often include instances where organizations are reporting on numbers of individuals involved in or contributing to their work in some way. As the organizations are not required to provide the names of those individuals, it is impossible to calculate aggregate numbers of unique persons in certain categories, such as attendance, members, subscribers, school children, volunteers, artists, board members, individual contributors, and employees. In these cases, we refer to the aggregate totals in terms of the number of happenings, rather than the number of unique individuals involved in those happenings. For example, the term "volunteer positions," as opposed to "volunteers," is used.

Arts as Industry

Arts and cultural organizations are essential players in the economy of the region. The industry's sizable employment, revenues, and expenditures add up to a considerable material contribution. Renowned performances and unique exhibitions draw millions of audience members, attract visitors, and generate tax revenue. Concert halls, galleries, and theaters revitalize downtowns and communities across the region.

Revenue

In the most recent fiscal year, the 218 ***Portfolio*** organizations in this report raised almost $686 million in total revenue. Revenues to fund arts and cultural organizations came from two broad categories—earned income and contributed income. Each accounts for 50% of the total. Earned income is directly linked to the products and services of cultural institutions. Specific sources include tickets, subscriptions and memberships, sales from concessions, and income from endowments. About half of the earned income comes from tickets and subscriptions. Contributed income is received in the form of donations from individuals, foundations, governments and corporations.

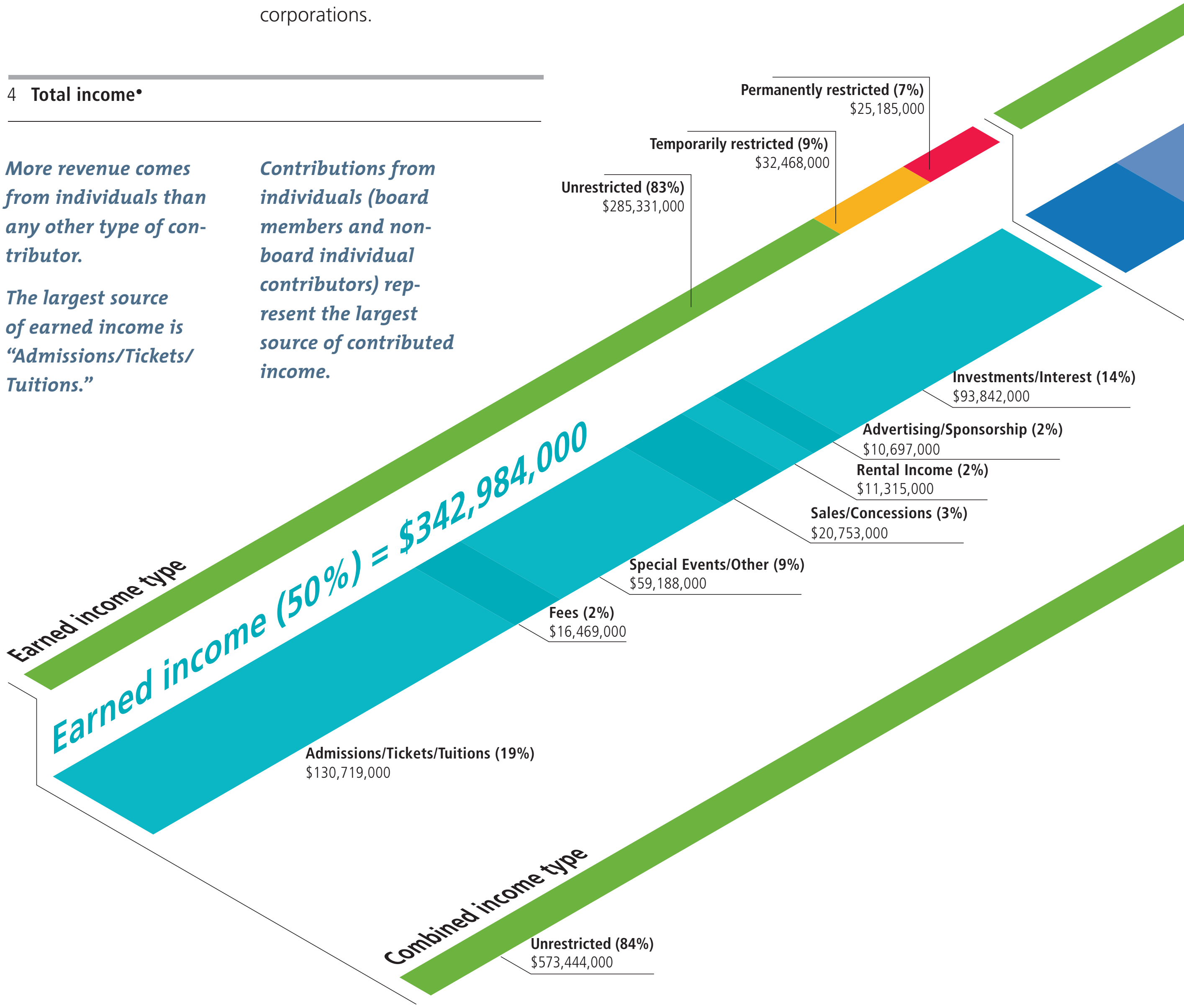
Significantly, financial data reveal that in both earned and contributed income, more money comes from individuals than from any other type of contributor (government, foundation, or corporate). The largest source of earned income is "Admissions, Tickets, and Tuitions" at 19% of total revenue, which are primarily paid by individuals. In contributed income, contributions from individuals (board members and non-board individual contributors combined) totaled $110 million and represent the largest source of contributed income, at 16% of total revenue.

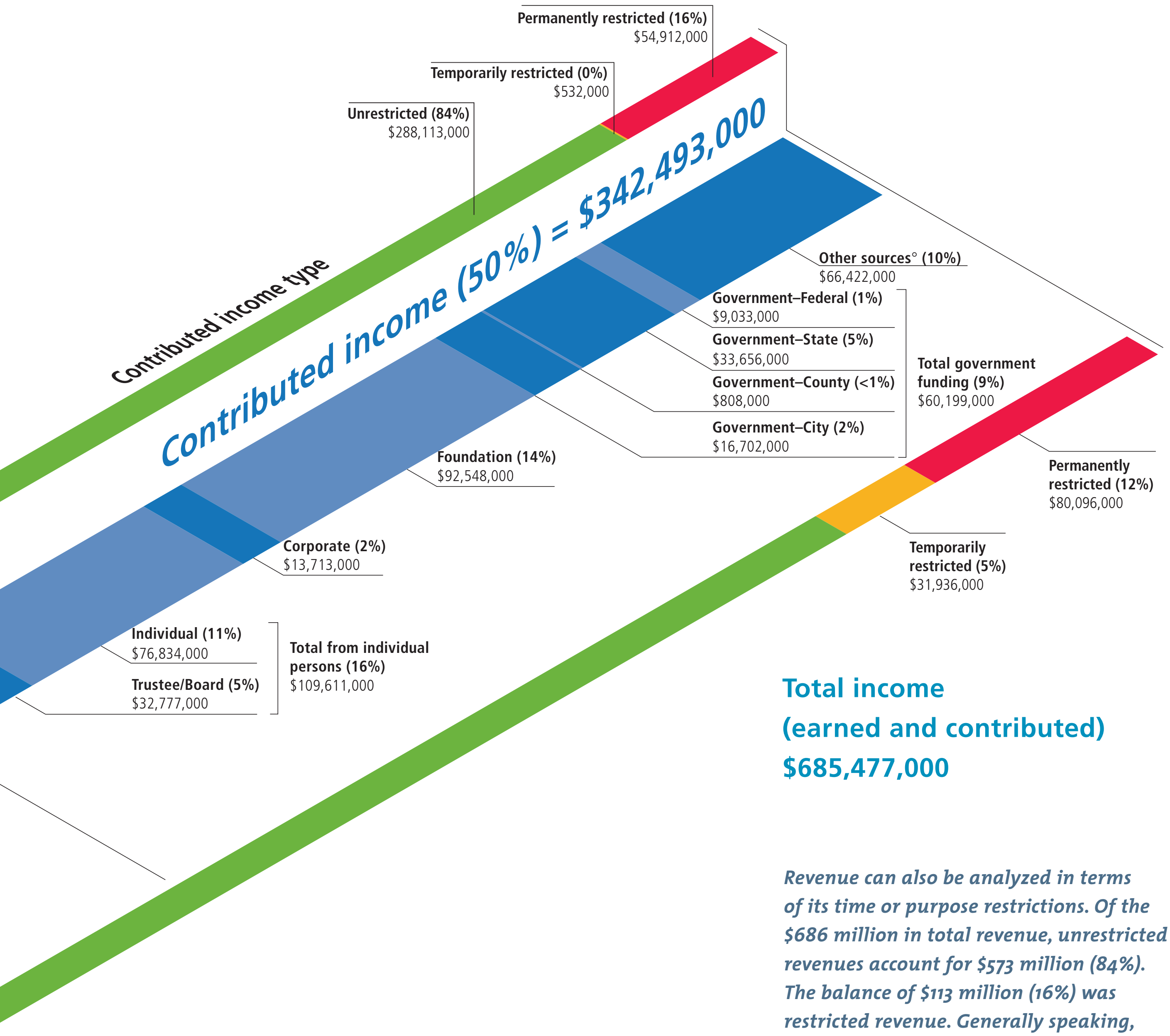
4 **Total income•**

More revenue comes from individuals than any other type of contributor.

The largest source of earned income is "Admissions/Tickets/Tuitions."

Contributions from individuals (board members and non-board individual contributors) represent the largest source of contributed income.





Total income (earned and contributed) $685,477,000

Revenue can also be analyzed in terms of its time or purpose restrictions. Of the $686 million in total revenue, unrestricted revenues account for $573 million (84%). The balance of $113 million (16%) was restricted revenue. Generally speaking, unrestricted revenues are available for organizations' operations in the most recent fiscal year, while restricted revenues are generally not available until future years.

Throughout ***Portfolio*** percentages may not add up to 100% because of rounding.

• Excludes revenues used for construction for a large organization

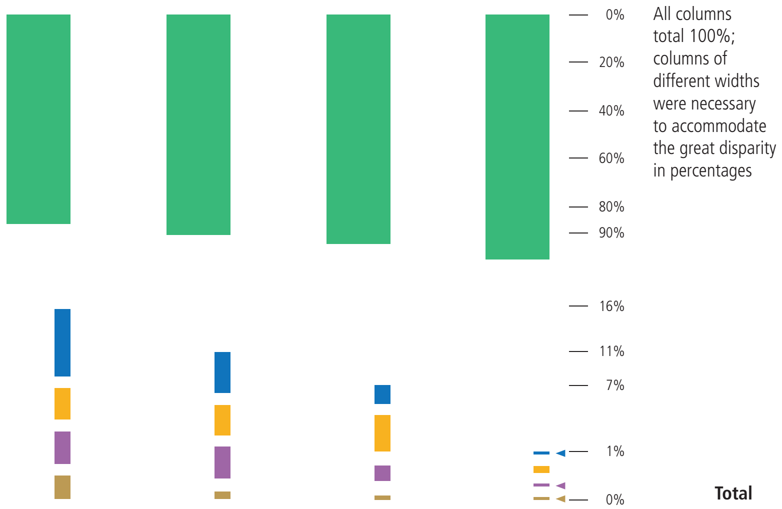
° "Other" includes contributions from parent organizations, in-kind contributions, contributions from events, and other public contributions

Foundations contributed $93 million, the second largest source of contributed income and third largest source of revenue overall, at 14%. Corporate contributions of $14 million, accounted for just over 2 cents of every dollar.

In terms of the number of contributions, the vast majority (96%) came from individual donors, who made almost 266,000 contributions to the fundraising efforts of arts and cultural organizations in the region. The average contribution was $300 from (non-board) individuals, $10,000 from board members, $35,800 from foundations, and $2,900 from corporations.

Government accounts for less than 9 cents of every dollar of arts and culture funding in Southeastern Pennsylvania and most of that comes from federal and state sources. Combined government spending (federal, state, and local) was $60 million. Of that total, city and county governments contributed $18 million (or less than 3% of total cultural revenues). Compared to other metropolitan areas, that is low. In the Greater Pittsburgh region, the Regional Asset District provides about 5% of organizations' budgets. In Charlotte and Denver, regional arts and cultural funds provide approximately 9% of organizations' budgets. In New York City and San Francisco, these percentages reach over 10%.

5 **Number of contributors by type**



Organization size (by annual expenses)	Small	Medium	Large	Very large	**Total**		**Total contributed income**
Individual persons							
Individual	5,625	22,889	66,966	170,454	**265,934**	96%	**$76,834,000**
Trustee/Board	450	1,058	1,347	432 ◄	**3,182**	1%	**32,777,000**
Corporate	210	783	2,626	1,182	**4,793**	2%	**13,713,000**
Foundation	218	821	1,110	436 ◄	**2,600**	1%	**92,548,000**
Government	157	188	309	51 ◄	**705**	0%	**60,199,000**
Total	**6,660**	**25,739**	**72,358**	**172,555**	**277,312**		

◄ Amount is too small to show proportionally

The percentage of local governments' budgets spent on arts and culture is small. Philadelphia makes the largest contribution ($16.2 million) and comes in at about 7/10ths of a penny for each dollar spent. The four suburban counties contribute significantly less—between 5/100ths and 2/1000ths of a penny per budget dollar.

6 **Government support as a percentage of organizations' revenue**

Expenses

Among the 218 surveyed PACDP organizations, total expenditures approach $563 million. The majority of all spending (55%) is done by the 12 Very Large organizations, which collectively spent $318 million in the most recent fiscal year reported. Large organizations spent another $199 million. Medium organizations spent $37 million. Small organizations spent $8 million.

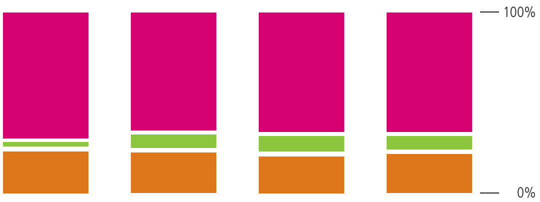
To understand how arts and cultural organizations function, it is helpful to look at their expenditures in two ways:

Expenses by purpose: One way of getting an overall picture of an organization's finances is by examining a three-way breakdown of operating expenses—Program, General, and Fundraising. This is typically presented in an organization's audit as the "Schedule of Functional Expenses."

Expenses by category: Another way of understanding an organization's finances is by examining expenses for specific items, such as rent, office supplies, and salaries.

70% of money spent by arts and cutural organizations is directly spent in programmatic areas—producing plays, holding concerts, exhibiting artworks, feeding animals, etc. Fundraising represents the smallest area of expenditures, at 8%.

7 **Total expenses by purpose•**



Organization size (by annual expenses)	Small	Medium	Large	Very large	Total	
Program	$5,838,000	$25,687,000	$138,631,000	$221,683,000	**$391,839,000**	70%
Fundraising	192,000	2,880,000	17,861,000	24,371,000	**45,303,000**	8%
General	1,930,000	8,819,000	42,517,000	72,264,000	**125,530,000**	22%
Total	**$7,961,000**	**$37,386,000**	**$199,007,000**	**$318,317,000**	**$562,672,000**	100%
Median	98,000	492,000	2,670,000	28,131,000		

• Excludes expenses used for construction for a large organization

Expenses will fall, in whole or in part, within one of the purpose areas. For example, a theatre company paying $2,000 per month for electricity will be for lighting the stage, running the postage machine, and powering the computers in the fundraising office. This cost may be understood as being partially within all three purpose areas. Although it is complex to "slice the expenditure pie two different ways," as we do here, we get an excellent picture of how organizations operate.

For the organizations surveyed, 70% of money is directly spent in programmatic areas—producing plays, holding concerts, exhibiting artworks, feeding animals, etc. 22% is spent on general expenses. Fundraising represents the smallest area of expenditures, at 8%.

Salaries and benefits make up the largest share (about 42%) of the total arts and culture expenditures in Southeastern Pennsylvania. By comparison to other professional service employers however, the arts and culture sector's labor expense is low. Accounting firms, law offices, and architectural firms all spend more than 60% of their budgets on labor.

The second highest portion of expenses is physical plant, including building maintenance and operation, which accounts for almost 34% of the total. This may be a reflection of the size and age of many of Southeastern Pennsylvania's arts and culture facilities, as well as the systems necessary for various institutions to preserve their collections of artistic, historic, or scientific artifacts.

8 **Total expenses by category•**

Organization size (by annual expenses)	Small	Medium	Large	Very large	Total	
Total salaries and fringe	$2,441,000	$16,021,000	$85,148,000	$131,828,000	**$235,438,000**	42%
Professional services	1,012,000	4,291,000	26,213,000	23,060,000	**54,576,000**	10%
Artistic/programmatic services	1,893,000	4,665,000	16,784,000	11,967,000	**35,309,000**	6%
Communications	665,000	4,356,000	13,707,000	30,358,000	**49,085,000**	9%
Physical plant	1,949,000	8,053,000	57,157,000	121,104,000	**188,264,000**	33%
Total	**$7,961,000**	**$37,386,000**	**$199,007,000**	**$18,317,000**	**$562,672,000**	100%

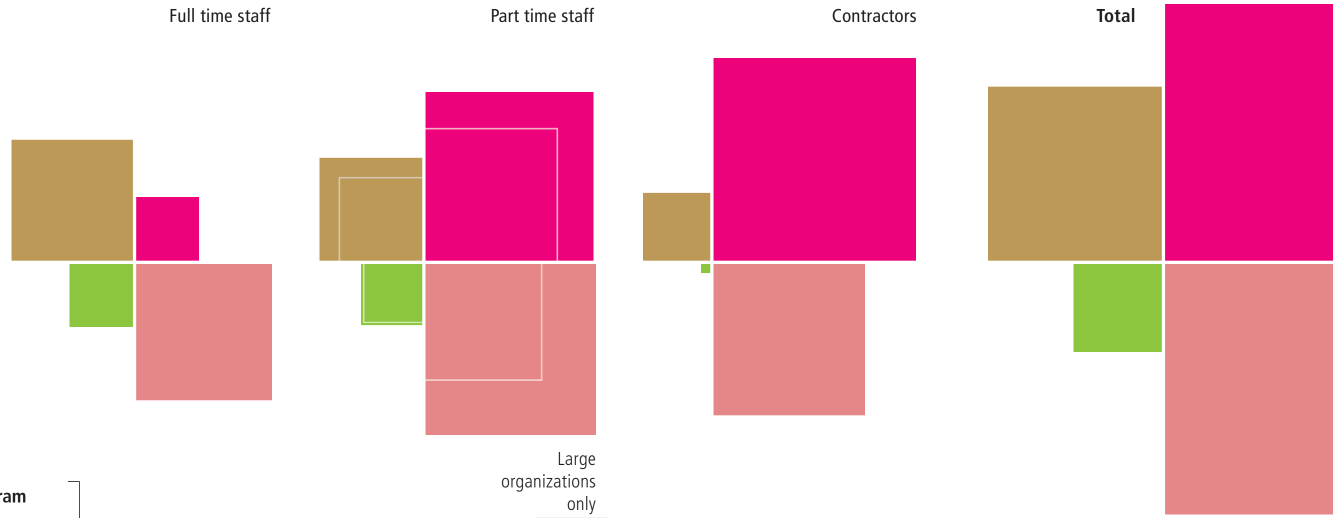
• Excludes expenses used for construction for a large organization

Employees and Payroll

The arts and culture sector employs more than 14,000 people in Southeastern Pennsylvania.

The arts and culture sector generates more than 14,000 full and part-time jobs. A large majority of cultural employees are directly involved in the artistic and cultural missions of these organizations. "Artists" and "program" employees are the most common type of employee—at 5,700 and 5,500 respectively—making up 4 out of every five jobs. Artists are most likely to be employed part-time or as full-time contract employees. In fact, artists comprise the largest segment of the part-time positions in arts and culture. Program employees are most likely to be employed as full-time staff or full-time contractors. The smallest number of positions is in the area of fund-raising, with 600 fundraising jobs (4%) available at arts and cultural organizations in

9a **Total employment by purpose•**



	Full time staff	Part time staff	Large organizations only	Contractors	Total
Program					
Artists	321	2,195	1,361	3,172	**5,688**
Other program	1,448	2,267	1,057	1,782	**5,497**
Fundraising	316	303	276	9	**628**
General	1,141	834	545	366	**2,341**
Total	**3,226**	**5,599**	**3,239**	**5,329**	**14,154**

Note: The light outline represents the number of part time staff in large organizations

9b **Total employment by organization size•**

Organization size (by annual expenses)	Small	Medium	Large	Very large	Total
Total employment	**1,187**	**2,482**	**7,102**	**3,383**	**14,154**

• For non-arts universities this includes employment reported for arts activities only

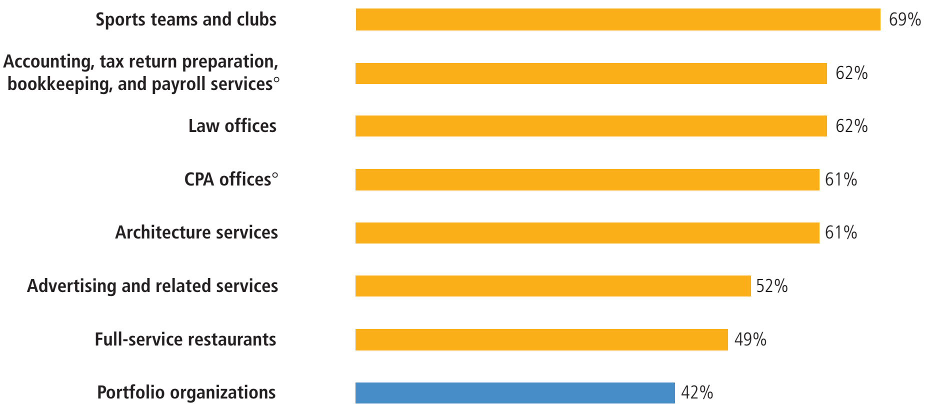
Southeastern Pennsylvania. The balance are "general" positions, which typically include management, accounting, legal, or human resources.

8,800 persons are employed directly by arts and cultural organizations and another 5,400 are contract employees. Contract employees are typically self-employed individuals (the vast majority of whom are artists) or employees contracted through other employers (such as accountants through a financial firm or guards through a security agency).

Arts and cultural organizations are responsible for a grand total of $235 million in wages and benefits spent on their employees. The bulk of this sum, $183 million, is spent on wages (78% of the total), $14.5 million spent on health care costs (6% of employee costs), and $14.4 million on pensions and retirement funds (6%). 74% of this workforce is employed by organizations with budgets of over $1 million (the Large and Very Large organizations combined). Part-time staff positions are a higher percentage of the staff at small and medium organizations.

Arts and cultural organizations rely on their employees for the products—plays, performances, art classes, exhibits—that they present to the public as the "products" of the industry. Without a highly trained and highly educated workforce within these organizations, there would be no cultural resources for those of us who live here and for the millions of visitors attracted to Southeastern Pennsylvania.

10 **Labor expenses for Portfolio organizations and other industries•**



• Figures from Portfolio organizations taken from this report, all other figures U.S. Census (2002 Economic Census). The Greater Philadelphia Cultural Alliance is solely responsible for the research and data analysis for this chart. Except where noted, all figures include contract employees.

° Does not include contract employees.

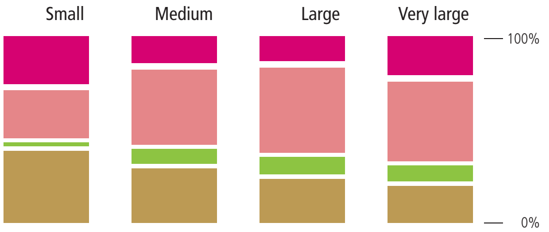
For such a high profile sector dependent upon its human resources, arts and cultural organizations appear to offer a great deal to the public for fairly low expenditures on labor. At the same time, if part-time employees (who make up a large percentage of the workforce) are going without adequate health insurance, retirement savings, etc., this structure may be unsustainable for the long term. Such compensation issues may act as a disincentive to qualified people to join or remain with arts and cultural organizations.

11 Employment and payroll at Portfolio organizations and other industries in Southeastern PA•

Paid employees	Industry	Annual payroll
16,994	Food manufacturing	$610,815,000
14,154	***Portfolio* organizations**	**235,438,000**
13,738	Accommodation (including hotels and motels)	277,529,000
10,747	Pharmaceutical and medicine manufacturing	733,803,000
8,249	Offices of certified public accountants	462,385,000
6,546	Advertising and related services	313,539,000
3,940	Architectural services	224,504,000

• Figures from Portfolio organizations taken from this report, all other figures U.S. Census (2002 Economic Census)
The Greater Philadelphia Cultural Alliance is solely responsible for the research and data analysis for this chart.

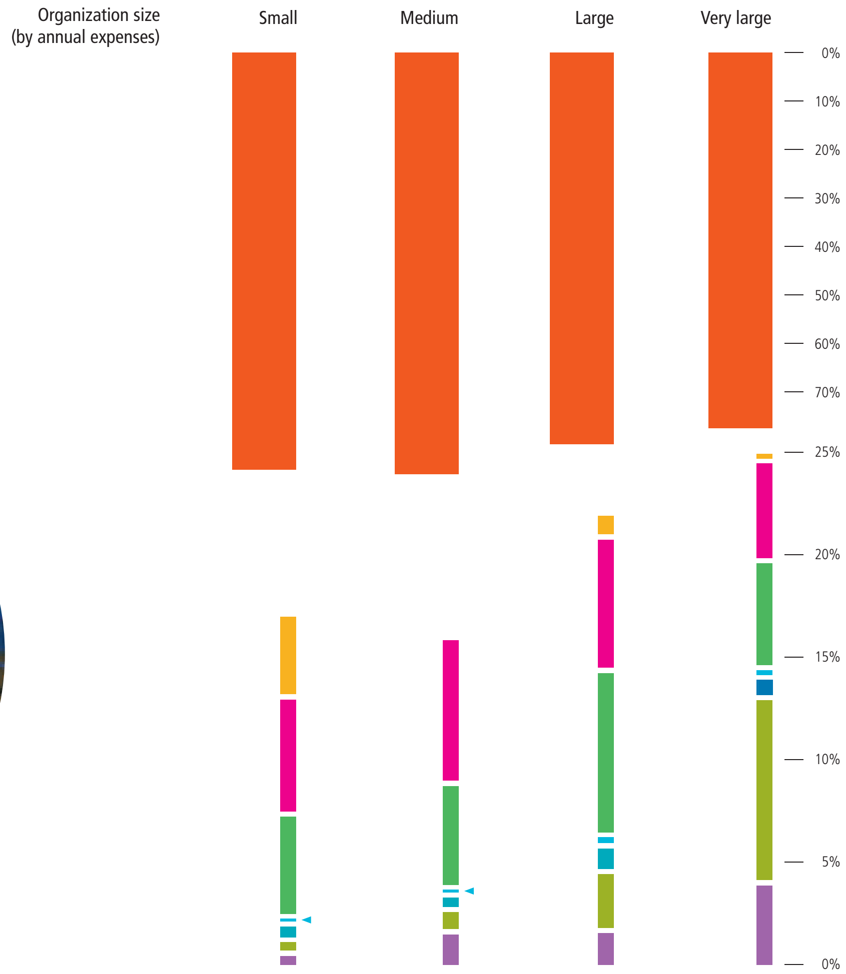
12 Payroll expenses by purpose•



Organization size (by annual expenses)	Small	Medium	Large	Very large	Total		
Program							
Artists	$697,000	$2,565,000	$12,694,000	$31,721,000	**$47,676,000**	20%	68%
Other program	702,000	7,206,000	43,390,000	61,629,000	**112,926,000**	48%	
Fundraising	54,000	1,429,000	8,949,000	12,082,000	**22,514,000**	10%	
General	988,000	4,822,000	20,116,000	26,395,000	**52,321,000**	22%	
Total	**$2,441,000**	**$16,021,000**	**$85,148,000**	**$131,828,000**	**$235,438,000**	100%	

• Excludes expenses used for construction for a large organization

13 Payroll expenses by category•



All columns total 100%; columns of different widths were necessary to accommodate the great disparity in percentages

	Small	Medium	Large	Very large	Total	
Salary	$2,054,000	$13,628,000	$67,245,000	$99,944,000	**$182,871,000**	78%
Commission	95,000	0	786,000	320,000	**1,201,000**	1%
Payroll taxes	137,000	1,132,000	5,492,000	6,286,000	**13,048,000**	6%
Health care benefits	120,000	797,000	6,824,000	6,762,000	**14,503,000**	6%
Disability	1,200 ◄	8,400 ◄	248,000	326,000	**583,000**	0%
Workers compensation	13,000	76,000	875,000	997,000	**1,961,000**	1%
Pension	10,300	135,000	2,312,000	11,938,000	**14,395,000**	6%
Other benefits	10,900	245,000	1,366,000	5,255,000	**6,877,000**	3%
Total	**$2,441,000**	**$16,021,000**	**$85,148,000**	**$131,828,000**	**$235,438,000**	**100%**

• Excludes expenses used for construction for a large organization

◄ Amount is too small to show proportionally

Marketing Expenses

Marketing expenses vary significantly by both organizational size and discipline.

Of total expenses of $562 million for all organizations, $36 million, or 6.3%, is spent on marketing-related expenses. This is an average of $3 spent for each of the 12 million people who attended all free or ticketed events (excluding park attendance).

Of the $36 million in marketing expenses, a third was spent directly on advertising and another third spent directly on salaries. The rest was spent on printing and other marketing costs.

By Size

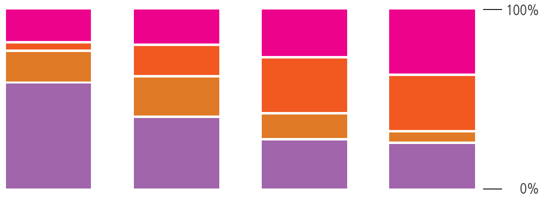
Overall marketing expenses were almost 10% of organizational expenses for Small organizations, 8% at Medium and Large organizations and 5% at Very Large organizations.

Despite the fact that Small organizations spent almost 10% of their expenses on marketing, they spent only $345 per organization on marketing salaries. Medium organizations spent $8,000 on marketing salaries. Conversely, Large organizations spent $71,000 and Very Large organizations spent $441,000 on marketing salaries. Clearly, smaller organizations, while spending significant portions of their budgets on marketing, do not have full time, dedicated professional marketing staff in house. Marketing functions at smaller organizations are either being absorbed by general managers, for whom marketing is one of several areas of responsibility, or they are being outsourced to contractors.

By Discipline

Marketing expenses vary considerably by discipline. In the aggregate, Performing arts organizations, which have only a third of the attendance of Museums, Visual Arts, Historic, and Scientific organizations, are spending 250% more, as a portion of their budget, on marketing versus the Museum grouping (Performing Arts spend 10% of their budgets on marketing versus the 4% spent by the Museum grouping). Community Arts and Education organizations spend a little more than 5% and Service organizations spend about 9% of their total expenses on marketing efforts.

14 **Marketing expenses by area•**



Organization size (by annual expenses)	Small	Medium	Large	Very large	Total	
Advertising	$134,000	$588,000	$4,083,000	$6,024,000	**$10,829,000**	2%
Salaries	27,000	534,000	4,906,000	5,299,000	**10,766,000**	2%
Printing	135,000	702,000	2,157,000	845,000	**3,839,000**	1%
Other marketing	475,000	1,277,000	4,267,000	4,151,000	**10,166,000**	2%
Marketing expenses total	**770,000**	**3,101,000**	**15,410,000**	**16,319,000**	**35,599,000**	6%
Expenses total	**$7,961,000**	**$37,386,000**	**$199,009,000**	**$318,317,000**	**$562,672,000**	100%

• Excludes expenses used for construction for a large organization

The disparity between investments in marketing is even more dramatic if one looks at the cost of marketing efforts per visit to an organization. Museums, Visual Arts, Historic, and Scientific organizations spend on average $1.44 per visit on marketing. Performing arts organizations spend $8.39 per visitor, almost six times that of the Museum grouping. Community Arts and Education groups spend $2.51 per visit. (We use a combination of both paid and free tickets to analyze marketing efforts, since marketing campaigns are focused on driving overall attendance, not necessarily generating revenue.)

Of the Performing Arts disciplines, Music spends both the least per visit ($5.60) and dedicates the lowest percentage of any Performing Arts discipline budget to marketing (6%). Dance and Theatre spend similar percentages of their budget on marketing (13% and 15%, respectively) but Dance invests almost twice as much as theatre organizations per visit ($12.70 versus $6.62).

Overall, organizations spend an average of $2.94 per visit on marketing efforts.

Visit Revenue Yield Analysis

While it is useful to look at the cost of marketing per visit, we can also examine the average revenue generated per visitor (total free and paid attendance divided by total income generated through visits). Clearly, organizations that have a large proportion of free or inexpensive attendance will return a lower yield per visit. That does not imply that these organizations are less efficient. Many organizations have accessibility and affordability as key tenets of their mission.

Of all groupings, Performing Arts generates the highest yield per visit, at over $27.00 per visit. It is also important to note that this grouping generates 60% of overall revenue from visits. Museums, Visual Arts, Historic, and Scientific organizations have the lowest yield with $6.39 generated per visit. However, many offer free admission. For example, 89% of the visits to History organizations have no ticketing fee and overall attendance accounts for only 37% of total revenue.

A final useful metric is how much revenue is generated per dollar spent on marketing. Overall for all disciplines, $2.13 in visit revenue is generated for every dollar spent on marketing. Science generates the highest marketing yield, with $6.70 generated for every dollar invested in marketing. Within the Performing Arts, Music generates the highest yield, with $4.65 generated per dollar invested in marketing.

Performing Arts groups, which spend the highest proportion of their budgets on marketing, depend the most on ticket sales as a proportion of their overall revenue. Small organizations spend almost no funds on dedicated marketing professionals, but spend the highest proportion of their budgets on overall marketing expenses.

Financial Performance

Balance Sheet

Arts and cultural organizations pursue their missions with lean budgets. Based on the combined revenues and expenses for all organizations, the industry has a margin of $11 million (1.7%) on total unrestricted revenues of $573 million.

There are clear variations from organization to organization. Just under half (47%) of the organizations operate with deficits. More than one in four arts organizations (27%) are operating in unsustainable territory, with a deficit greater than 10% of total revenues.

In general, the data suggest a correlation between budget size and financial health. Larger organizations tend to have surpluses; smaller organizations are more inclined to have deficits. When the net incomes of the organizations are aggregated by size category, we can see that a net surplus exists among the Large and Very Large arts and culture organizations.

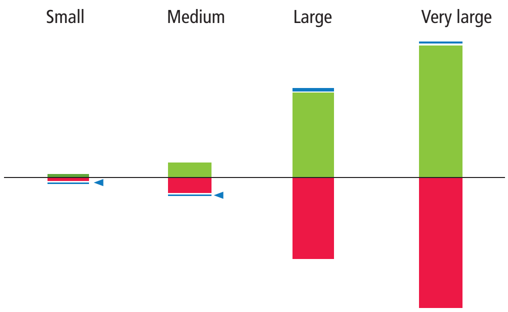
Half of the Very Large and just over half of the Large organizations show a surplus, enough to keep both class sizes in the black.

The Very Large organizations constitute about 56% of the total revenues and expenditures while the Large organizations make up about 35%.

The two size categories with an operating deficit are Medium and Small. The graphic below, comparing surplus/deficit to total expenses, reveals the degree of financial constraint for the Small organizations, 52% of which operate with a deficit. While many deficits are small due to the size of the organizations, collectively they are enough to show a loss for Small organizations, particularly compared to their overall expenditures. A similar situation holds true for the Medium institutions, but to a lesser degree. In the aggregate, an additional investment of $1.3 million would balance the combined budgets of the Small and Medium-sized organizations.

Arts and cultural organizations operate with razor-thin budgets.

15 **Unrestricted revenue vs. expenses balance sheet•**



	Small	Medium	Large	Very large	Total
Unrestricted revenue	$7,424,000	$36,634,000	$206,678,000	$322,708,000	**$573,444,000**
Expenses	7,961,000	37,386,000	199,007,000	318,317,000	**562,672,000**
Balance	– 536,000◄	– 752,000◄	7,669,000	4,391,000	**10,772,000**

• Excludes expenses used for construction for a large organization

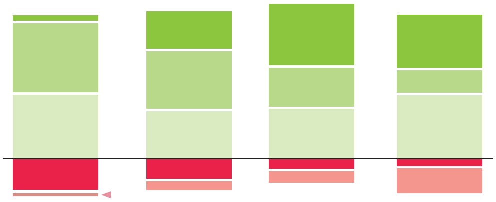
◄ Amount is too small to show proportionally

Assets and Liquidity

The 218 ***Portfolio*** organizations hold significant assets—approximately $2.5 billion. A sizeable majority of these assets, however, are illiquid. Of the $2.5 billion in total assets held by cultural organizations, $1.0 billion is held in non-current assets such as land, buildings, and equipment. Of the remaining $1.5 billion in current assets, another $1.0 billion is restricted as part of the organizations' endowments. Thus, less than 20% of total assets ($472 million) are accessible liquid assets.

Less than 20% ($472 million) of the $2.5 billion in assets held by arts and cultural organizations are accessible liquid assets ( ).

16 **Assets and liabilities•**



Organization size (by annual expenses)	Small	Medium	Large	Very large	Total
Current endowment assets	$195,000	$14,487,000	$305,658,000	$729,466,000	**$1,049,806,000**
Current non-endowment assets°	2,871,000	18,951,000	173,492,000	276,652,000	**471,966,000**
Non-current assets••	2,424,000	15,702,000	224,105,000	774,588,000	**1,016,819,000**
Current liabilities	1,196,000	6,688,000	46,659,000	92,742,000	**147,284,000**
Non-current liabilities	67,000 ◄	2,923,000	50,111,000	306,363,000	**359,463,000**
Total assets	**5,490,000**	**49,140,000**	**703,255,000**	**1,780,706,000**	**2,538,591,000**
Total liabilities	**1,263,000**	**9,587,000**	**97,147,000**	**294,469,000**	**402,466,000**
Net assets	**$4,227,000**	**$39,553,000**	**$606,108,000**	**$1,486,237,000**	**$2,136,125,000**

• For non-arts higher educational institutions, this includes financial information reported for arts activities only

° Non-endowment current assets include receivables, inventory, and non-endowment investments

•• Non-current assets include fixed assets like land, buildings, furniture, and equipment

◄ Amount is too small to show proportionally

ENDOWMENTS

Endowments are used to provide economic stability. They are pools of assets that are invested in stocks, bonds, real estate, and other areas, and they are typically managed by financial professionals whose activities are overseen by an organization's Board of Directors. Even if the total value of an endowment's assets is high, the amount of revenue that an organization realizes from its endowment at any given time is comparatively small—usually between 4% and 5% of the average value of the endowment during the previous three years[12]. Except in times of great need, distribution levels are set to allow the endowment to exist in perpetuity and provide a consistent stream of income to an organization. Endowments can provide a significant measure of financial security for an organization and often reflect the concerted efforts of generations of supporters.

More than $1.05 billion is held in the endowments of the 218 organizations included in this report. The use of the majority of this money (70%) is permanently restricted.

One-third (33%) of the 218 organizations have endowments—two thirds do not. While every one of the Very Large organizations has an endowment, only 58% of Large Organizations, 32% of Medium Organizations, and 4% of Small Organizations have endowments. Not surprisingly, 9% of the total revenue of Very Large organizations comes from investment and interest income (which is primarily from endowment funds) while less than 1% of the total revenue of Small organizations comes from investments and interest income.

Five types of organizations—Education & Instruction, Museums, Science & Nature, History and Music organizations—account for 95% of the sector's total endowments. Other types, including Community Arts, Media Arts, Service, Dance and Theater organizations, have little to no endowment support.

17 **Endowment funds by type•**

Organization size (by annual expenses)	Small	Medium	Large	Very large	Total
Board restricted	$168,000	$2,121,000	$92,545,000	$168,616,000	**$263,450,000**
Term restricted	0	7,651,000	18,419,000	32,113,000	**58,183,000**
Permanently restricted	26,000	4,716,000	194,695,000	528,737,000	**728,174,000**
Total	**$195,000**	**$14,487,000**	**$305,658,000**	**$729,466,000**	**$1,049,806,000**
Percent of organizations with endowments	4%	32%	58%	100%	33%
Average	3,000	201,000	5,362,000	60,789,000	
Median	0	0	250,000	31,657,00	

• For non-arts higher educational institutions, this includes financial information reported for arts activities only

Fundraising Campaigns

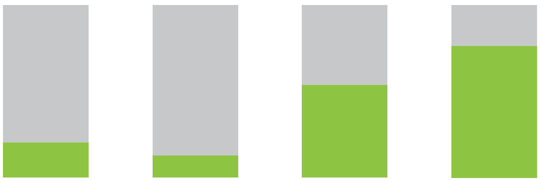
Nonprofit organizations generally engage in multi-year efforts to raise funds for endowments or to build, renovate, or add to buildings. The ***Portfolio*** organizations are currently engaged in 92 capital and endowment campaigns with a combined fundraising goal of $1.1 billion. This is equivalent to approximately two times their current annual expenditures. Overall, Very Large and Large organizations are well on their way to meeting their goals. Medium and Small organizations, on the other hand, have much further to go.

Portfolio organizations are in the process of raising $1.1 billion in capital and endowment campaigns. To date, they have raised $608 million (55%) of this combined goal.

62 participating organizations are currently engaged in bricks-and-mortar fundraising campaigns with a combined goal of $691 million. As of December 2005, these 62 organizations reported having raised $423 million (61%) toward their goals. The Very Large organizations are the furthest along in their fundraising campaigns with $237 million of $300 million raised.

30 organizations are currently engaged in endowment-building campaigns to raise $411 million. The majority of these campaigns (16) are being undertaken by the group of Large organizations. A total of $186 million (45%) has been raised so far.

18 **Fundraising Campaigns•**



Organization size (by annual expenses)	Small	Medium	Large	Very large	Total
Current capital campaigns					
Total goal	$7,690,400	$47,555,000	$333,265,000	$302,000,000	**$690,510,400**
Total raised	1,564,000	5,997,000	177,580,000	237,440,000	**422,582,000**
% raised	**20%**	**13%**	**53%**	**79%**	**61%**
Number of campaigns	15	19	23	5	**62**

Organization size (by annual expenses)	Small	Medium	Large	Very large	Total
Current endowment campaigns					
Total goal	0	$10,673,000	$117,325,000	$282,500,000	**$410,498,000**
Total raised	0	288,000	28,112,000	157,353,000	**185,753,000**
% raised	**0%**	**3%**	**24%**	**56%**	**45%**
Number of campaigns	1	8	16	5	**30**

• For non-arts higher educational institutions, this includes financial information reported for arts activities only

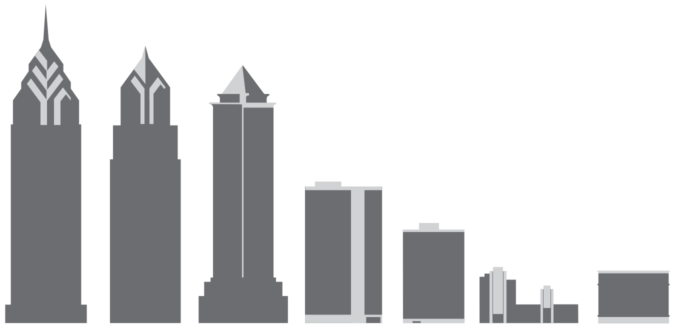
Space

The ***Portfolio*** organizations (excepting arboreta) occupy 8.7 million square feet of buildings, structures, and other spaces. Of this, 4.5 million square feet is owned and 4.2 million square feet is rented. We can compare these figures to some well-known buildings in Philadelphia. To contain all of the owned space, we would need the combined floor space of One Liberty Place, Two Liberty Place (the two tallest buildings in the city), Mellon Bank Center, and the Cira Centre. To contain all of the owned and rented space would require the combined floor space of the seven largest skyscrapers in Center City Philadelphia. If all of the performances and exhibitions produced by all 218 organizations were to take place at once, they would require more space than One Liberty Place. (1.3 million sq. ft. for performances, 1.2 million sq. ft. in One Liberty Place.)

19 **Owned and rented space by type** (square feet)

Type of space	Exhibition	Performance	Educational	Other•	Total
Owned	961,524	300,110	535,339	2,741,688	**4,538,661**
Rented	187,635	990,128	466,329	2,524,152	**4,168,244**
Total	**1,149,159**	**1,290,238**	**1,001,668**	**5,265,840**	**8,706,905**

• Other includes administrative, gift shop, concession, and public spaces



The involvement of area residents in arts and culture goes far beyond their attendance at events and exhibits. Cultural organizations provide innumerable opportunities for residents to meet, interact, and work together. Firm bonds are established and the framework of social networks is strengthened. Like schools, churches, community groups, and other public institutions in Southeastern Pennsylvania, cultural organizations are generators of invaluable social capital[13].

Community Engagement:

Building Social Capital

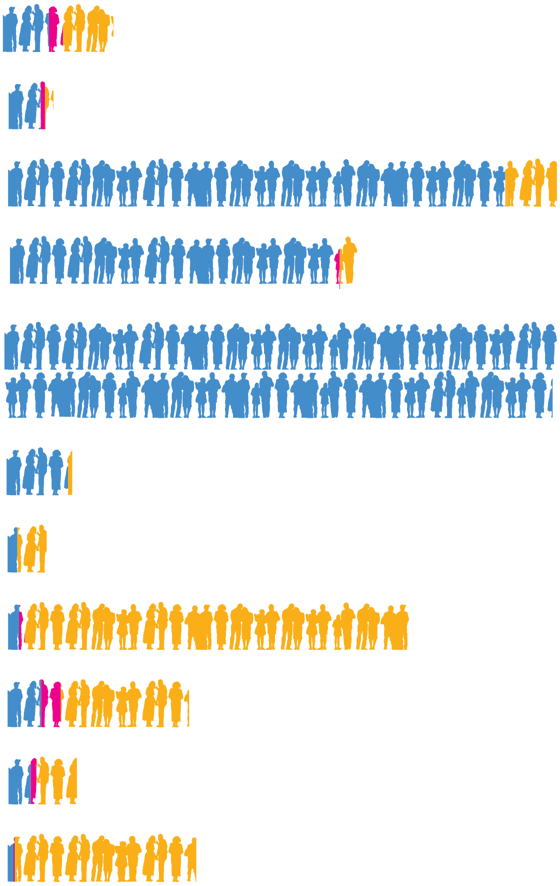
Memberships and Subscriptions

The equivalent of 1 in 5 people in Southeastern PA have memberships or subscriptions to arts and cultural organizations.

The equivalent of 1 in 5 people in Southeastern Pennsylvania have memberships or subscriptions to arts and cultural organizations, for a total of 732,000.

Members and subscribers are the life-blood of many organizations and generally commit to significant levels of support. One hundred and fifty-eight ***Portfolio*** organizations have either membership or subscription opportunities (some offer both). Fifty-six organizations offer memberships, 90% of which are held by supporters of Science & Nature, Media Arts, and Museums, Galleries, & Visual Arts organizations, with more than half held by the Science & Nature supporters. One hundred and two organizations offer subscriptions. Performing Arts organizations make up most of this group, with Theater organizations counting the largest number of subscriptions.

20 **Members and subscribers by discipline•**



Discipline	Member	Subscriber	Both a member and subscriber	Total°
Community Arts & Culture	11,187	12,481	3,340	**20,328**
Education & Instruction	7,745	2,041	1,156	**8,630**
Media Arts	121,860	12,740	0	**134,600**
Museums, Galleries, & Visual Arts	79,226	4,509	1,388	**82,347**
Science & Nature	269,662	0	0	**269,662**
History	15,134	966	0	**16,100**
Dance	2,531	6,965	0	**9,496**
Theater	2,792	94,852	1,246	**96,398**
Music	8,156	31,626	4,577	**35,205**
Other Performing Arts	5,473	9,766	1,599	**13,640**
Councils, Services, & Support	1,453	44,500	312	**45,641**
Total	**525,219**	**220,446**	**13,618**	**732,047**

• Graphic does not count unique individuals. One individual may be a member or subscriber of more than one organization

° Total (those individuals who are both members and subscribers are counted only once)

Volunteer Positions

Local residents fill 17,000 volunteer positions in cultural organizations, an average of 77 volunteers per organization. Volunteers contribute their time and talent in all areas of organizations' work—general, programmatic, artistic, and fundraising. The number of volunteers is evenly distributed among organizations of all sizes but when compared to measures such as staff size, it is clear that Small and Medium organizations rely heavily on donated time and efforts for their operations. This indicates that while some organizations may not be rich in terms of finances or facilities, they enjoy strong backing from members of the community.

Local residents fill 17,000 volunteer positions in arts and cultural organizations.

21 **Volunteers•**

Organization size (by annual expenses)	Volunteers	%
Small	2,601	15%
Medium	4,619	27%
Large	5,219	30%
Very large	4,732	28%
Total	**17,171**	**100%**

• Graphic does not count unique individuals. One individual may be a volunteer of more than one organization

Boards of Directors

Nearly 3,900 board positions are filled by a corps of volunteers responsible for the governance of cultural organizations.

Among the most involved volunteers of any cultural organization are the members of its Board of Directors, who give years of service and support. Nearly 3,900 positions are available on the Boards of the ***Portfolio*** organizations. The average size of an organization's Board is 18 persons. Eighty-five percent of board members make financial contributions to their organizations. Board members contribute at least twice what the average individual contributes, with an average donation of nearly $10,000. At Very Large organizations, the average Board contribution is more than $52,000. The average Board contribution is almost $6,500 at Large organizations, more than $1,200 at Medium organizations, and just over $250 at Small organizations[14].

22 **Members of Boards of Directors•**

Organization size (by annual expenses)	Board member	%
Small	763	20%
Medium	1,241	32%
Large	1,393	36%
Very large	472	12%
Total	**3,869**	**100%**

• Graphic does not count unique individuals. One individual may be a member of more than one organization's Board of Directors

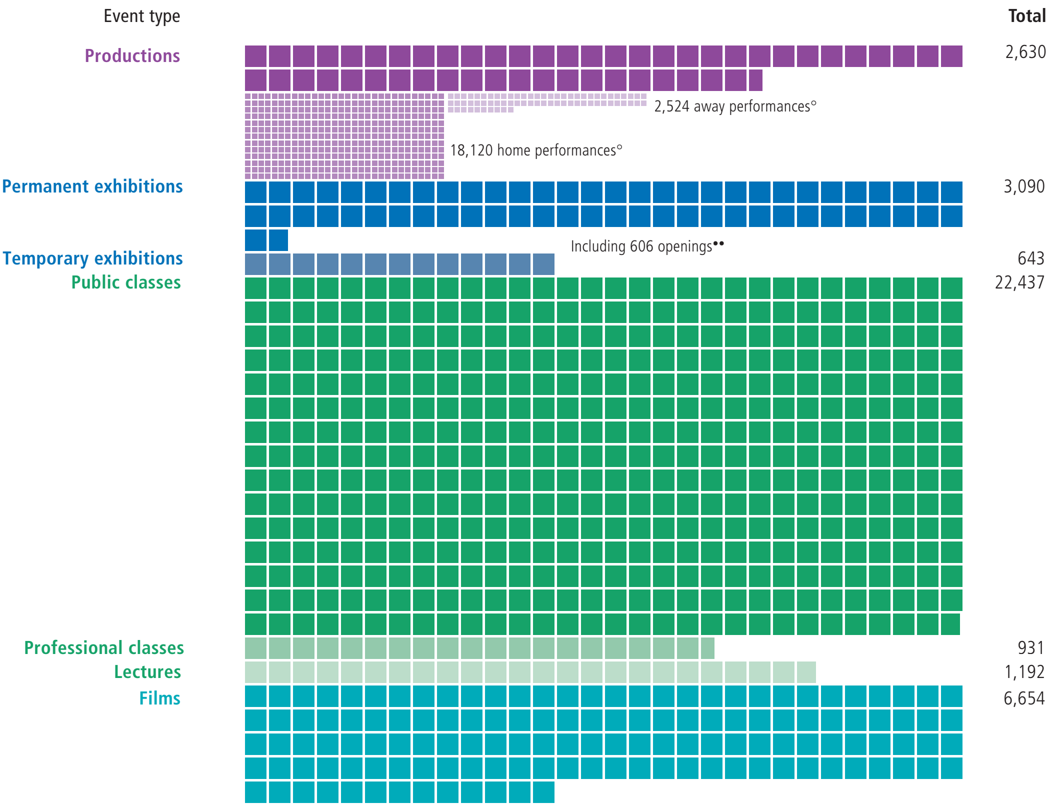
Events

To take in all the cultural activities of the ***Portfolio*** organizations in a year, one would have to:

- Attend three performances[15] every hour
- Visit nine permanent exhibitions and two new exhibitions each day
- Attend 10 new events each week

Visitors to cultural organizations are able to enjoy more than 37,500 unique events a year, including more than 2,600 productions[16], 3,700 exhibitions[17], 6,600 films, and 1,100 lectures. The most numerous events are public classes, at more than 22,000[18].

23 **Events by type•**



Total Unique Events	**37,577**
Total (including all performances, not productions)	**55,591**

☐ = 50 events

• All of the figures count only the first instance of a production (such as a play, concert) that is repeated, or an exhibition that continues for more than one day, except where otherwise noted

° Performances denotes each instance of each production (productions totalled at right)

•• Openings included in figures for permanent and temporary exhibitions, etc.

Attendance

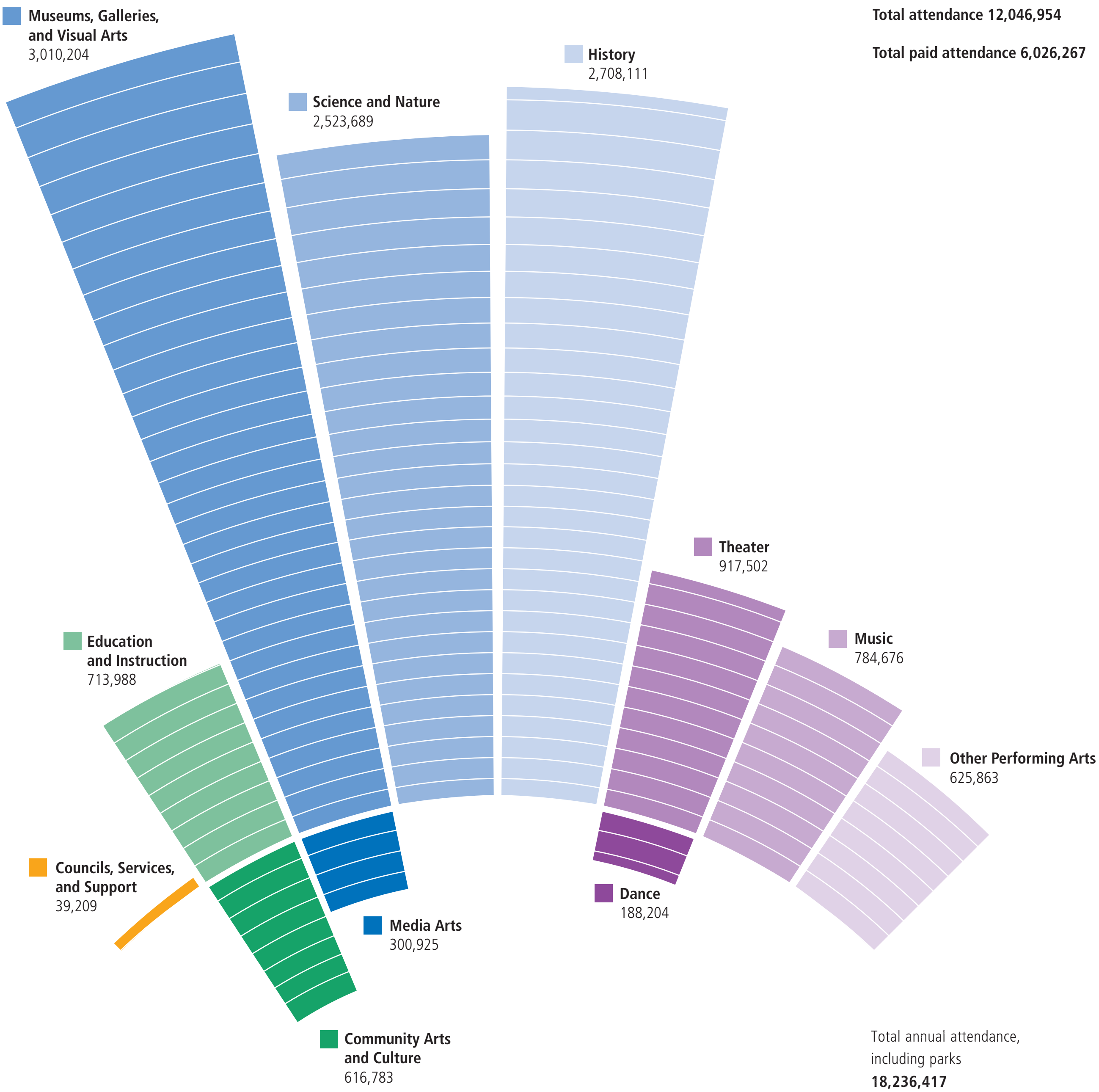
Annual attendance by school children
4,994,974

Overall visits to participating cultural organizations total over 12 million, not including parks[19]. This is equivalent to three visits annually for every man, woman, and child in Southeastern Pennsylvania. Half of the visits to these cultural organizations were free of charge. Two out of every five visits to cultural organizations—5 million visits total—are from school children.

History organizations have the highest levels of free attendance, at 2.7 million visits. Museums, Galleries, & Visual Arts and Science & Nature organizations saw the largest number of paid visits, at about 1.5 million each. Theater organizations have the next largest paid attendance with about 800,000. ***Portfolio*** organizations in Philadelphia experience the majority of visitors, at 90% of the total in this report. All of the Very Large ***Portfolio*** organizations are located in Philadelphia, and contribute significantly to this high attendance rate.

Visits to arts and cultural organizations (not including parks) total over 12 million, the equivalent of three visits annually for every resident of Southeastern Pennsylvania.

24 **Total attendance by discipline (without parks)**



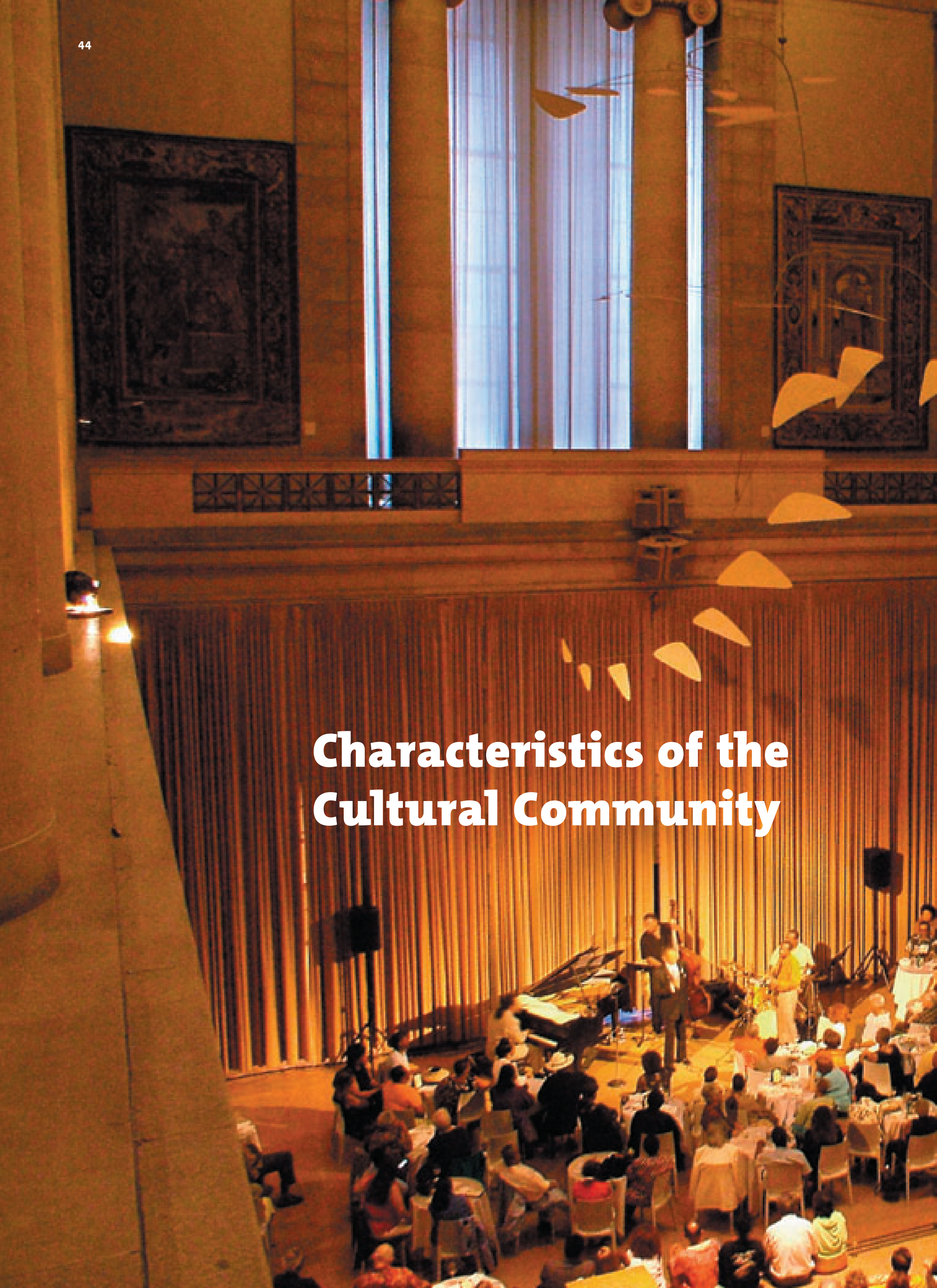
Admission Prices

- Half of all admissions to cultural organizations are free of charge.
- The average median[20] ticket price for paid admissions is $20. The average median ticket price is $11 for children and students, and $13 for senior citizens.

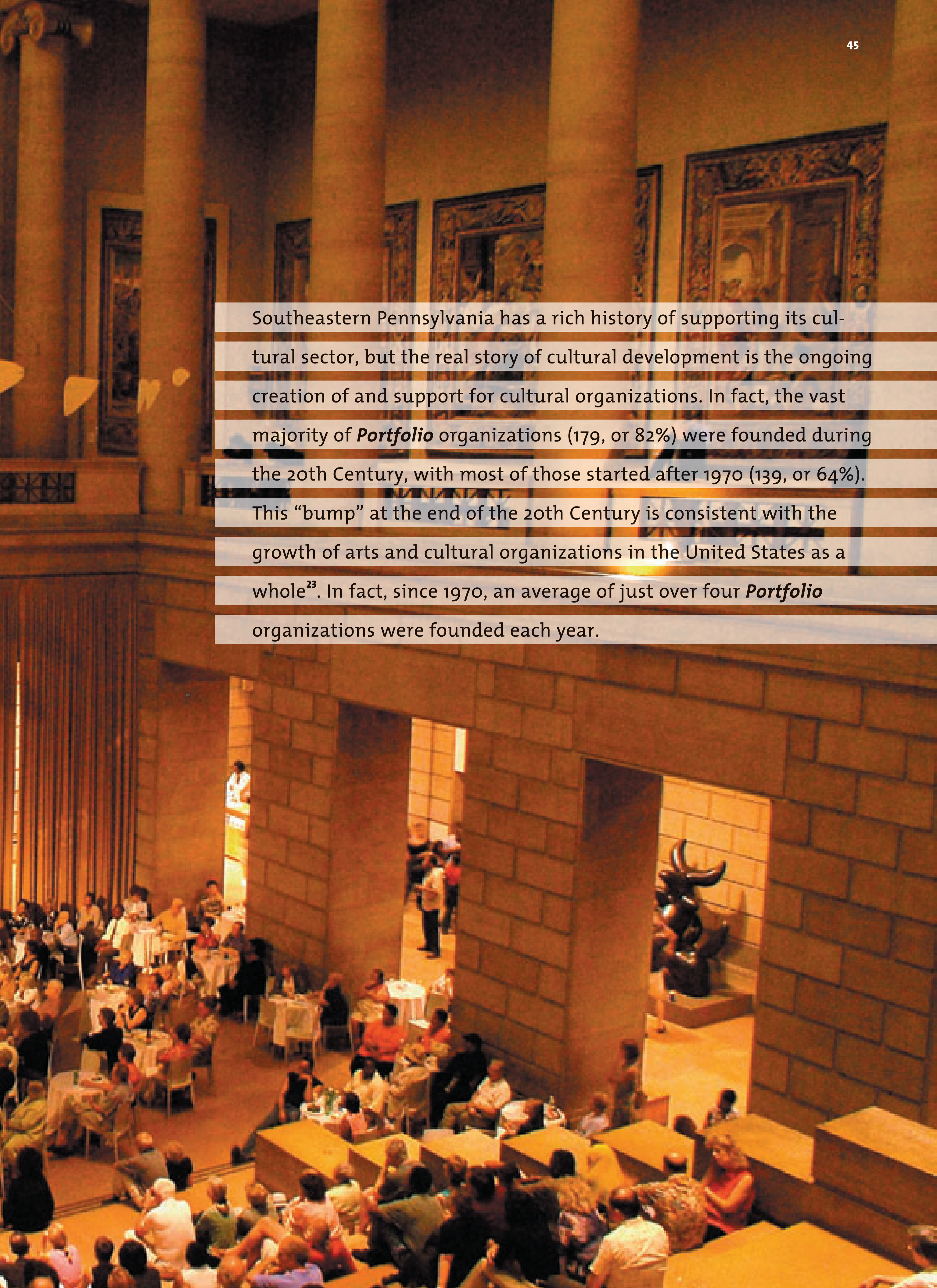
At $20, the average median admission cost to a cultural organization is two to three times less than the ticket prices for many professional sporting events and four to six times less than admission to many commercial music concerts. In 2003, the average Philadelphia Eagles ticket was $42, while tickets to the Flyers and 76ers averaged $64 and $57, respectively[21]. In 2005, the average cost for a commercial concert ticket to see one of the top 20 tours was $75. The average cost for a ticket to the most popular commercial concerts was significantly higher, at $134 for The Rolling Stones, $97 for U2, and $136 for Celine Dion[22].

23 **Average admission price for charging institutions by price category**

Adult	$20.88
Child	$10.80
Senior	$13.01
Student	$10.57
Median	$19.99



Characteristics of the Cultural Community



Southeastern Pennsylvania has a rich history of supporting its cultural sector, but the real story of cultural development is the ongoing creation of and support for cultural organizations. In fact, the vast majority of ***Portfolio*** organizations (179, or 82%) were founded during the 20th Century, with most of those started after 1970 (139, or 64%). This "bump" at the end of the 20th Century is consistent with the growth of arts and cultural organizations in the United States as a whole[23]. In fact, since 1970, an average of just over four ***Portfolio*** organizations were founded each year.

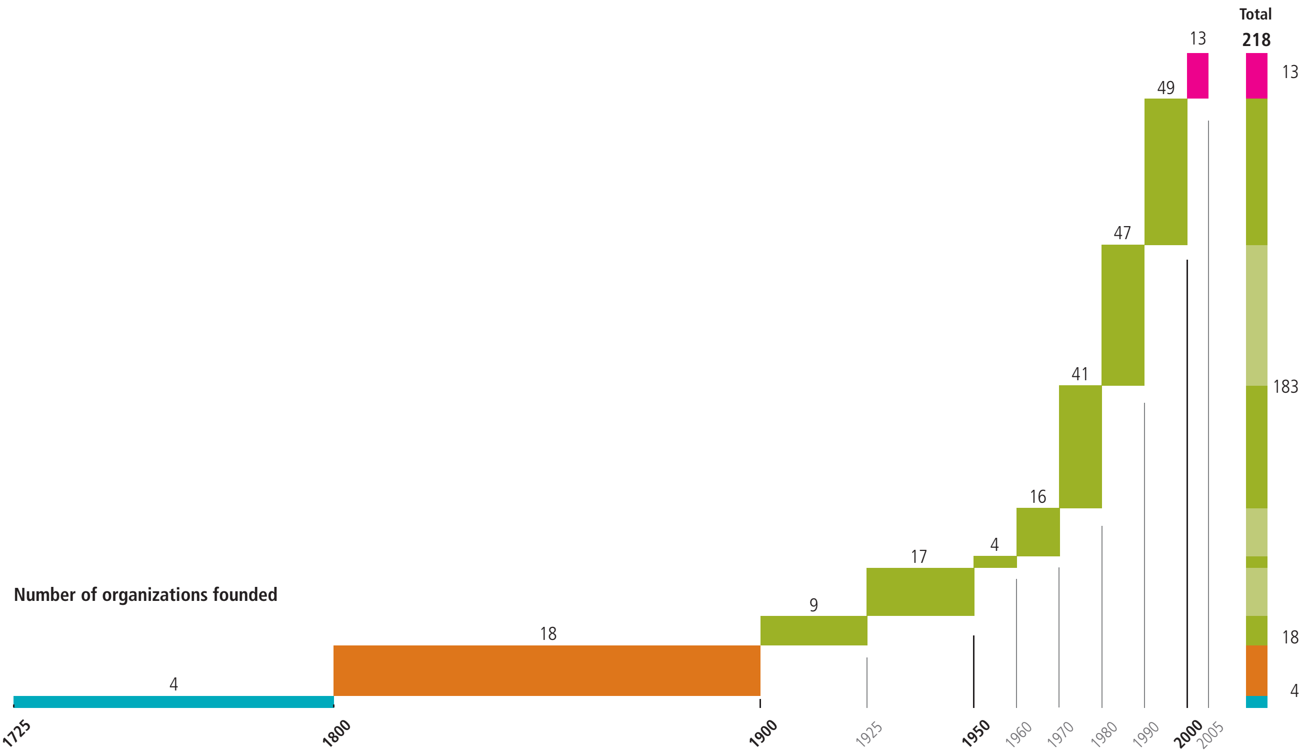
Age

- Three organizations in Philadelphia are older than the country itself.
- Twenty-two ***Portfolio*** organizations are more than 100 years old.
- One hundred fifty ***Portfolio*** organizations were founded since 1970
- Thirteen have been founded since 2000.

Southeastern Pennsylvania has a rich history of supporting its cultural sector, but the real story of cultural development is the ongoing creation of and support for cultural organizations. In fact, the vast majority of ***Portfolio*** organizations (179, or 82%) were founded during the 20th Century, with most of those started after 1970 (139, or 64%). This "bump" at the end of the 20th Century is consistent with the growth of arts and cultural organizations in the United States as a whole. In fact, since 1970, an average of just over four ***Portfolio*** organizations were founded each year.

The last 36 years have seen the formation of more than half of the ***Portfolio*** organizations in the suburban counties, with 32 founded since 1970. Four suburban organizations—two each in Bucks and Montgomery Counties—were founded in the 1800s. The youngest group of suburban organizations in this report is in Chester County, with all being founded since 1940.

26 **Founding dates of organizations**



Cultural Categories

Community Arts & Education

This grouping of 55 ***Portfolio*** organizations includes schools and universities dedicated to visual and performing arts, as well as community-based organizations and those dedicated to supporting particular ethnic traditions. Community Arts & Culture organizations make up the single largest type by number of organizations in this report, with 33 organizations. These organizations work in and provide services to 21 suburban municipalities and Philadelphia neighborhoods and to numerous cultural or ethnic communities, including the African American, Asian American, Hispanic/Latino, Japanese, Islamic, and Jewish communities of Southeastern Pennsylvania. In addition, there are 22 Education & Instruction organizations in this category.

- Community Arts & Culture and Education & Instruction organizations have among the highest percentage of attendees that visit for free, at 87% and 77%, respectively.
- Community Arts & Culture organizations are responsible for a large percentage (29%) of instructional arts classes that take place over the course of a year, but the discipline comprises only 15% of the total number of organizations and represents 3% of total expenditures for the sector.
- Education & Instruction organizations employ the most artists outside of the Performing Arts, providing 812 artistic positions.
- Community Arts & Culture organizations have one of the lowest ratios of earned to contributed income (38% to 62%) among all cultural types.
- Community Arts & Education organizations spend $2.51 per visit on marketing.

Museums, Visual Arts, Historic, & Scientific

This grouping contains 63 (or 29%) of the ***Portfolio*** organizations. Eight of the Very Large ***Portfolio*** organizations are in this grouping, along with eleven of the Small organizations. Just over half of all dollars spent (52%) are spent by organizations in this category.

- Science & Nature organizations are the largest in average budget size, at $13.5 million. They represent 21% of total expenses, yet comprise only 4% of total ***Portfolio*** organizations.
- Museums, Galleries, & Visual Arts, Science & Nature, and History organizations together account for 70% of total attendance but comprise only 25% of the organizations in this report.
- Museums, Galleries, & Visual Arts and Science & Nature organizations bear the highest physical plant costs, at just over 40% of total expenses for each type.
- Historic organizations have one of the highest percentages of free visits, at 88.5%.
- Media Arts organizations have a high percentage of memberships and subscriptions, at just over 18%, while comprising nearly 5% of the total number of organizations, and just over 7% of total expenses[24].
- Media Arts organizations have the largest number of volunteer positions, at 16.2% of the total for all ***Portfolio*** organizations.
- Museums, Visual Arts, Historic, and Scientific organizations spend, on average, $1.44 per visit on marketing.

Performing Arts

Performing arts organizations account for 91 (42%) of all ***Portfolio*** organizations and represent the largest segment studied in this report. Among them, Music organizations are the largest in terms of dollars spent, with Theater second.

- Performing Arts organizations presented 6,800 performances in the last fiscal year, including almost 600 Dance, 1,400 Music, 3,500 Theater, and 1,300 performances by Other Performing organizations. This is equivalent to 19 performances per day for an entire year.

- Music organizations have the largest payroll figure for artists, at $27 million, representing more than half of all the artists' salaries paid by ***Portfolio*** organizations. Correspondingly, Music organizations also employ the largest number of full-time artists. The percentage of expenses dedicated to overall salary costs for Music organizations is similar to that of organizations in all other types.

- Music organizations have substantially larger endowments than other Performing Arts organizations, at 12% of the total for the sector, compared to less than 3% for each of the other Performing Arts types.

- Theaters employ the single largest number of artists, providing work for the greatest number of part-time artists. Theaters are the second largest employer of artists in terms of total payroll for artists and the number of full-time artistic positions.

- All Performing Arts organizations offer educational opportunities. Eighty-five percent of all public classes at Performing Arts organizations are offered by dance organizations. In fact, Dance organizations offer the highest number of classes to the public of all cultural types, at 7,600 per year.

• Marketing dollars spent per visit among Performing Arts organizations varies from $5 for Music organizations to $12 for Dance organizations.

Support

Councils, Services, & Support organizations are by far the smallest grouping of ***Portfolio*** organizations with nine, or about 4%, of the total. Organizations in this category provide services or advocate on behalf of a particular discipline, population of artists, or arts and cultural organizations as a whole. There are no Councils, Service, & Support organizations in the Very Large budget category. These ***Portfolio*** organizations represent a very small portion of the financial expenditures of all organizations, at less than three percent. However, their staff sizes, salary expenses, and other measurements are in line with other cultural organizations' expenditures.

• Councils, Services, & Support organizations represent less than 3% of total sector expenditures, the lowest of any cultural type.

• Councils, Services, & Support organizations rely more than other cultural types on contributed income, with a ratio of 29% earned to 71% contributed income.

• Eighty-five percent of total employee positions in Councils, Services, & Support organizations are dedicated to program delivery; 15% of positions are for general or fundraising staff.

• This is the only cultural category with no endowment funds among the ***Portfolio*** organizations.

27 **Characteristics of Portfolio organizations by discipline**

	Community Arts & Education		Museums, Visual Arts, Historic, & Scientific			
	Community Arts & Culture	Education & Instruction	Media Arts	Museums Galleries, & Visual Arts	Science & Nature	History
Number of organizations	33	22	10	27	9	17
As % of organizations	15.1%	10.1%	4.6%	12.4%	4.1%	7.8%
Small	14	4	1	5	0	5
Medium	14	12	6	9	2	1
Large	5	5	2	12	2	10
Very large	0	1	1	1	5	1
Average expenses	$489,000	$2,176,000	$4,249,000	$3,597,000	$13,528,000	$1,877,000
Total expenses	$16,146,000	$47,880,000	$42,493,000	$97,120,000	$121,755,000	$31,901,000
% of total arts & culture expenses	2.9%	8.5%	7.6%	17.3%	21.6%	5.7%
Total revenue	$17,278,000	$52,963,000	$46,574,000	$147,227,000	$161,863,000	$43,983,000
% earned / % contributed	38/62	51/49	36/64	45/55	58/42	42/58
Unrestricted revenue	$16,697,000	$50,868,000	$42,912,000	$128,078,000	$120,521,000	$34,296,000
Endowment funds	$15,546,000	$111,380,000	$3,358,000	$308,836,000	$287,496,000	$163,249,000
% of total arts & culture endowments	1.5%	10.6%	0.3%	29.4%	27.4%	15.6%
Members & subscribers (less both)	20,328	8,630	134,600	82,347	269,662	16,100
% of all members & subscribers	2.8%	1.2%	18.4%	11.2%	36.8%	2.2%
Volunteers	1,467	564	2,729	2,397	2,380	810
% of all volunteers	8.7%	3.3%	16.2%	14.2%	14.1%	4.8%
Paid attendance	82,300	163,722	286,082	1,551,561	1,575,704	313,737
% of all paid attendance	1.4%	2.7%	4.7%	25.7%	26.1%	5.2%
School children attendance	51,173	169,641	11,822	3,309,986	747,616	181,752
Total attendance (excluding parks)	616,783	713,988	300,925	3,010,204	2,523,689	2,708,111
% of all arts & culture attendance	5.1%	5.9%	2.5%	25.0%	20.9%	22.5%
Salaries and benefits	$6,979,000	$24,602,000	$18,332,000	$37,032,000	$48,299,000	$11,466,000
as % of discipline's expenses	43.2%	51.4%	43.1%	38.1%	39.7%	35.9%
Physical plant expenses	$3,734,000	$13,948,000	$8,484,000	$42,914,000	$50,987,000	$12,049,000
as % of discipline's expenses	23.1%	29.1%	20.0%	44.2%	41.9%	37.8%
Marketing expenses	$1,091,000	$2,244,000	$2,496,000	$3,875,000	$4,818,000	$1,095,000
as % of discipline's expenses	6.8%	4.7%	5.9%	4.0%	4.0%	3.4%
Total employees	1,146	1,462	417	1,458	1,193	651
Artists	530	812	57	304	0	15
Program	483	421	220	617	884	334
Performances	321	1,278	5	511	11,688	15
Permanent exhibitions	11	8	0	373	73	57
Temporary exhibitions	180	90	1	274	12	31
Public classes	6,406	1,029	127	1,638	4,029	122
Films	87	165	5,827	126	208	11
Openings	114	72	0	176	3	12
Total events	7,283	2,897	6,023	3,567	16,150	354

Performing Arts				Support & Other	Total
Dance	Theater	Music	Other Performing Arts	Councils Services, & Support	
20	24	31	16	9	218
9.2%	11.0%	14.2%	7.3%	4.1%	100.0%
14	7	15	9	3	77
3	9	12	1	3	72
3	7	3	5	3	57
0	1	1	1	0	12
$917,000	$1,730,000	$2,513,000	$3,281,000	$1,680,000	$2,581,000
$18,336,000	$41,528,000	$77,893,000	$52,500,000	$15,120,000	$562,672,000
3.3%	7.4%	13.8%	9.3%	2.7%	100.0%
$19,868,000	$43,229,000	$86,217,000	$49,855,000	$16,420,000	$685,477,000
52/48	54/46	55/45	58/42	29/71	50/50
$18,745,000	$40,228,000	$62,630,000	$44,644,000	$13,825,000	$573,444,000
$2,079,000	$7,410,000	$127,248,000	$23,203,000	$0	$1,049,806,000
0.2%	0.7%	12.1%	2.2%	0.0%	100.0%
9,496	96,398	35,205	13,640	45,641	732,047
1.3%	13.2%	4.8%	1.9%	6.2%	100.0%
420	2,527	1,685	1,003	856	16,838
2.5%	15.0%	10.0%	6.0%	5.1%	100.0%
129,944	819,631	612,487	477,896	13,203	6,026,267
2.2%	13.6%	10.2%	7.9%	0.2%	100.0%
41,547	191,005	161,610	105,874	22,948	4,994,974
188,204	917,502	784,676	625,863	39,209	12,046,954
1.6%	7.6%	6.5%	5.2%	0.3%	100.0%
$7,799,000	$19,731,000	$37,797,000	$16,755,000	$6,647,000	$235,438,000
42.5%	47.5%	48.5%	31.9%	44.0%	41.8%
$4,889,000	$9,610,000	$19,667,000	$18,363,000	$3,619,000	$188,264,000
26.7%	23.1%	25.2%	35.0%	23.9%	33.5%
$2,390,000	$6,078,000	$4,390,000	$5,732,000	$1,389,000	$35,599,000
13.0%	14.6%	5.6%	10.9%	9.2%	6.3%
728	2,944	1,396	2,354	461	14,209
508	1,441	985	1,021	16	5,688
120	1,125	246	674	375	5,497
555	3,524	1,393	1,321	33	20,644
0	0	0	3	2,565	3,090
0	0	0	32	23	643
7,600	569	617	254	46	22,437
1	210	7	5	7	6,654
13	42	2	20	152	606
8,417	4,574	2,206	1,709	3,017	55,591

Portfolio's Implications

Long before Richard Florida coined the phrase "creative economy," the first Philadelphians were creating art, establishing cultural institutions, and preserving our heritage. Ever since, generations of Philadelphians have appreciated art and understood its vital impact on quality of life, education, the economy, and social discourse. In Philadelphia, cultural investment is not the latest economic development fad. It is a legacy.

But, like art itself, cultural investment is a fragile legacy. To make it a lasting one—to ensure that the working environment continues to nurture creativity and support the cultural sector—we must be vigilant. This report, ***Portfolio***, is about vigilance.

Until now, policy makers and cultural managers have had to rely primarily on a subjective understanding of the Greater Philadelphia cultural sector. It was difficult, if not impossible, to speak of arts and culture in quantifiable ways. The publication of ***Portfolio*** changes that.

We now have objective data to measure the scope and health of our cultural resources and inform our decision-making. Arts managers can now view their individual organization's role within the context of the total cultural sector. Policy makers can view the cultural sector's role within the context of the region's economy. Together, we can apply the same discipline and vigilance used by other, more tangible, industries to manage and improve the arts.

Reflecting on the key findings in this report, we offer these summary conclusions about the current state of Arts and Culture in Southeastern Pennsylvania:

Arts and Culture is Accessible and Universally Appealing

Ticket prices are reasonable. While the old stereotype of tuxedoes and evening gowns may persist in some minds, the reality is that today's arts and culture patron is far more likely to be a school-age child whose ticket was extremely affordable if not free.

There is tremendous variety and choice. The 218 participating organizations present 56,000 events in a single year, making Philadelphia one of the most culturally rich communities in the world. Locals take advantage of this cultural bounty. There were 12 million cultural visits in 2005—the equivalent of 3 visits for every man, woman and child in the region.

Arts & Culture is a Significant Employer—but Compensation Lags

Arts and Culture delivers a competitive advantage for Philadelphia in attracting and retaining jobs. The industry itself directly provides 14,000 jobs. However, the unusual nature of these jobs has significant implications for the sustainability of the sector and the people who work within it. Almost half of the jobs are part-time or contract positions. Many positions lack health insurance, pensions, and income predictability. And, while labor is the largest single expense for most cultural organizations, the sector is not keeping pace with comparable service sector employers. Advertising agencies, architects, attorneys, banks, film companies, financial services, hotels, restaurants, and sports teams all spend more of their budgets on employees.

Corporate & Government Support Lags—Competition for Private Funding is Intense

With notably less corporate and local government support compared to other major cities, how have cultural organizations in the Greater Philadelphia region made ends meet?

First, they've generated enough earned income (i.e., ticket/admission sales) to cover half of all expenses. Second, they've relied on widespread individual donor support and contributions from private foundations. Finally, to keep costs down, they have relied heavily on individuals to volunteer their time.

It is unclear whether the intense competition for private funding is healthy or sustainable. As we look at concurrent fundraising campaigns, it appears that today's individual donor base may be overtaxed. Smaller organizations seem particularly vulnerable.

The industry must either expand its base of contributed support or reduce expectations.

For the near term, local public support and corporate sponsorship appear to be most underutilized. For the long term, the sector must continue to engage more of Southeastern Pennsylvania's total population of 3.8 million people, so that the number of donations expands beyond its current level of 270,000 per year.

Many Cultural Organizations are Operating on the Brink

From a financial perspective, our cultural fabric is fraying. Fully one-quarter of cultural organizations operated with deficits in excess of 10% during the last fiscal year. If this situation continues, they will be operating in a constant state of crisis management.

Only a third of cultural organizations, primarily Large and Very Large organizations, have had the ability to build endowments—a financial bulwark against operating deficits. Medium and Small organizations, with little or no endowment, are more financially vulnerable. A high percentage of organizational assets, including buildings, equipment, and restricted endowments, are illiquid—which limits the organizations' flexibility to respond quickly to financial threats or opportunities.

In a marketplace where a multitude of options compete for consumers' leisure time, money, and attention, one must market to build brand and sales. Ironically, it appears that tight budgets may be squeezing out the very marketing investments that would attract more audiences and earned income for cultural organizations. It is a vicious cycle where lack of marketing perpetuates lack of sustainability.

Looking Ahead...

It is our hope that in reviewing the wealth of information in this report, policy makers, civic leaders and arts managers will elicit insightful data that informs decision-making, leads to candid conversation about the future of the sector, and provokes new questions that the Cultural Alliance can address.

Recognizing that economic impact is a critical measure by which all industries are evaluated, we will continue to work with local and national partners to advance this important element.

As we go forward, we will track trend data, monitor changes in the sector, and report them in our next ***Portfolio***. Part of our responsibility as an active partner in the long-range planning for Greater Philadelphia is providing a clear picture of this sector that helps make Philadelphia unique. Ultimately, this picture will allow us to capitalize on our competitive advantages and invest scarce resources strategically to ensure our future.

Like you, we are committed to a vision of Philadelphia as a place where people are passionately involved in and supportive of arts and culture—a place admired throughout the world for its quality of life made possible by diverse cultural experiences and creativity. We believe that this first publication of ***Portfolio***, and those that follow, will be an important contribution to our shared long-term success.

Acknowledgments

The Greater Philadelphia Cultural Alliance would like to thank the following individuals and organizations, without whose support this report would not be possible.

Pennsylvania Cultural Data Project Governing Group

Greater Pittsburgh Arts Council

The Heinz Endowments

Pennsylvania Council on the Arts

The Pew Charitable Trusts

The Pittsburgh Foundation

William Penn Foundation

Proofreaders
Cathy G. Adler
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Americans for the Arts
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Arts & Business Council of Greater Philadelphia
Karen Davis

Center for Arts Management and Technology
Edna Neivert

Center City District/Central Philadelphia Development Corporation
Michelle Schmitt

Drexel University Graduate Arts Administration Program
Cecelia Fitzgibbon
Leslie Miko
Helen Neely
Ximena Varela

Greater Philadelphia Cultural Alliance
Peggy Amsterdam
Nicholas Crosson
Callie Curran
Nancy DeLucia
Julie Hawkins
Tom Kaiden
Rebecca Lang Staffieri
John McInerney
Hannah Miller
Susan Weiss

Greater Philadelphia Tourism Marketing Corporation
Kristen Ciappa
Deborah Diamond
Meryl Levitz

Joel Katz Design Associates
Joel Katz
William H. Bardel
Mary Torrieri
Kate Fabrizio

Metropolitan Philadelphia Indicators Project
Dr. Carolyn Adams

Montgomery County Commissioners
Steve Nelson

National Assembly of State Arts Agencies
Kelly Barsdate

National Endowment for the Arts
Tom Bradshaw

Pennsylvania Council on the Arts
Heather Doughty
Philip Horn
Brian Rogers

Pennsylvania Economy League
Robert Graff
Chris Lankenau
David Thornburgh
Steve Wray

The Pew Charitable Trusts
Marian Godfrey
Barbara Lippman
Greg Rowe
Neville Vakharia
Julia Wirts

Philadelphia Foundation
Nancy Burd

William Penn Foundation
Leslie Gaines
Olive Mosier
Courtenay Wilson

The Wilma Theater
James Haskins

Your Part-Time Controller
Eric Fraint
Joanna Reiner

Appendix A
Glossary of Terms

Artists include those individuals directly responsible for the creation or performance of artistic and cultural products. The term is used in this report to categorize a type of cultural employee.

Assets refer to all money, properties, and resources an organization owns and can use to achieve its goals.

Audit refers to an examination of records or financial accounts to check their accuracy.

Board of directors are the corps of volunteers responsible for the governance of a cultural organization. Board members typically serve for a set time period, usually a number of years.

Capital funds refer to monies raised in support of the fixed assets of an organization.

Common data profile refers to the form that cultural organizations submit annually to participate in the PACDP. Financial data are drawn from each organization's audit, providing accurate and reliable information.

Contributed income is made up of financial donations to a nonprofit organization and is generally classified as one of four types according to its source: individual, foundation, government, or corporate support.

Corporate contributions refers to donations received from corporations.

Cultural events refers to the total number of productions, exhibitions, and classes available among all cultural organizations. Multiple presentations of the same product are not counted in this figure.

Deficit occurs when an organization's annual expenses exceed its annual revenues.

Discipline refers to the genre of an organization's cultural product. Please refer to page 62 for a listing of organizations participating in this report by cultural discipline.

Earned income is directly linked to the product or service of cultural organizations. Specific sources include tickets, subscriptions and memberships, sales from concessions, and income from endowments.

Endowment refers to a fund established to provide income for the maintenance of a nonprofit organization. Endowment funds generally are established by donor-restricted gifts and are limited in use to the purpose originally dictated by the donor. The principal of a permanent endowment must be maintained permanently.

Fiscal year refers to the twelve-month period used by an organization for budgeting, planning, and accounting purposes. The start and end month of a fiscal year varies by organization.

Fixed assets refer to the cost of land, buildings, equipment, and other tangible items owned by an organization.

Fundraising includes individuals directly engaged in efforts to raise monies supporting the work of cultural organizations. The term is used in this report to categorize a type of cultural employee.

General includes individuals not otherwise described by the remaining employee data categories. The term is used in this report to categorize a type of cultural employee, such as management, accounting, legal, or human resources.

General expenses are associated with the overall function and management of a nonprofit organization, including many personnel costs, accounting and legal fees, and outlays for equipment and supplies.

Individual contributions refers to donations received from single individuals, and may include gifts from board, trustees, or advisors when referred to as "total individual contributions" within this report.

In-kind donation refers to a donation of products or services instead of money to a nonprofit organization by a company or individual.

Large organizations have budgets between $1,000,000 and $10,000,000 per year. Fifty-seven of them are included in this report.

Liabilities refer to the debts of an organization.

Marketing expenses refer to the monies spent on marketing costs in a given fiscal year. This figure includes expenses for printing, design, advertising, salary, and other marketing costs.

Medium organizations have budgets between $250,000 and $1,000,000 per year. Seventy-two of them are included in this report.

Membership refers to the number of people who joined a cultural organization as a financial supporter or who made a donation in return for certain benefits such as free admission, discounts, and invitations to special events. Because individuals may join multiple cultural organizations over this period, this report categorizes aggregate members in terms of the number of memberships, rather than the number of total members.

Net assets represents the net of total assets less total liabilities.

Nonprofit cultural sector refers to the group of nonprofit organizations whose mission is primarily dedicated to the production, presentation, or preservation of arts and culture.

Participating organizations refers to the 218 nonprofit cultural organizations whose data are contained in this report. For a complete list of these organizations, please see page 62.

Pennsylvania Cultural Data Project (PACDP) refers to an organization created to strengthen arts and culture in Pennsylvania by documenting and disseminating information on the sector. Data on cultural organizations in this report were obtained from the PACDP.

Performances refer to the total number of performances of all productions offered by a cultural organization in a given fiscal year.

Permanently restricted revenue refers to donated funds with donor-imposed restrictions stipulating that resources be maintained permanently but permitting the organization to use up or expend part or all of the income or other economic benefits derived from the donated assets.

Productions refer to the number of exhibitions and theatrical, dance, or music presentations by an organization in a given fiscal year. Multiple performances or presentations of the same program or production are not counted in this figure.

Program includes individuals responsible for producing, presenting, or otherwise organizing the artistic and cultural offerings of an organization. The term is used in this report to categorize a type of cultural employee.

Public classes includes workshops and course offerings specifically for the general public and not for professionals in the field. Multiple offerings of the same class or workshop are not counted.

Restricted revenue refers to monies designated for a specified purpose or for a specified time period as stipulated by the donor or source of the funds. These funds can only be released for use when their time or purpose restriction has been satisfied.

School children refers to the number of school students, age 18 or below, who attended or visited a cultural organization in a given fiscal year. Because school children may visit multiple cultural organizations over this period, this report categorizes aggregate school children attendance in terms of the number of visits, rather than the total number of school children visiting.

Small organizations have budgets of up to $250,000 per year. Seventy-seven of them are included in this report.

Southeastern Pennsylvania refers to the five counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia, Pennsylvania.

Sponsorship revenue refers to income received from corporations or other organizations to be used in exchange for use of the corporation's name or logo on printed materials or other agreed upon exchanges or promotions.

Subscription refers to the number of people who purchased tickets to a specially designated series of events or performances at a cultural organization in a given fiscal year. Because individuals may subscribe to multiple cultural organizations over this period, this report categorizes aggregate subscribers in terms of the number of subscriptions, rather than the total number of subscribers.

Surplus occurs when an organization's annual revenues exceed its annual expenses.

Total expenses refer to all costs incurred by an organization in a given fiscal year. In the PACDP, expenses are categorized by four types: program, fundraising, general, and administrative.

Total revenue refers to all monies received by an organization in a given fiscal year. Revenues are generally classified according to two types—earned and contributed.

Unrestricted revenue refers to monies not specifically designated to particular uses by the donor or by legal or contractual requirements, or for which restrictions have expired or been renewed. These funds may be used for any purpose.

Very large organizations have budgets greater than $10,000,000 per year. Twelve of them are included in this report.

Visits refers to the number of persons who attended an organization in a given fiscal year. Because individuals may attend multiple cultural organizations over this period, this report categorizes aggregate attendance in terms of the number of visits, rather than the number of total visitors.

Volunteers refers to the number of individuals who work full- or part-time for a cultural organization without any compensation in a given fiscal year. Because individuals may volunteer for multiple cultural organizations over this period, this report categorizes aggregate volunteers in terms of the number of volunteer positions, rather than the total number of volunteers.

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Photography Credits

All photographs are courtesy of the Greater Philadelphia Tourism Marketing Corporation's Culture Files image-sharing program. Many thanks to the GPTMC and participating organizations.

Cover
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8 Wilma Theatre (B. Krist)
9 Philadelphia Mural Arts Program (K. Ciappa)
14–15 The Clay Studio (M. Persico)
19 Rodin Museum (B. Krist)
20 The Kimmel Center (B. Krist)
21 Philadelphia Folksong Society (G. Widman)
24–25 African American Museum in Philadelphia (R. Kennedy)
27 Morris Arboretum (B. Krist)
29 Lipchitz Sculpture (B. Krist)
33 Swann Fountain and The Philadelphia Museum of Art (B. Krist)
34–35 Taller Puertorriqueño (R. Kennedy)
37 The Philadelphia Zoo (B. Krist)
38–39 Insectarium (R. Kennedy)
40 Franklin Institute (B. Krist)
42 Elfreth's Alley Association (C. Ridgeway)
43 top The Painted Bride
43 btm Pennsylvania Ballet (P. Kolnik)
44–45 Philadelphia Museum of Art (B. Krist)
48 Pennsylvania Academy of the Fine Arts (B. Krist)
49 Academy of Music (B. Krist)
55 Independence Hall (B. Krist)
56 Eastern State Penitentiary (L. Wuillermin)
64 The Kimmel Center (G. Widman)

About the Greater Philadelphia Cultural Alliance

Background & Accomplishments

The Greater Philadelphia Cultural Alliance is the region's premier leadership and advocacy organization for arts and culture. Our mission is to lead the effort to expand awareness of, participation in and support for arts and culture in the region. The Alliance has a proven track record for pulling groups together—dating back to the 1970s. The Alliance played a key advocacy role in establishing the Philadelphia Cultural Fund, led Mayor Street's transition team for arts and culture, and helped preserve Philadelphia's nationally recognized Percent for Art programs.

Today, 330 member organizations—from museums and dance companies to community art centers, historic sites, music ensembles, and zoos, and the region's cultural sector as a whole—count on the Cultural Alliance to:

- Provide advocacy, research, convening, and planning services that make the case for public funding for arts and culture, respond to threats to cultural programs, encourage arts-based revitalization projects, and chart future directions for the nonprofit culture industry.

- Build audiences and increase income for regional arts and cultural institutions through our collaborative marketing initiative, the Campaign for Culture. Specific programs include PhillyFunGuide.com, the region's most complete online entertainment events calendar; FunSavers, a weekly half-price ticket e-mail service; and the Cultural List Cooperative, a master database of cultural consumers in the region.

- Distribute grants that provide seed money for innovative, community-based arts projects and operating support for small arts groups with a proven track record for artistic excellence, strong community involvement, and sound management practices.

- Provide access to group health insurance and other discounted business services, including directors & officers insurance, payroll services, office supplies, hotel lodging, and fitness centers.

In the past five years, the Cultural Alliance has:

- Emerged as the region's most sought-after voice and advisor on cultural policy issues. The Alliance is engaged in major research projects that promote greater understanding of culture and its impact on communities. Our outreach staff and regional forums support arts-based revitalization efforts in several neighborhoods and towns. We have also led successful advocacy campaigns to preserve city and state funding for arts and culture—including restoration of 80% of Mayor Street's proposed $4.4 million cut to arts funding in Philadelphia's FY2005 budget.

- Positioned the region as a national leader in collaborative cultural marketing. PhillyFunGuide.com now attracts 1.2 million visits annually and provides calendar content to media partners. FunSavers has a weekly subscription base of 50,000 individuals and returns $500,000 in revenues annually to 150+ cultural organizations. The Cultural List Co-op has 65 organizations, making it the largest collective of its kind in the country.

- Awarded more than 500 grants and $1.3 million through the 5-County Arts Fund. In partnership with the Pennsylvania Council on the Arts, the Cultural Alliance has distributed state funds for community-based arts projects equitably throughout Southeastern Pennsylvania. The program has helped educate elected officials about the breadth of cultural activity and impact of cultural programs in their districts.

- Achieved record growth in membership. The Cultural Alliance has 333 member organizations—up 7% from last year's record high, and a 50% increase since 2001.

Endnotes

1 This figure does not include multiple performances or presentations of the same program or production. There were more than 22,000 individual performances of the more than 2,600 productions counted here.

2 This figure includes only the first showing of each film.

3 This figure includes only the first class of courses that run more than one session.

4 Figures for ***Portfolio*** organizations taken from PACDP data. All other figures from U.S. Census, 2002 Economic Census.

5 This figure includes unrestricted, temporarily restricted, and permanently restricted individual contributions.

6 This does not include sponsorship revenue.

7 This includes city, county, state, and federal support for ***Portfolio*** organizations.

8 This includes city and county support for ***Portfolio*** organizations.

9 Source: U.S. Census, 2002 Economic Census.

10 January, 2006 data from the National Center for Charitable Statistics counts more than 1,000 nonprofit cultural organizations in Southeastern Pennsylvania, more than half of which have budgets less than $25,000.

11 Among the requirements instituted with the Sarbanes-Oxley Act of 2002 are accounting regulations requiring that the full amount of multi-year grants be recorded in the year the grant was awarded, regardless of when it is to be used. For example, if an organization receives a $1 million grant for 2 years, $500,000 would be counted as Unrestricted Revenue and $500,000 in Restricted Revenue for the current year.

12 Nonprofit organizations set their own specific policies regarding the distribution of funds from endowments, commonly through a Board of Directors. Because of the variety of policies of organizations in the U.S., the figure cited in the body of this report, distributions of between 4% and 5% of the average value of the endowment during the previous three years, is an estimate. Figures on university endowments are the most readily available, as most are published in public documents. The following are some examples of specific policies: Carnegie Mellon University: 5.0% of a three-year moving average of the endowment's market value. (Carnegie Mellon University, Dept. of Planned Giving, Endowment Q&A); University of Minnesota: 4.5% of a five-year moving average of the endowment's trailing month-end market values. (University of Minnesota, Board of Regents Policy, May 13, 2005); University of Michigan: 5.0% of a three-year moving average of the endowment's market value. (University of Michigan News Service, University of Michigan Endowment, 2006); University of Pennsylvania: 4.7% of a three-year moving average of the endowment's market value. (University of Pennsylvania, Office of the Comptroller, Annual Report 2004-2005)

13 The Social Impact of the Arts Program (SIAP) at the University of Pennsylvania has carried out extensive research in the Philadelphia region on the effects of arts and cultural organizations in their communities.

14 All figures for the number of board members and average financial contributions are based on the number of board positions at ***Portfolio*** organizations. It is possible, and in fact likely, that some individuals serve on more than one board of directors.

15 This figure includes multiple showings and presentations of cultural organizations' productions.

16 This figure does not include multiple performances or presentations of the same program or production. There were more than 22,000 individual performances of the more than 2,600 productions counted here.

17 This figure includes only the first showing of each film.

18 This figure includes only the first class of courses that run more than one session.

19 There are over 18 million total visits when one includes ***Portfolio*** data from parks.

20 "Average median" denotes an average taken from the median ticket price of each of the ***Portfolio*** organizations.

21 Ticket costs for professional sporting events are the latest figures available from the League of Fans, a project of the Center for Study of Responsive Law.

22 Ticket prices taken from Pollstar, Inc.'s year-end survey of performing artists for 2005 North American tours.

23 According to a 2000 report from the National Endowment for the Arts:

"Since 1965, the Endowment has awarded more than 111,000 grants to arts organizations and artists in all 50 states and the six U.S. jurisdictions. The number of arts agencies has grown from 5 to 56. Local arts agencies now number over 4,000, up from 400. Nonprofit theaters have grown from 56 to 340, symphony orchestras have nearly doubled in number from 980 to 1,800, opera companies have multiplied from 27 to 113, and now there are 18 times as many dance companies as there were in 1965."

National Endowment for the Arts, *The National Endowment for the Arts 1965–2000: A Brief Chronology of Federal Support for the Arts* (Washington, DC: 2000).

The high growth rate of nonprofit arts organizations in the U.S. is often linked with the founding of the NEA in 1964 and significant budget increases for the NEA during 1970-1974. It should be noted, however, that high levels of nonprofit growth since 1970 have not been confined to the arts. There has been significant growth in many areas of public and community service. See Lester M. Salamon, S.Wojciech Sokolowski, and Regina List, *Global Civil Society: An Overview* (Baltimore, MD: Center for Civil Society Studies, The Johns Hopkins University, 2003).

24 Public broadcasting organizations, in particular, have high numbers of memberships and subscriptions.

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List of Participating Cultural Organizations by Discipline

Community Arts & Culture

Abington Art Center
Allens Lane Art Center
Art Sanctuary
Asian Americans United
Asian Arts Initiative
Center in the Park
Centro Cultural Latinos Unidos, Inc.
Cheltenham Center for the Arts
Chester Springs Studio
Community Arts Center
Darlington Fine Arts Center
East Africa Resource and Study Center Museum
FrankfordStyle
The Gershman Y of the JCC's of Greater Philadelphia
Greater Norristown Society for the Arts
Huaguang Art & Cultural Center
Islamic Cultural Preservation & Information Council
Japan America Society of Greater Philadelphia
Nexus, Foundation for Today's Art
North Penn Arts Alliance
Odunde, Inc.
Philadelphia Art Alliance
Philadelphia Folklore Project
Point Breeze Civic Association
Samuel S. Fleisher Art Memorial
Sedgwick Cultural Center
Southwest Community Enrichment Center
Taller Puertorriqueño, Inc.
The Village of Arts and Humanities
Voces Novae et Antiquae
Wayne Art Center
West Philadelphia Cultural Alliance
Wissahickon Art Center

Education & Instruction

Academy of Vocal Arts
Art-Reach
Bucks County Community College
The College of Physicians of Philadelphia
Community Conservatory of Music
Community Education Center
Community Music School of Collegeville
Curtis Institute of Music
The Design Center at Philadelphia University
Doylestown School of Music and the Arts
Galleries at Moore College of Art and Design
International House Philadelphia
Kardon Institute for Arts Therapy
Montgomery County Community College
Pennsylvania Academy of the Fine Arts
Philadelphia Arts in Education Partnership
Philadelphia Young Playwrights
Settlement Music School
Suburban Music School
Tyler School of Art, Department of Exhibitions & Public Programs
Wood Turning Center
Young Audiences of Eastern Pennsylvania, Inc.

Media Arts

Ambler Theater, Inc.
American Poetry Review
Association for the Colonial Theatre
Big Picture Alliance
County Theater, Inc.
New Liberty Productions
Scribe Video Center, Inc.
WHYY, Inc.
WXPN
WYBE Public Television

Museums, Galleries, & Visual Arts

African American Museum in Philadelphia
Atwater Kent Museum of Philadelphia
The Barnes Foundation
Brandywine River Museum
Brandywine Workshop
The Center For Emerging Visual Artists
The Clay Studio
Community Design Collaborative of AIA Philadelphia
Conservation Center for Art and Historic Artifacts
COSACOSA art at large, Inc.
Creative Collective
The Fabric Workshop and Museum
Fairmount Park Art Association
Independence Seaport Museum
Institute of Contemporary Art
James A. Michener Art Museum
Klein Art Gallery of the University City Science Center
Main Line Art Center
Mercer Fonthill Trust
National Museum of American Jewish History
Philadelphia Museum of Art
Philadelphia Print Collaborative
Philip and Muriel Berman Museum of Art at Ursinus College
Please Touch Museum
The Print Center
Vox Populi
Woodmere Art Museum

Science & Nature

The Academy of Natural Sciences
Awbury Arboretum Association, Inc.
Chemical Heritage Foundation
Elmwood Park Zoo
Franklin Institute
John Bartram Association
The Pennsylvania Horticultural Society
The Philadelphia Zoo
Tyler Arboretum

History

American Philosophical Society
Bucks County Historical Society
Christ Church Preservation Trust
Eastern State Penitentiary Historic Site, Inc.
Elfreth's Alley Association, Inc.
Fairmount Park Historic Preservation Trust, Inc.
Friends of Japanese House and Garden
Friends of Lemon Hill
Haverford Township Free Library
Historical Society of Pennsylvania
Horsham Preservation and Historical Association
Independence Visitor Center Corporation
Library Company of Philadelphia
National Constitution Center
Philadelphia Area Coalition of Special Collection Libraries (PACSCL)
Philadelphia Society for the Preservation of Landmarks
Rosenbach Museum & Library

Dance

Anne-Marie Mulgrew and Dancers Co.
ASH Contemporary Dance
BALLETX (formerly known as Phrenic New Ballet)
Dance Theatre of Pennsylvania
Dancefusion
Eleone Dance Theatre
Group Motion Dance Company
Headlong Dance Theater
Jeanne Ruddy Dance
Koresh Dance Company
Kulu Mele African American Dance Ensemble
Leah Stein Dance Company
Nichole Canuso Dance Company
olive Dance Theatre
Pasion y Arte
Pennsylvania Ballet Association
Rennie Harris Puremovement
The Rock School
Susan Hess Modern Dance
Voloshky Ukrainian Dance Ensemble

Theater

1812 Productions
Act II Playhouse, Ltd.
American Music Theater Festival, Inc. (Prince Music Theater)
Arden Theatre Company
The Brick Playhouse
Bristol Riverside Theatre
Bushfire Theatre of Performing Arts
Enchantment Theatre Company
Full Circle Theater
Hedgerow Theatre
InterAct Theatre Company
Lantern Theater Company
Mum Puppettheatre
New Freedom Theatre, Inc.
New Paradise Laboratories
The People's Light & Theatre Company
The Philadelphia Shakespeare Festival
Philadelphia Theatre Company
Pig Iron Theatre Company, Inc.
Storybook Musical Theatre
Theatre Exile
VSA Arts of Pennsylvania/Amaryllis Theatre Company
Walnut Street Theatre
The Wilma Theater

Music

The American Composers Forum, Philadelphia Chapter
Asociacion de Musicos Latino Americanos
The Bach Festival of Philadelphia, Inc.
Bucks County Choral Society
The Chamber Orchestra of Philadelphia
Choral Arts Society of Philadelphia
Commonwealth Youthchoirs
Encore Series, Inc./Peter Nero and the Philly Pops
Jazz Journeys Educational Institute
Kennett Symphony of Chester County
Latin Fiesta Inc.
Lyra Society Fund
Mendelssohn Club of Philadelphia
The Music Group of Philadelphia
Network for New Music, Inc.
Opera Company of Philadelphia
Opera North, Inc.
Orchestra 2001
Philadelphia Boys Choir & Chorale
The Philadelphia Chapter of the American Harp Society
Philadelphia Classical Symphony, Inc.
Philadelphia Orchestra Association
Philadelphia Singers
Philadelphia Virtuosi Chamber Orchestra, Inc.
Philadelphia Youth Orchestra
Piffaro, The Renaissance Band
Pottstown Symphony Orchestra
Relache, Inc.
Singing City, Inc.
Strings for Schools, Inc.
Tempesta di Mare, Inc.

Other Performing Arts

The 29th Street Community Development Corporation
Annenberg Center for the Performing Arts
Astral Artistic Services
Bryn Mawr College
Bucks County Performing Arts Center
Coatesville Cultural Society, Inc.
Gadangme Association of Philadelphia
Great Valley Community Education Foundation
Green Light Theatrical Productions
Kimmel Center, Inc.
Mann Center for the Performing Arts
The Painted Bride Art Center
Philadanco
Philadelphia Live Arts Festival and Philly Fringe
Raices Culturales Latinoamericanas
Sruti, The India Music and Dance Society

Councils, Services, & Support

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Greater Philadelphia Cultural Alliance
Nonprofit Finance Fund
Philadelphia Mural Arts Advocates
Philadelphia Sculptors
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Theatre Alliance of Greater Philadelphia

This publication was made possible by The Pew Charitable Trusts and William Penn Foundation

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