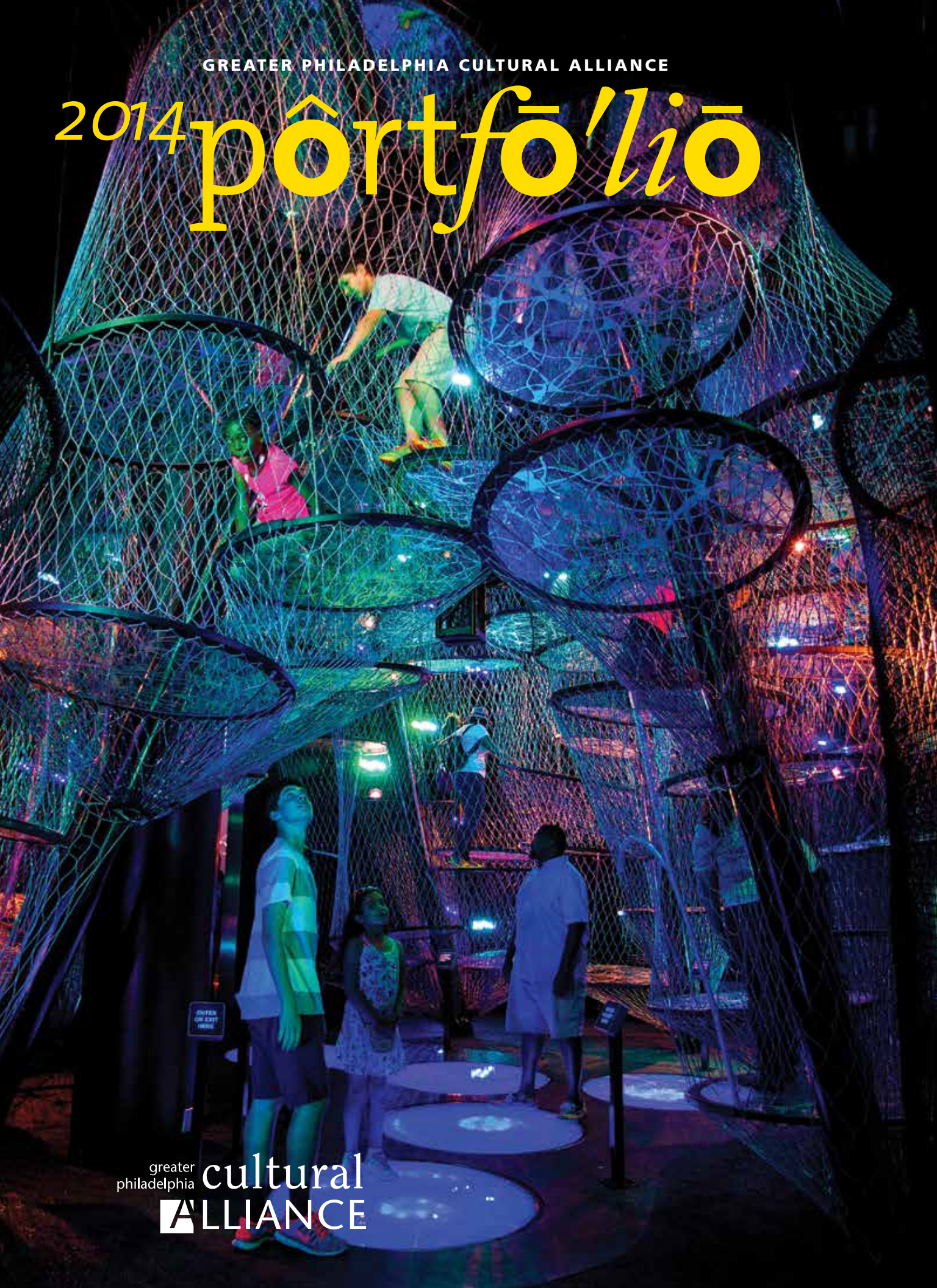


GREATER PHILADELPHIA CULTURAL ALLIANCE

2014 *pôrtfôlliō*



greater philadelphia cultural ALLIANCE

This report takes a close look at the heart of Philadelphia's cultural ecology—the region's cultural nonprofits. It is our most comprehensive study to date, examining recent financial, programmatic, audience, and administrative data from 473 regional nonprofits.

This edition also focuses on the sector's activities since the Great Recession, looking at the activities of 298 nonprofits that had consistent data from 2009 to 2012.

We hope this report provides valuable and reliable data for funders, advocates, and civic leaders who are committed to the long-term health of Greater Philadelphia and its vibrant cultural life.

Letters

Philadelphia is a very special place, thanks in large part to the nonprofit arts and cultural groups that are at the heart of the region. Artists and grassroots cultural organizations have driven urban renewal. Bold new cultural landmarks have redefined the landscape. Residents and visitors now flock to main streets and urban centers in neighborhoods across the region. While there were many factors at play, it is clear that the arts, in its most expansive definition, were a driving force in Philadelphia's regional rebirth.

With this report, the fourth *Portfolio* in the last decade, we take our most comprehensive look yet at the health and scope of the nonprofit cultural sector in Greater Philadelphia.

This report could not have been produced without the support of a broad group of funders, peers, advocates, and researchers. We are particularly grateful to our core funders, The Pew Charitable Trusts, PNC Bank, and the William Penn Foundation. We also thank the Cultural Data Project for providing access to its invaluable cultural database that formed the core dataset for this report, to Metro

I am delighted to be leading the PNC team in Greater Philadelphia and Southern New Jersey as Regional President. We are so fortunate to have a region filled with world-class museums and performing arts companies, highly dedicated grassroots cultural groups, and thousands of talented emerging artists. We also recognize that Philadelphia's creative sector contributes \$1.1 billion in direct spending to the economy, and is one of our region's strongest assets for growth. That's why the research found in the *2014 Portfolio* is vital, and why PNC is pleased to support the fourth edition of this landmark study.

At PNC, we have a fundamental belief in the power of arts and culture to help drive our economy, support education, and enhance the quality of life for all of us. We've seen proof of this through more than 120 projects we've supported over six years through PNC Arts Alive, our multi-year, multi-million dollar initiative of the PNC Foundation. The innovative projects we've funded have built diverse audiences and increased attendance for our Arts Alive partners.

Metrics, our research partner, and our designer, Joel Katz. I would also be remiss not to thank the advisory group, whose counsel was so instrumental.

From the Alliance's research and communications team I want to give special thanks to the team that produced this report, John McLnerney, who wrote and edited the report; Nick Crosson, who along with Metro Metrics, did the core research; and Theresa DeAngelis, the project manager who made this all come together. In development, special thanks to Kelli Paul and, in policy, Nicole Allen. Thanks also to Stuart Adair, for managing the complex funding that made this report possible.

Finally, we want to thank the cultural organizations that did the heavy lifting, that not only produced the great artistic and creative work that defines our sector, but also took the time to document their activities and make this report possible.

Michael Norris

Interim Executive Director
Greater Philadelphia Cultural Alliance

These projects have also enhanced access to performances and exhibits by helping tens of thousands of our neighbors interact with art in different ways, opening their eyes and their hearts to new experiences and new possibilities.

PNC's legacy of supporting the cultural community will continue, through partnerships like the one we enjoy with the Greater Philadelphia Cultural Alliance. At PNC, we believe partnerships are a foundation for growth. I am personally excited to embrace partnerships in the cultural community and beyond, and to help continue to make a difference in the communities in which we live and work.

Paula Fryland

Regional President for Philadelphia & Southern New Jersey
PNC Financial Services Group

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Michael Norris



Paula Fryland

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Key Findings

The cultural sector is a competitive asset for the region. Philadelphia is home to one of the richest and most diverse cultural sectors in the country.

- There were 17 million visits to cultural institutions last year.
- 473 cultural groups produced over 33,000 live productions, exhibitions, workshops, films, and other programming.
- Cultural nonprofits directly spend over \$1.1 billion annually.

Cultural organizations are slowly recovering from the Great Recession.

- Overall attendance is up 3%, with a 5% increase in free attendance and a 2% increase in paid attendance.
- Net Assets are up 7% and Endowments are up 12%.
- Revenue is up 3% overall.
- Earned income[•] increased 9%, driven by a 10% increase in admissions revenue and a 24% increase in earned income from memberships.

• This change represents operating income and does not include large gains in unrealized investments.

° National Endowment for the Arts, "How the United States Funds the Arts," 2012





Foundations remain an important source of income for our region's cultural non-profits.

- Foundations are the largest source of funding for Small and Medium organizations, which constitute four out of five groups in the report.
- Foundation support increased 6% from 2009 to 2012.
- Foundation support represents 12% of funding overall, 25% higher than the national average of 9.5%°.

Sustaining and increasing contributed income remains a challenge. While foundation and board giving increased, most sources of contributed income declined.



- Overall Contributed Income was flat from 2009 to 2012.
- Individual giving declined 12%.
- Corporate funding is less than 3% of all income and declined 23%.
- All government funding (City, State, and Federal combined) is now less than 5% of all income and declined 37%.

Many cultural organizations remain at financial risk.

- Two out of five organizations had deficits in the most recent fiscal year.
- A third of the trend organizations both reduced operations from 2009 to 2012 and had deficits in 2012.
- All but the smallest organizations had less than three months of working capital to fund operations.
- Many traditional sources of income have declined. Subscription revenue is down 20%, individual giving is down 12%, and corporate funding is down 23%.

A distinct set of organizations has recovered faster than the sector as a whole. These “Growth” organizations have both expanded operations and maintained positive margins.

- Growth organizations are most common amongst mid-sized organizations. One out of three mid-size organizations was a growth organization.
- Growth organizations spent more on marketing and fundraising.
- Growth organizations relied more on paid attendance and increased paid attendance at a greater rate than non-growth organizations.

Summary

The 473 groups in this report are at the heart of the creative economy. Despite the many challenges cultural nonprofits face, they continue to produce a dizzying array of affordable and accessible activities for the region. With over 17 million visits annually, there is no other industry with such a direct impact on the region's vitality and energy.

Keeping the doors open is never easy, and cultural nonprofits were particularly hard hit by the Great Recession. In our **2011 Portfolio**, which looked at activity from 2007 to 2009, we documented a 12% decline in revenue.[•] In our current report, which examined activity from 2009-2012, we saw a slow rebound, with revenue increasing 3% over those three years. More importantly, organizations began to build back resources, increasing Net assets, Endowments and, for the majority of organizations, Working Capital.

While those are positive indicators of recovery, the revenue increase was driven primarily by Earned Income gains from operations. Overall Contributed income growth was flat during the same period, at a time when arts philanthropy nationally increased 22%.[°] While regional foundation and board giving increased, those gains were countered by declines in individual, government and corporate funding.

It is unlikely that government funding will return to its peak pre-recession levels nor are current levels guaranteed, particularly since there is no dedicated funding stream for the arts as there is for tourism. City, state and federal allocations must be fought for annually. However, corporate and individual giving are areas that could increase over time. Corporate giving comprises just 2.2% of income for the groups in our report whereas the National Endowment for the Arts has documented that corporate giving for the arts nationwide is 8.4% of total funding for cultural nonprofits.^{••} Given the impact that our sector has on the quality of life and its value to creative workers, businesses could directly benefit from increasing support to the region's cultural sector.

The decline in individual giving is particularly challenging, given Philadelphia's history of generous individual philanthropists. As a sector we need to focus on engaging individual donors at every level of the spectrum, from younger millennials to wealthier

baby boomers. Consumers, according to the 2014 Culture Track study by La Placa Cohen, particularly the rising millennial generation, are not as motivated by the traditional societal and tax benefits of the nonprofit model but want to support organizations that can demonstrate direct community impact. That type of community engagement is something the cultural sector does every day, but we need to be better about communicating that to our donors.

The future health of the sector is reliant on many inter-dependent factors and organizations themselves need to be well-run, smart and understand the evolving nature of creative consumption. The persistent deficits in the sector are a significant concern; some organizations may need to reduce their activities to reflect changes in demand and gaps in funding. Yet our initial look at Growth Organizations is intriguing. While growth is not the only measure of evaluating success, it will be important to follow these organizations to see if they can continue to expand output and maintain positive margins. What are the underlying strategies behind producing high-quality programming and positive margins? It is notable that these organizations tend to be more nimble, mid-sized organizations with a stronger ability to generate Earned Income.

Simply returning to where we were in 2005 is not wise or even possible. But the challenge is to not "throw out the baby with the bathwater." While nonprofits are not the only option for creative practice and alternative approaches are becoming more common, there remains tremendous value in the nonprofit model. Most cultural organizations are effective community-based organizations that use the tax-exempt nonprofit model to raise philanthropic dollars and create artistically challenging, accessible and transformative experiences that could not be produced in the for-profit market.

New models need to be embraced. Mergers and collaborations, when they make sense, should be encouraged. The recent mergers of Drexel University and the Academy of Natural Sciences or the partnership between Brian Sander's Junk and Shiloh Baptist Church are great examples of how merging organizations or sharing space can have a synergistic effect. Co-working places such as CultureWorks, Benjamin's Desk and Indy Hall have also provided individuals and one-off projects the



flexibility and administrative support they need to thrive without becoming formal 501(c)(3) organizations. Some funders are also becoming more flexible in how they fund artists, projects and organizations. For instance several foundations are providing funds for overhead and marketing within project grants or funding one-time projects through fiscal sponsorship, like the recent funding of Citywide, a celebration of informal artist-run galleries. That flexibility gives creative practitioners more encouragement to explore new business structures beyond the formal nonprofit structure.

Philadelphia has invested heavily in arts and culture and we are seeing the benefits across the region every day. Lonely Planet recently declared that “Philadelphia is becoming known as an “art capital.” That kind of impact on tourism and neighborhood revitalization needs to be sustained. The alternative, as the Philadelphia Inquirer has said, would not only represent a loss of artistic output that has taken years to build, but “would put at risk tourism and population growth the city has worked hard to achieve.”

We hope this report proves a valuable tool for civic and cultural leaders. At the Alliance we will be adjusting our activities to react to the findings in this report, including hosting conversations and presentations that address both the evolving nature of the fundraising environment and the changing patterns of creative practice and cultural participation. In the spring we will also be releasing the second phase of *Portfolio*, with a multi-city analysis of the nonprofit cultural sector that will hopefully provide further insight into the strengths and opportunities for this dynamic region and the its rich cultural community.

- Please keep in mind that the **2011 Portfolio** was not the same cohort of organizations and this is only a general comparison
- Giving USA 2013, overall giving for arts, culture and humanities 2009–2013, inflation adjusted
- NEA, “How the United States Funds the Arts”, November, 2012
- *Philadelphia Inquirer*, Peter Dobrin, “The Quandry: How to sustain the Arts”, September 22, 2013

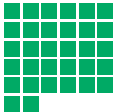




















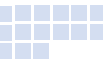

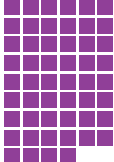



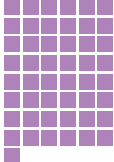



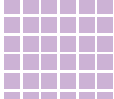











Financial Health





Introduction

1 Number of organizations by size and discipline*

Discipline	Small	Medium	Large	Very Large	Totals
Community Arts & Culture 54					Community Arts and Education 89
Education & Instruction 35					
Media Arts 33					Museums, Visual Arts, Historic and Scientific 153
Museums, Galleries & Visual Arts 39					
Science & Nature 15					
History 66					
Dance 63					Performing Arts 215
Music 70					
Theater 63					
Other Performing Arts 19					
Support & Other 16					16
Totals Most Recent FY dataset	248	123	77	25	473
Totals FY2009–FY2012 Trend dataset	130	87	61	20	298

* In the Trend FY 2009–2012 dataset, organization size is determined by Total Expenses of each organization in FY2009.



In this first chapter, we take a close look at a significant portion of financial activity of the nonprofit cultural sector in the Philadelphia region, with data from the Cultural Data Project (CDP) being our primary data source. As noted in the methodology, we specifically examine cultural organizations from the Cultural Data Project in the five counties of Southeastern Pennsylvania (Philadelphia, Bucks, Chester, Delaware, and Montgomery counties). There are two primary datasets, the Most Recent Fiscal Year (“Most Recent FY”) and FY2009–FY2012 Trend (see Graph 1). For most of our analysis we look at the larger Most Recent FY dataset, but we also point out significant patterns in the FY2009–FY2012 Trend (“Trend”) that are consistent with the data in the Most Recent FY dataset. These two CDP datasets have the largest number of organizations included of any *Portfolio* publication to date. As detailed in the Methodology, the organizations in CDP represent a significant portion of economic and programmatic activity for the region’s nonprofit cultural sector. CDP also collects much more information on financial and programmatic activity than is collected in other sources of nonprofit cultural data such as IRS 990 Forms. While we recognize that many

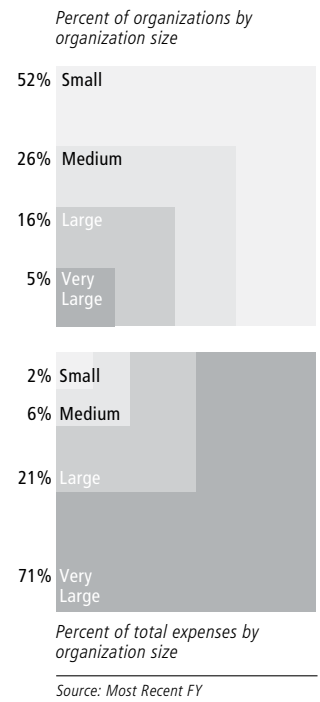
smaller organizations, particularly those below \$25,000 in annual expenditures, do not participate in CDP and are not included in our analysis, we believe these datasets capture a significant and meaningful portion of the regional nonprofit cultural economy.

Most of our analysis is broken out by four organizational budget categories, eleven specific disciplines and four larger Meta-categories, noted in Graph 1 and detailed in the Methodology on page 66.

As can be seen in Graph 2, the majority of economic activity, as measured by expenses, is generated by the 25 Very Large organizations, which represent just 5% of the organizations but 71% of total expenses. Conversely, the Small Organizations, which comprise 52% of the Most Recent FY dataset, generate only 2% of the spending (expenses). Organizational spending and generated revenues were also especially concentrated in Philadelphia city organizations—88% and 85% respectively in the last fiscal year. Attendance, covered on page 44, is more evenly distributed. For more information about these and the other datasets used in this project, please view the Methodology on page 66.

71% of expenses are generated by just 5% of the organizations

2 Number of organizations by size and expenses



Revenue



Overall the sector had total unrestricted revenue of \$1.27 Billion and Total expenses of \$1.1 Billion, generating a net surplus of \$166 million, or 15%. However, there were four organizations in the Very Large category that had significant extraordinary changes in their revenues that substantially impacted the sector's bottom line. Three of those four organizations generated a collective surplus of \$168 million generated by large increases in unrestricted revenue related to capital projects and endowments. The other organization generated a one-time loss of \$31.6 million in the Most Recent FY.

The operating margin for the sector is essentially breakeven

Without these four outliers, the operating margin for the remaining 469 organizations, after depreciation, is essentially breakeven, with a \$2.8 million deficit (-0.3%). Very Large organizations have a negative margin of -3.9%. Large organizations had the most significant surplus, with a 7.6% margin. Medium organizations saw a modest deficit of -1.2%. Small organizations, which make up over half of the total organizations in **Portfolio** but generate very modest revenue, had a net surplus of \$648,000 or 3.2% (see Graph 3).

Within disciplines, again with the four outliers removed, the largest surpluses were found in the Theater, Media Arts, and Music categories. The Theater category had an overall margin of 10%, Media Arts 5%, and Music 4%. Museums (-14%) and Dance (-5.5%) had the largest discipline deficits (see Graph 4). Key indicators for disciplines are detailed in the Disciplines Snapshot on page 58.

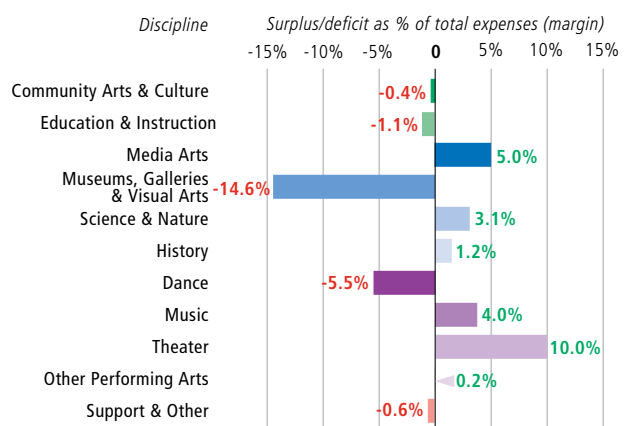
3 Surplus/deficit by size*



* Four organizations in the Very Large category had significant anomalies in their revenue and were removed for surplus/deficit calculations. All calculations are done after depreciation. Surplus deficit is determined here subtracting Total Expenses from Unrestricted Total Revenue. Margin is calculated by dividing this figure by Total Expenses.

Source: Most Recent FY

4 Surplus/deficit by discipline*



◀ Too small to be visible

* Four organizations had significant anomalies in their revenue and were removed, two in the Museums, Galleries & Visual Arts category, one in the Science & Nature category, and one in the Music category. Surplus deficit is determined here subtracting Total Expenses from Unrestricted Total Revenue. Margin is calculated by dividing this figure by Total Expenses. All calculations are done after depreciation.

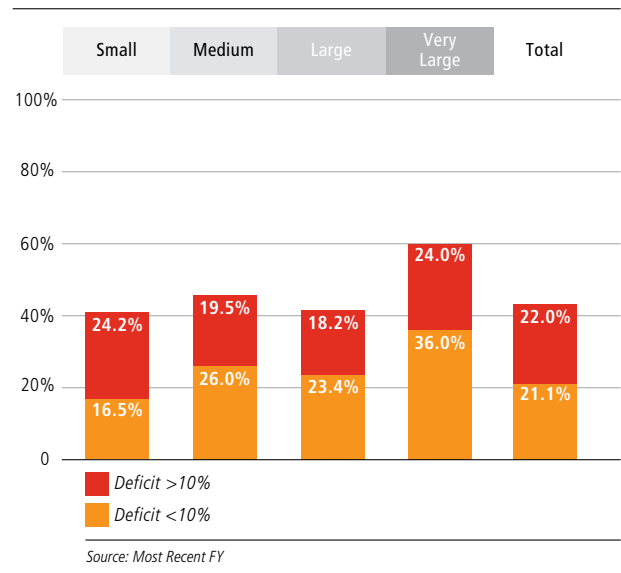
Source: Most Recent FY



Organizations in Deficit

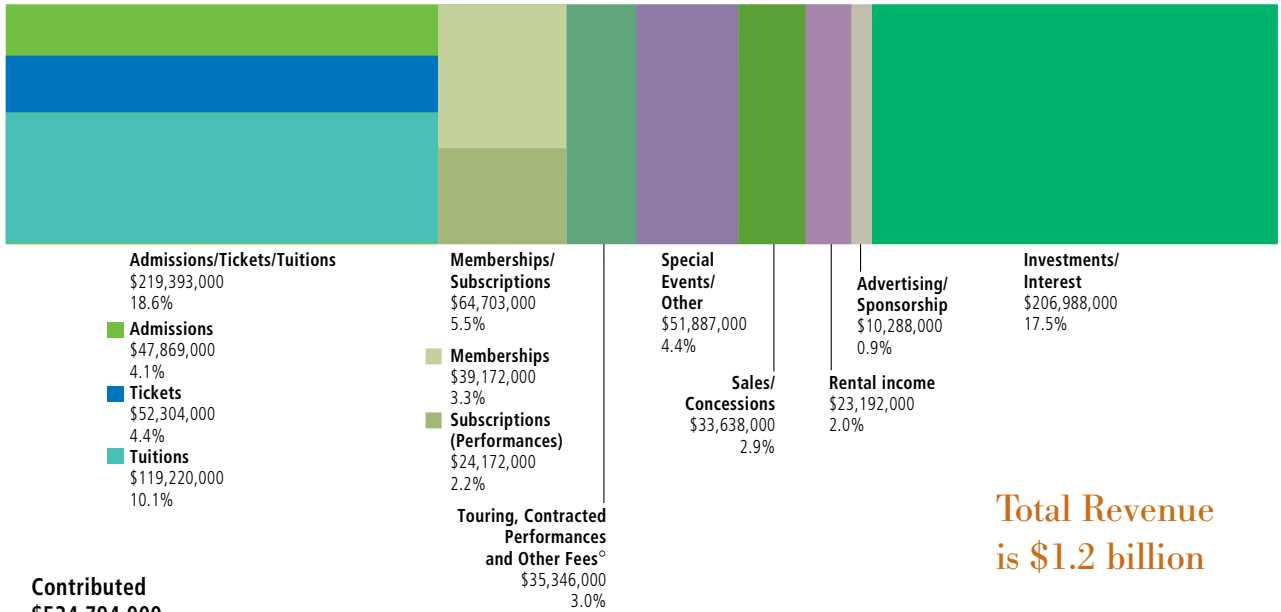
While the sector's large aggregate margins were driven primarily by strong performances by a minority of the Very Large organizations, it is useful to place this in the context of the significant amount of organizations that reported deficits. In the Most Recent FY dataset, two out of five organizations (43%) reported a deficit in the most recent fiscal year and half of those organizations reported deficits greater than 10% (see Graph 5). Within the Very Large budget category 3 out of 5 of the Very Large organizations reported a deficit. Across disciplines, the percentage of organizations in deficit ranged from 25% for Councils, Services and Support to 60% for Education & Instruction. Both Education & Instruction and Community Arts & Culture fared the worst, with 3 out of 5 organizations reporting deficits. (See the Discipline Snapshots on page 58 for more information on discipline deficits).

5 Number of organizations in surplus/deficit



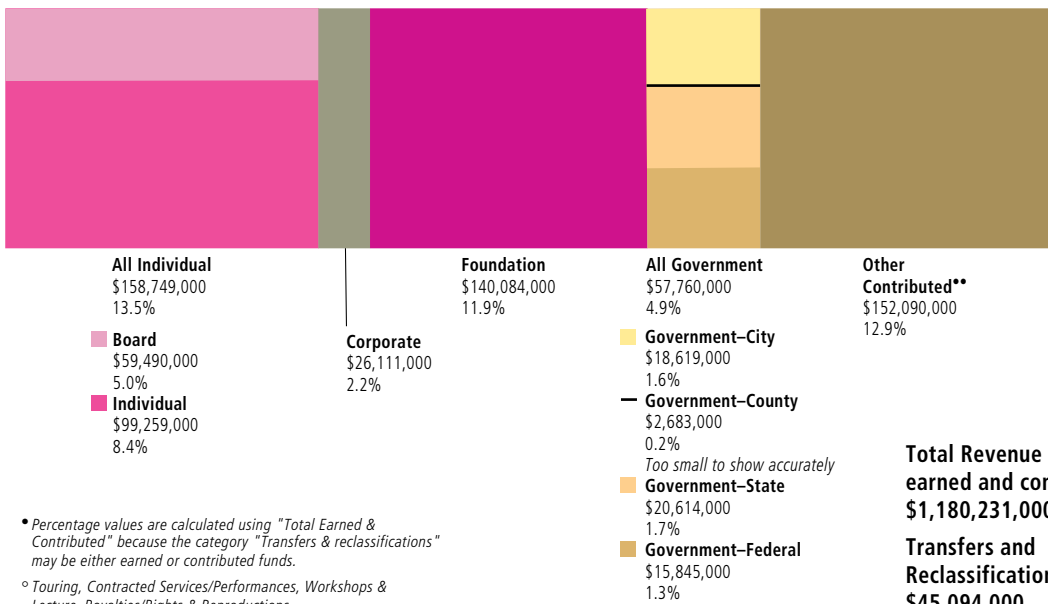
6 Total revenue

Earned
\$645,437,000
54.7%*



Total Revenue is \$1.2 billion

Contributed
\$534,794,000
45.3%



Total Revenue earned and contributed
\$1,180,231,000
Transfers and Reclassifications
\$45,094,000
Total Revenue
\$1,225,324,000

* Percentage values are calculated using "Total Earned & Contributed" because the category "Transfers & reclassifications" may be either earned or contributed funds.

^o Touring, Contracted Services/Performances, Workshops & Lecture, Royalties/Rights & Reproductions

** Other Contributed: Parent Organizations, In-Kind, Contributions from Events, and Other.

Source: Most Recent FY

Total Revenue

Overall, Contributed and Earned Revenue for arts and culture organizations, excluding transfers and reclassifications, was \$1.2 billion (see Graph 10). In the Trend data, it showed an increase of 21% since the end of the recession in 2009, driven primarily by increases in unrealized gains in investments. Without those 'paper' investments, revenue only increased 3% (see Graph 8).

The Contributed to Earned ratio was 45/55 overall, but the ratio ranged from 67/33 at Small organizations (much more dependent on contributed revenue) to 41/59 at the Very Large organizations. (See Graph 11). Other than investment income (17.5%), the main drivers of revenue were Admissions/Ticketing/Tuitions (19%), individuals and board members (13.5%) and foundations (12%). Revenue increased for every discipline except Dance, Education & Instruction, and History.

7 Total revenue by size

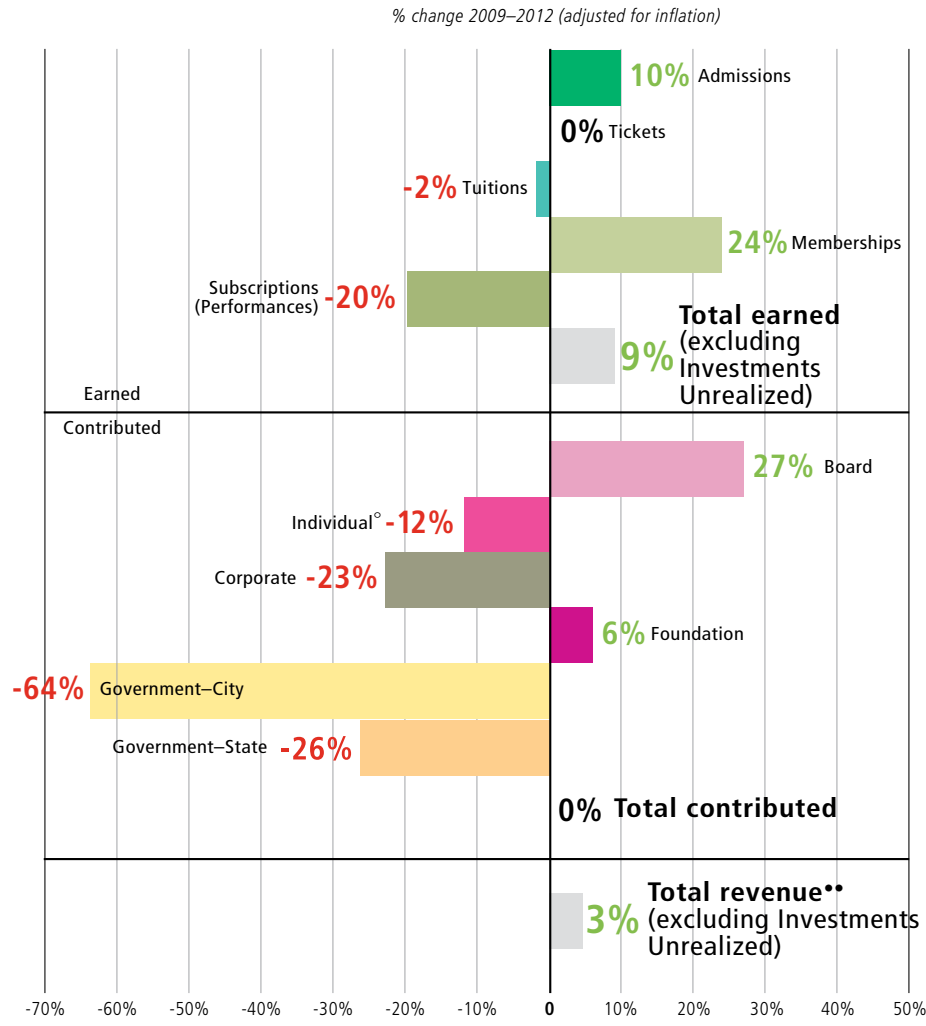


• *Touring, Contracted Services/Performances, Workshops & Lecture, Royalties/Rights & Reproductions*
 ° *Other Earned: Special Events & Others; Sales & Concessions; Rental Income; and Advertising & Sponsorship*
 •• *Other Contributed: Parent Organizations, In-kind Contributions from Events, and Other*
 oo *Total Revenue includes "Transfers & Reclassifications"*
 Source: Most Recent FY

Contributed income is the main source of revenue for all but the Very Large organizations

While memberships increased 24%, subscriptions declined 20%

8 Change in revenue*



Earned Income increased 9%

* These figures from separate Trend dataset of 298 organizations for which data are available for both 2009 and 2012 (Total Revenue for this set is \$741,682,435). Do not apply these percentages to the Revenue figures in the other table.

^o One organization removed from this calculation to reflect an extraordinarily large major gift made in 2009.

** Includes Transfers & Reclassifications

Source: FY 2009–2012 Trend

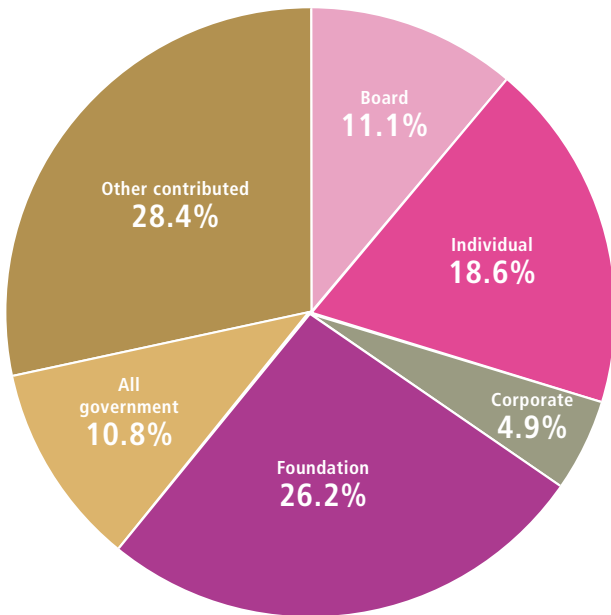
Earned Income

A key positive factor was Earned Income, which increased 70% in the Trend Data if one includes all investments. However, the increase in earned income was primarily driven by the recovery of the financial markets, with most of that increase in unrealized gains and losses in investments. Removing unrealized gains and losses in investments, we see that Earned Income had a healthy but more modest increase of 9% (see Graph 8).

On the operating side there were also gains of 10% in admissions (primarily from the Museums Meta-category), as well as a 24% growth in memberships, but a decline of 20% in revenue for subscriptions. This change is noted in our discipline snapshots, with significant increases in memberships for the Museums Meta-category and modest declines in subscriptions for most categories under Performing Arts. (See the Audiences section on page 42 for more information on memberships and subscriptions).

Contributed Income was flat

9 Contributions to organization



Source: Most Recent FY

Contributed Income

The positive increases in earned income were not matched with overall increases in contributed income, with zero growth in contributed income overall. However, there were several significant declines, notably individual giving (-13%), city funding (-64%) and state funding (-26%). The decline in individual giving is particularly significant since individual giving makes up 8.4% of the combined earned and contributed revenue in the Current FY and their contributions were a highlight of the **2011 Portfolio**. City and state funding, which declined in the **2011 Portfolio** as well, continue to shrink, and together make up only 3.3% of combined earned and contributed income. While there were significant increases in board giving (up 25%), foundation giving (up 6%), and Special Event Fundraising (up 30%), it was not enough to offset the declines in Individual Giving and other declines in smaller revenue areas.

Foundation revenue remains an important source of funding for Philadelphia cultural organizations and increased 6% overall. It is the largest source of revenue for Small and Medium organizations and a significant driver for Large and Very Large organizations. It increased 39% for Small organizations, 16% for

Medium organizations, and 22% for Large organizations, but declined 12% for Very Large organizations. Notably, Small organizations were the only budget group that saw significant increases in Contributed revenue, 40%, versus the flat growth for contributed Income overall. This was driven largely by Small organizations' 39% increase in Foundation funding, their most significant source of revenue representing a quarter of their overall Earned and Contributed Income. This is the highest percentage of funding coming from one funding area for any of the budget groups, higher than even the Very Large organizations' reliance on Investment Income. Clearly Foundation funding, in the context of declines in other sources of contributed funding, remains a very important source of revenue for Greater Philadelphia cultural organizations, particularly smaller organizations.

Overall, revenue showed growth, but that growth was driven primarily by changes in investments, particularly Unrealized Investment Income, which does not directly impact operating revenue. While Total Revenue increased 26% (Earned Revenue, Contributed Revenue and Transfers & Reclassifications), with unrealized gains and losses in investments removed, revenue growth was much more modest at only 3%.

It appears that overall, revenue from operations, adjusted for inflation, was able to increase modestly beyond inflation. Significant increases in revenue were seen from major revenue sources, primarily admissions & ticketing, memberships, board giving and foundation revenue. However, those gains were somewhat offset by declines in other significant revenue sources—individual giving, tuitions, and subscriptions. Government and Corporate funding saw large declines, but those sources of revenue have consistently declined over the last decade and represent a much smaller proportion of revenue overall.

Expenses



22

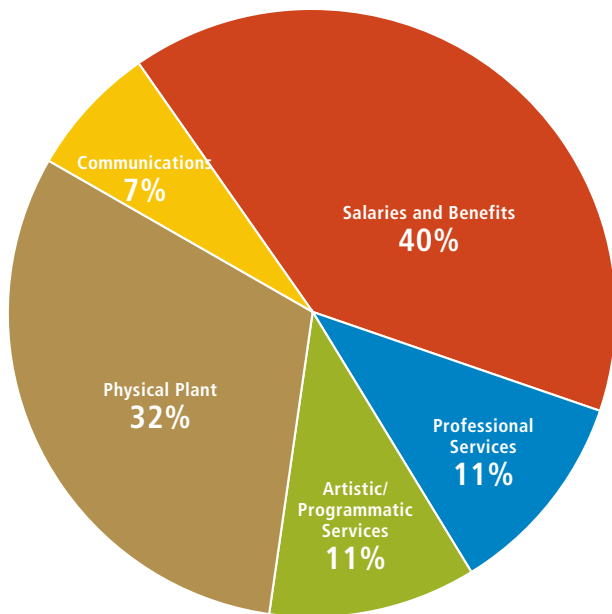
P

ayroll remains the dominant expense for cultural groups, at 40% of total expenses. The next major cost center is Physical Plant, which is 32% of total expenses. While expenses increased modestly overall, at 3%, the two main sources of increases were in Physical Plant (15%) and Artistic/Programmatic Services, (15%). Conversely, Salaries declined 5% and Communications (including printing and postage) declined 7% (see Graph 10). Overall, as detailed below, expenses in aggregate increased only slightly, and if several notable outliers are removed, actually contracted about 2%.

Expenses, unlike revenues, do not vary as significantly based on budget size, with the exception of Small organizations. Small organizations spend about half as much on Salaries, 22%, than the overall average of 40%, but spend twice as much, 23% vs. 11%, on Artistic/Programmatic Services. Given their limited staff size, this is understandable. Overall, expenses increased 3.4% in the Trendset. This is actually less than the +4.0% reported in the last **2011 Portfolio** report, which covered the recession/post-recessionary years of 2007 to 2009. But, as seen in the profit/loss section, there are a handful of mostly Very Large organizations that caused big swings in sector calculations (on the positive and negative sides). For the change in Total Expenses

between 2009 and 2012, there were 8 organizations that had swings of between +\$35 million and -\$7.8 million. When these eight outlier Very Large organizations are backed out of calculations, growth in Total Spending for the sector (i.e., the remaining 290 Trend organizations) reverses to -1.9%.

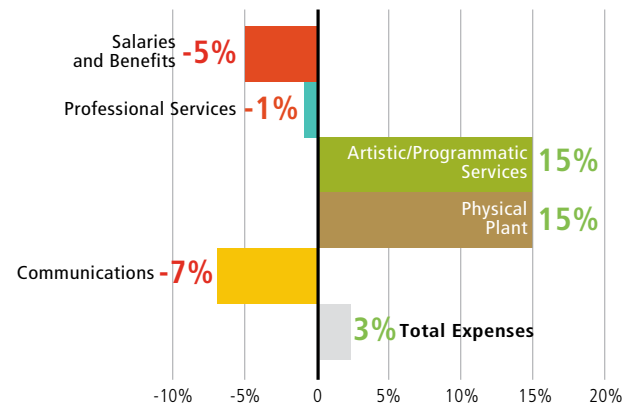
10 Expenses*



Salaries and Benefits	\$441,199,000	40.0%
Professional Services	119,963,000	10.9%
Artistic/Programmatic Services	119,352,000	10.8%
Physical Plant	350,436,000	31.8%
Communications	72,725,000	6.6%
Total Expenses	\$1,103,675,000	

* See endnote 2
Source: Most Recent FY

11 Changes in expenses by category



Source: FY 2009–2012 Trend

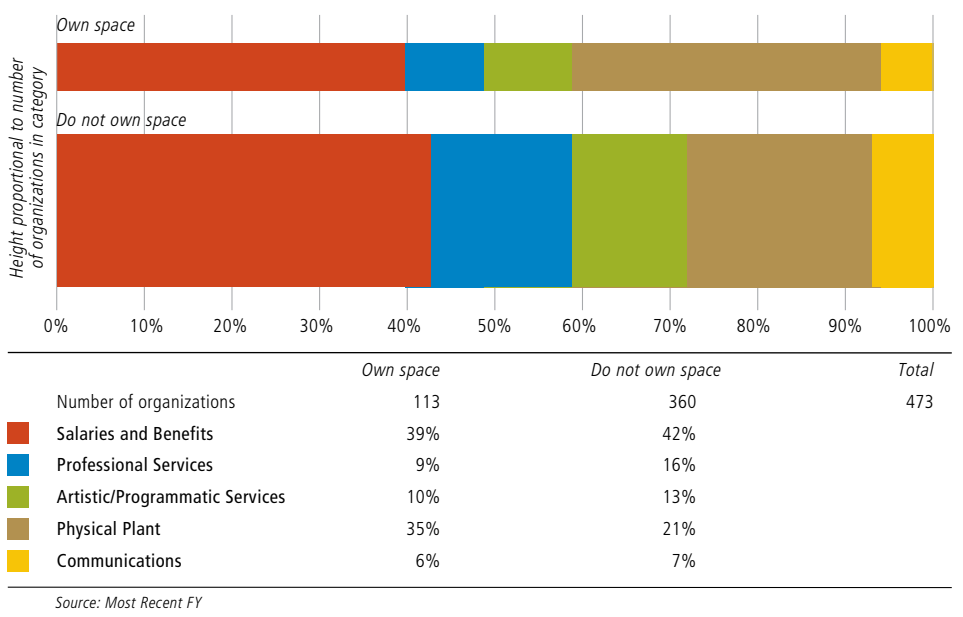
Spending increased moderately

Owning Space

Another significant difference in spending is between organizations that own space vs. those that do not. Approximately one-quarter of the organizations own their own space and the other three-quarters do not. The median budget of organizations that own space is \$1 million (Large budget category) vs. a median budget of \$146,000 for those that do not own their space (Small budget category). Not surprisingly, these larger organizations that own space spend significantly more on Physical Plant (35%) than those that do not own space. They also spend significantly less on Professional Services (9% vs. 16%) and Artistic/Programmatic Services (10% vs. 13%) and slightly less on Salaries (39% vs 42%). While they generate three times the spending, they have a very different expense profile (see Graph 12).



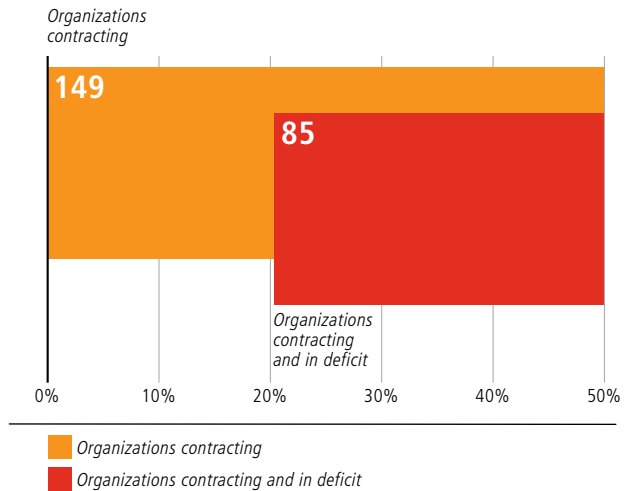
12 Expenses own vs. do not own space





Almost one-third of Trend organizations reported both declining expenses and a deficit in 2012

13 Organizations in contraction



	Number of organizations	Contracting	Percent contracting	Contracting and in deficit	Percent contracting and in deficit
Small	130	56	43%	33	25%
Medium	87	46	53%	25	29%
Large	61	33	54%	18	30%
Very Large	20	14	70%	9	45%
All	298	149	50%	85	29%

Source: FY 2009–2012 Trend

Organizations In Contraction

In the Trend set, half the organizations in 2012 (149) reported Total Expenses that were lower than Total Expenses reported in 2009, a sign that they were reducing their scope, particularly in the context of an economy that conversely was slowly expanding (Regional GDP, adjusted for inflation, increased 2.2% from 2009 to 2012). Most notably, 70% of Very Large organizations reduced Total Expenses.

Moreover, almost a third of organizations (85) not only reported contracting expenses, but were also in deficit. This was especially true of Very Large organizations, where nine out of 20 had contracting expenses and were operating with a deficit in 2012 (see Graph 13).

Clearly, changes in expenses are a mixed picture, but the sector as a whole had relatively flat growth, despite an expanding economy. However, there was a subset of groups that bucked this trend, increasing both expenses and posting positive margins.

Growth Organizations



There was a distinct subset of organizations, 73 in all, that achieved notable growth while also having positive margins in 2012. By definition, this data set was a subset of the Trend data set and was identified using a two-step process: first, organizations had to have positive growth in Total Expenses between 2009 and 2012; and, second, organizations had to have a breakeven or positive operating margin in 2012. Seventy-three organizations satisfied both these criteria, with 67 having growth rates greater than 5% after adjusting for inflation. (For this analysis, our set of Growth organizations is a subset of the 298 Trend organizations).

Why are we examining this group? We understand that some groups may be reducing their footprint for a variety of economic or strategic reasons. However, keep in mind that our **2011 Portfolio** documented a sector hard hit by the Great Recession. We reported that Total Revenue and Net Assets both declined 12% from 2007 to 2009 for the nonprofit cultural sector and 54% of the groups reported deficits before investment losses were factored in. While there may be groups in our Trend data that are right sizing and scaling back, we were interested in examining where the sector was growing and what groups were helping the sector begin to return to pre-recession levels. What organizations were able to increase their spending, generate surpluses, and expand the scope of the sector?

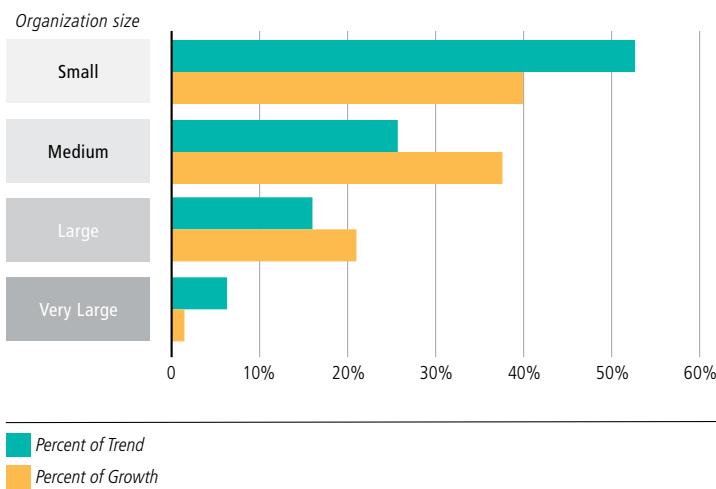
Furthermore, are there any underlying similarities for these Growth organizations? Working with our data partner, Metro Metrics, we identified several common characteristics of this group of Growth organizations by taking a closer look at their performance (individually and as a group) and comparing this to the overall sector.

Growth organizations as a group looked somewhat different from the overall sector

Growth organizations had slightly better representation in the suburban counties, had stronger representation among Medium and Large organizations, and were relatively young (though not the youngest). In terms of location, it is interesting to note that on a proportionate basis there were more Growth organizations in the suburbs, especially Montgomery County, as compared to the breakdown for the full sector. This is significant especially for Montgomery County, which, despite being the largest of Southeastern Pennsylvania's suburban counties in terms of population, did not have any Very Large organizations and only three Large organizations in the Most Recent FY dataset.

Interestingly, the majority of Growth organizations—58%—were either Medium or Large in terms of their budget size, a considerably higher proportion than the overall sector (42%). While it is not clear why Growth Organizations cluster in the middle of the sector, it is possible that Medium and Large organizations have more resources available than smaller organizations and more flexibility to adapt and capacity to grow than the Very Large organizations.

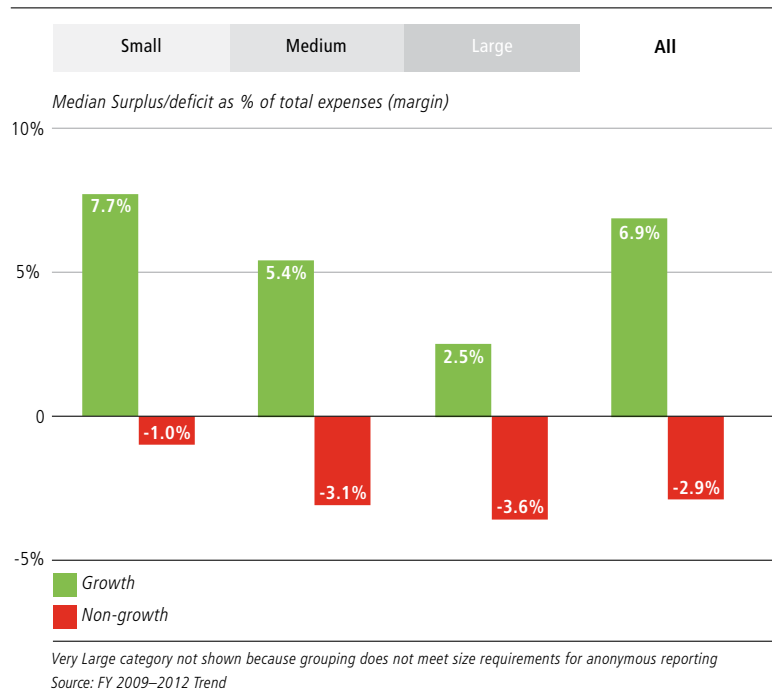
14 Growth organizations by size



Source: FY 2009–2012 Trend

Growth organizations were mid-sized and relatively young

15 Median surplus/deficit for growth and non-growth organizations by size



Median margins for non-Growth organizations are negative

One requirement to be in the Growth set was to have a breakeven or positive operating margin, but an organization also had to have increased expenses. So it is possible that an organization could not be in the Growth set but have a positive margin in 2012. However, if you look at the median income for Growth groups compared to those that are not in the Growth set, the Growth organizations have, by definition, positive margins (+6.9%), but for the non-Growth organizations, median margins, which could be positive, are all negative, with an overall margin of -2.9% (see Graph 15).

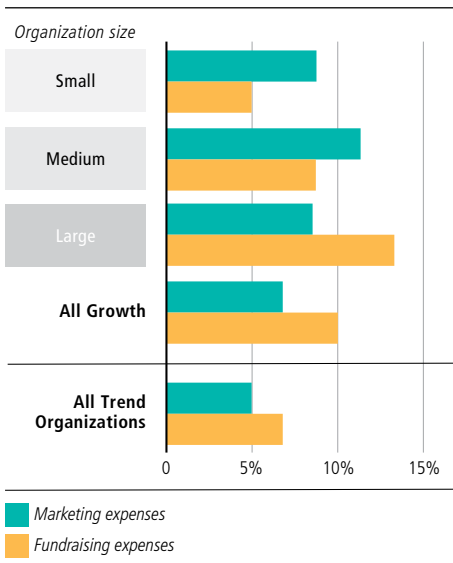
Some disciplines had higher percentages of organizations in the Growth group

Overall, every Meta-discipline was represented equally in the Growth group, with about one-quarter of each Meta-Discipline from each of the four categories belonging to the Growth group. However, a few disciplines had a higher proportion of organizations within the Growth set, notably Media Arts, Museums, Theaters, and Councils. Conversely, Science & Nature, History, Community Arts, and Dance had a smaller proportion of Growth organizations.

Growth organizations proportionately spent more on Fundraising Expenses and Marketing Expenses

Compared to the sector overall, Growth organizations proportionately spent more on Fundraising Expenses and Marketing Expenses. When comparing the breakdown of spending, Growth organizations as a group spent 10% of their budget on Fundraising Expenses (compared to 7% for all Trend organizations). Large and Medium Growth organizations were especially standout in their Fundraising Expenses, spending 13% and 9% respectively (see Graph 16). Growth organizations also invested more intensively in marketing activities, spending 7% (compared to 5% for all Trend organizations), with all but the one Very Large Growth organization spending above the sector figure of 5%; Marketing Expenses were especially strong for Medium Growth organizations at 11% of their total spending. (see Graph 16).

16 Growth organizations marketing and fundraising expenses



Very Large Growth not shown because grouping does not meet size requirements for anonymous reporting.

Source: FY 2009–2012 Trend

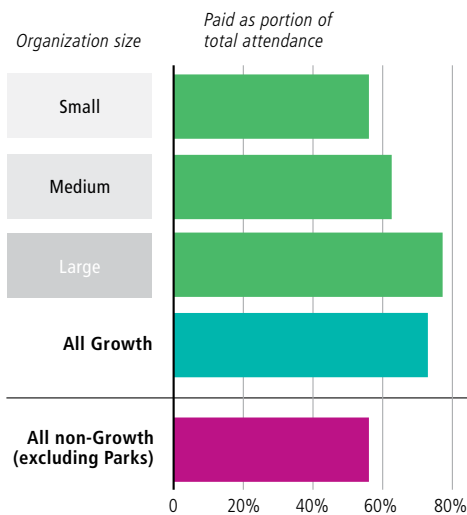
Earned to Contributed Revenue characteristics of Growth organizations reflect those in the larger dataset but are more exaggerated

In terms of the breakdown in revenues between Earned and Contributed, Growth organizations had a similar profile (based on organization size) to the overall sector, but more “exaggerated.” In general, Small organizations seemed to rely more on Contributed rather than Earned Revenue in the last fiscal year, while Very Large organizations relied more on the reverse. This breakdown makes intuitive sense—contributed support is much like the role investors play in financing early-stage companies, especially those viewed with having strong growth potential. As an organization matures, data seems to suggest its revenue model shifts toward greater reliance on Earned Revenue, as it gains recognition and audience. This same shift in Contributed versus Earned Revenue takes place with the subset of Growth organizations in Southeastern Pennsylvania, but even more so. Large Growth organizations, in particular, have a more dramatic split between Earned and Contributed Revenue (58/42), with a majority of revenue coming from Earned Sources, as compared with all Large organizations regionally, where less than half comes from Earned sources.

The median margin for non-Growth organizations is negative

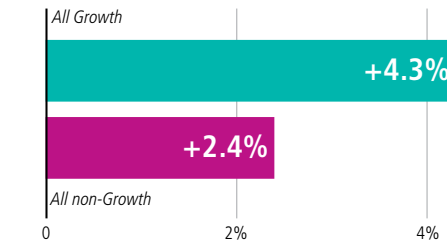
Growth organizations have more paid attendance and increased it faster than the sector as a whole

17 Growth organizations paid attendance



*Very Large Growth not shown because grouping does not meet size requirements for anonymous reporting.
Source: FY 2009–2012 Trend*

18 Changes in paid attendance, growth vs. non-growth



Source: FY 2009–2012 Trend

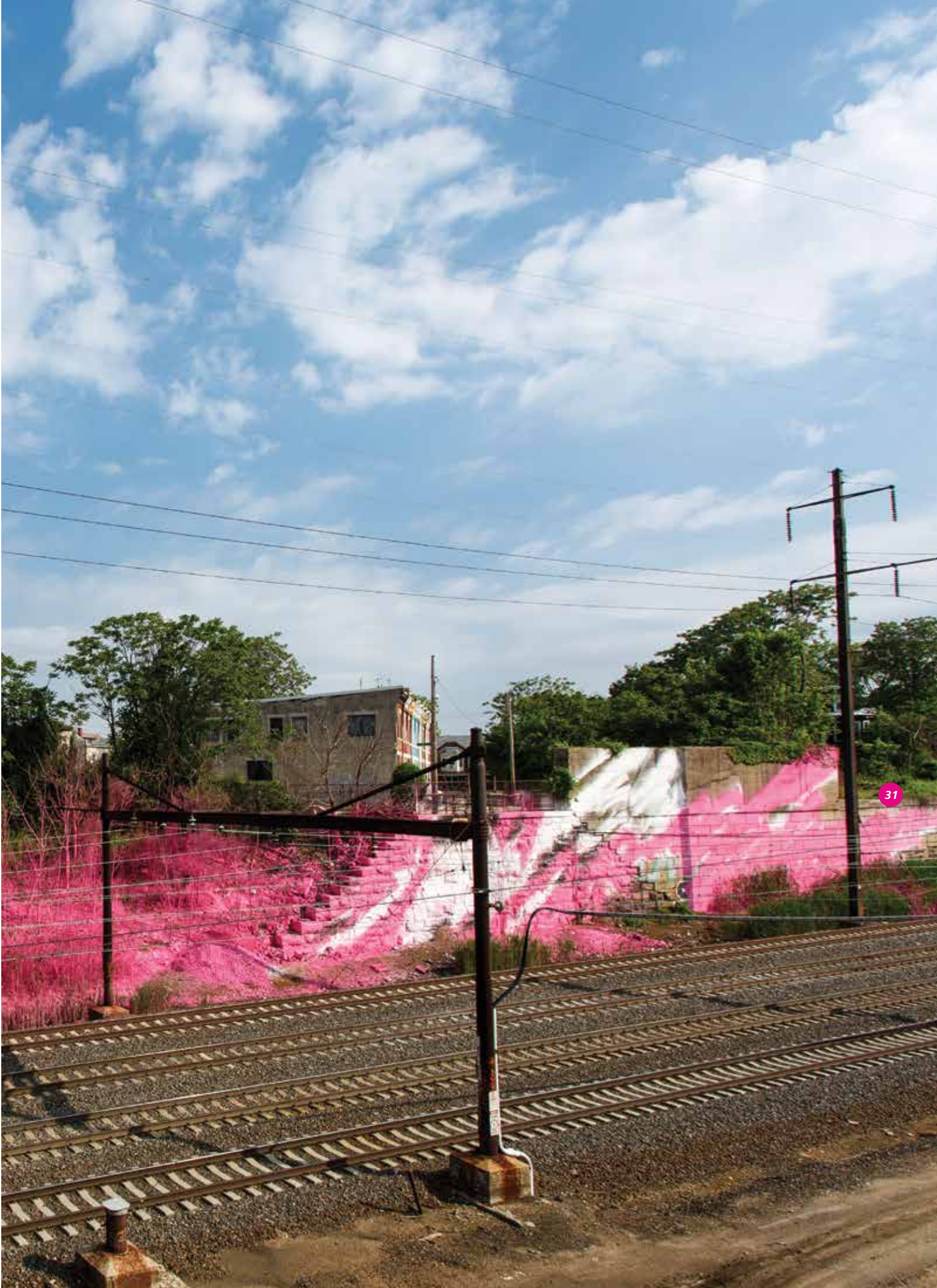
Growth organizations have a greater proportion of Paid Attendance

Growth organizations had a higher proportion of Paid Attendance, 73% vs. 57% for non-Growth organizations. They also increased their Paid Attendance more than in the Trend set, 4.3% vs. 2.4%. Clearly, a greater amount of Paid Attendance can help Growth organizations to increase their overall earnings (see Graph 18).

Growth organizations rely more on Independent Contractors

The employment model for Growth organizations was fairly different from that of the overall arts and culture sector in Southeastern Pennsylvania in that there was strong reliance on Independent Contractors. This was especially true for Small Growth organizations (91% of all workers were Independent Contractors), though it should be noted that most of these organizations had few employees to begin with. As organizations got larger in size, they gradually stepped up their full-time and part-time employment, but never in the same (i.e., higher) proportion as the overall sector (with the exception of the one Very Large organization).

Clearly Growth organizations merit deeper study, as they appear to represent an interesting subset of organizations that have been able to effectively navigate the challenges of the post-recession recovery.



Balance Sheet

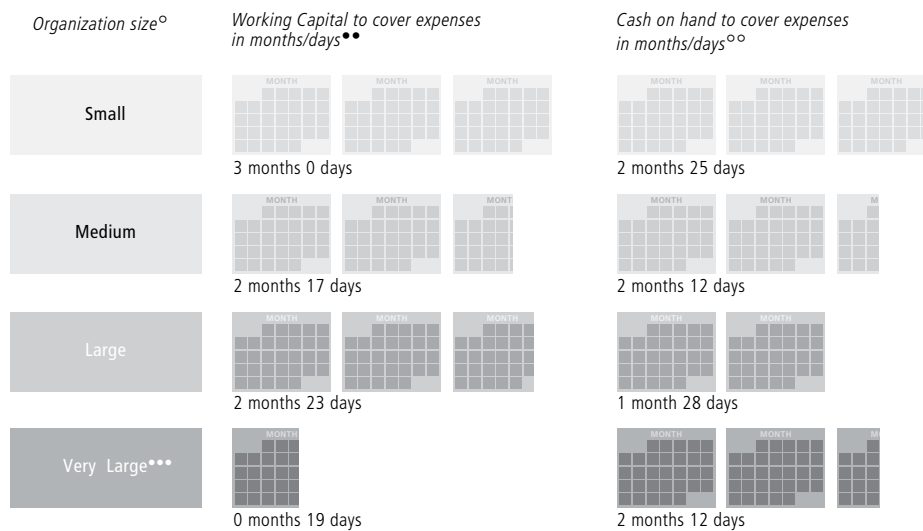
In addition to an analysis of the revenue and expenses, it is also important to look at the sector's balance sheet—its assets and liabilities.

Liquidity

Two good indicators of financial health from the balance sheet are months of Working Capital and months of cash on hand. These indicators give a sense of an organization's ability to pay its bills and cover deficits. Working Capital in this analysis is defined as unrestricted current assets minus current liabilities, expressed in months of operating expenses. Three

months of the Working Capital ratio is considered a safe margin by most, but only Small organizations had Working Capital of at least three months. Working Capital is particularly troubling for Very Large organizations at only 19 days and they are also the only budget category that saw a decline in Working Capital (see Graph 19). Cash on hand, a more narrow measure of an organization's ability to quickly cover short-term cash flow needs (defined as cash and equivalents only) was also below three months for all budget categories (see Graphs 19 and 20).

19 Working capital*



* The analysis of working capital presented here is based on formulas and methodologies developed in TDC, Inc., Getting Beyond Breakeven: A Review of Capitalization Needs and Challenges of Philadelphia-Area Arts and Culture Organizations (2009). These findings, including any errors or omissions, are solely the responsibility of the Greater Philadelphia Cultural Alliance.

^o Not all organizations have balance sheets in a format to facilitate this analysis. Number of organizations included in this analysis: Small 101; Medium 100; Large 73; Very Large 23; Total 297

^{**} Assuming 30 days per month

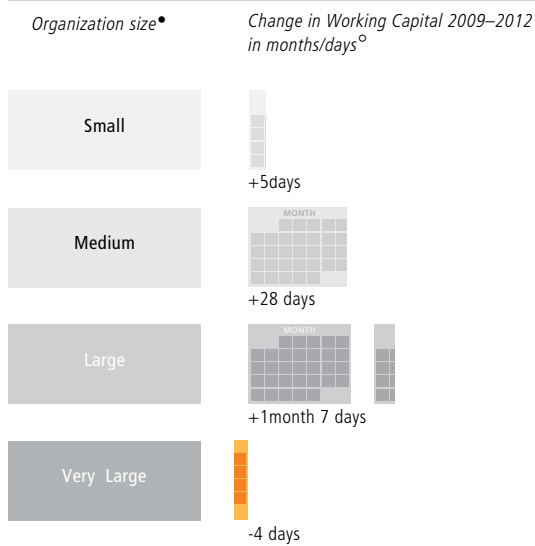
^{oo} Unrestricted cash on hand divided by months of expenses

^{***} One Very Large organization removed because its unusual way of representing endowment funds interferes with calculating these averages

Source: Most Recent FY



20 Working capital change*



* Not all organizations have balance sheets in a format to facilitate this analysis. Number of organizations included in this analysis: Small 66; Medium 72; Large 57; Very Large 19; Total 214.

^o Assuming 30 days per month

Source: FY 2009–2012 Trend

Only Small organizations have at least three months Working Capital

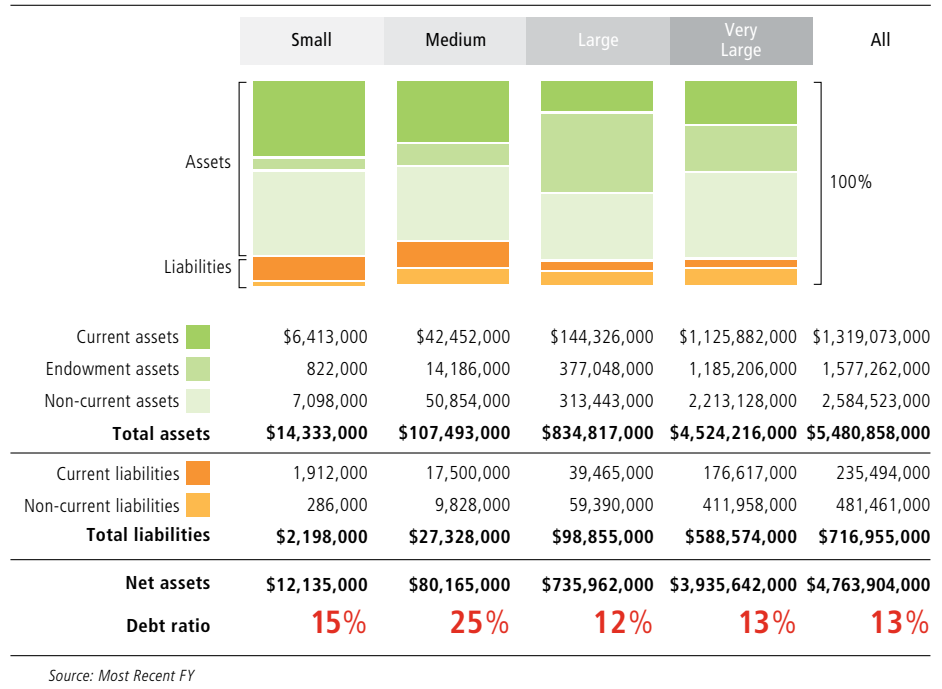
Net Assets increased 7.4% since 2009 and Endowments increased 12%

Debt Ratio

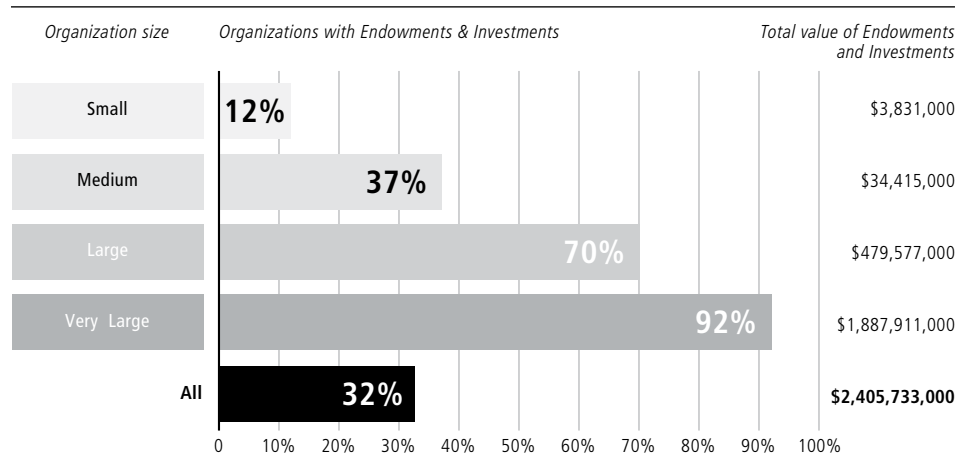
Another important indicator of long-term financial health is how much of an organization's assets are owed to others versus assets wholly owned by the organization. A high level of debt can restrict an organization's ability to borrow funds when opportunities

or crises occur and can be unhealthy unless the organization has enough consistent earnings to manage interest and principal payments. Debt ratios were generally modest, averaging 11% to 15%, with the exception of Medium organizations, with a debt ratio of 25% (see Graph 21).

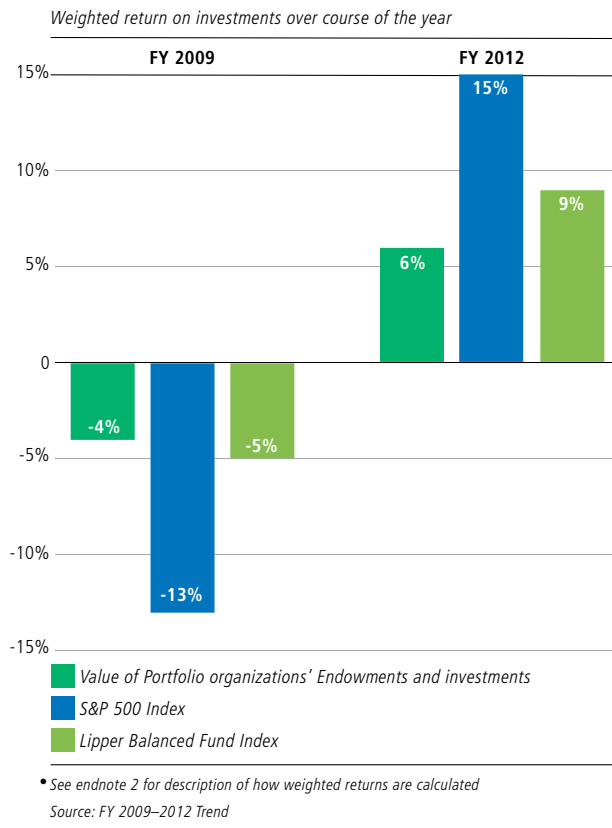
21 Assets and liabilities by size



22 Endowments and investments by size



23 Endowments and investments change*



Net Assets and Endowments

The sector has \$1.6 billion in Endowment funds and total Net Assets of \$4.7 billion. In the Trend set, Endowments increased 12% and Net Assets increased 7.4% (Net Assets declined 12% from 2007-2008 in the **2011 Portfolio**). It appears the sector has begun to build back up Net Assets and Endowments that were lost during the Great Recession.

We also compared the performance of the sector's Endowments and Investments (Endowments plus all other marketable securities) to The Lipper Balanced Funds Index, an unmanaged, net asset value weighted index of the 30 largest balanced mutual funds (see Graph 23). The Lipper Fund is a good benchmark for conservatively managed investment portfolios with a balance of equity and fixed income investments. (Keep in mind that only a third of all organizations have

Endowments and Investments, primarily Large and Very Large organizations). In FY2009, at the nadir of the recession, the sector's investments performed slightly better than the Lipper Fund, with a negative 4% return versus a negative 5% return for the Lipper Fund. In FY2012, the Lipper Fund, reflecting a recovering economy, had a 9% return versus a 6% return for the cultural sector. This scenario—outperforming broader indices in a down year and underperforming them in an up year—is consistent with the sector's fund managers investing in a manner meant to preserve assets for the long haul.

Financial Health Conclusion

While the sector is showing signs of recovery from the Great Recession, with increases in Net Assets and Endowments, the operating margin for the sector is essentially breakeven and sector growth is moderate at 3%. It is also clear that the economic impact of the sector on the larger community is significantly impacted by the spending of the largest organizations, groups that generate the majority of economic activity (both positive and negative).

Despite strong gains in admissions, memberships, board giving and foundation revenue, growth was restricted by declines in individual giving, tuitions, and subscriptions, all significant sources of revenue. However, there is a strong dichotomy of financial performance within the sector. One set of organizations is in non-growth mode, exhibited by contracted spending and deficits. These organizations do not seem to have recovered from the financial fallout of 2007 or the subsequent recession. Another set, however, is experiencing significant growth, with growing capacity and strengthening income. Going forward we should continue to study these Growth Organizations, not only to see if they are able to continue thriving, but also as potential models for further study in the "new normal" of this post-recession economy.



Staff and Volunteers



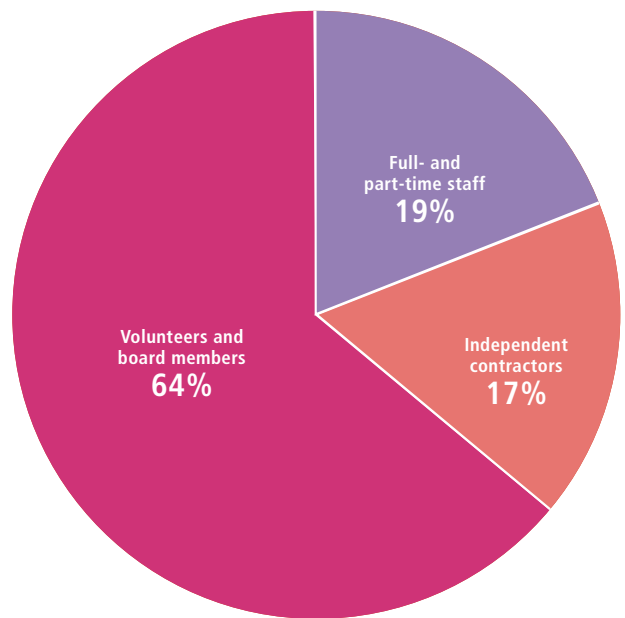
Volunteers and Board

At the heart of every cultural organization are the people who keep everything running—the staff, board, and volunteers. There are over 65,000 volunteer and paid positions at **Portfolio** organizations.

As in previous reports, volunteers and board members make up the majority of positions at cultural organizations, 64%. Clearly, they remain the most common human capital for cultural nonprofits. (see Graph 23). Volunteers and board members are particularly important for the Small organizations, which generate only 2% of the economic activity, but rely on 17% of the volunteers and one third of all board members (see Graph 24). Volunteers are most prevalent at Museums, Visual Arts, Historic and Scientific organizations, where 56% of all volunteers contribute their services (see Graph 28). Board Members, in addition to volunteering time to help guide cultural organizations, also contribute, with the average board contributions ranging from \$718 at Small Organizations to over \$50,000 at Very Large organizations (see Graph 25).

There are more volunteers than paid positions

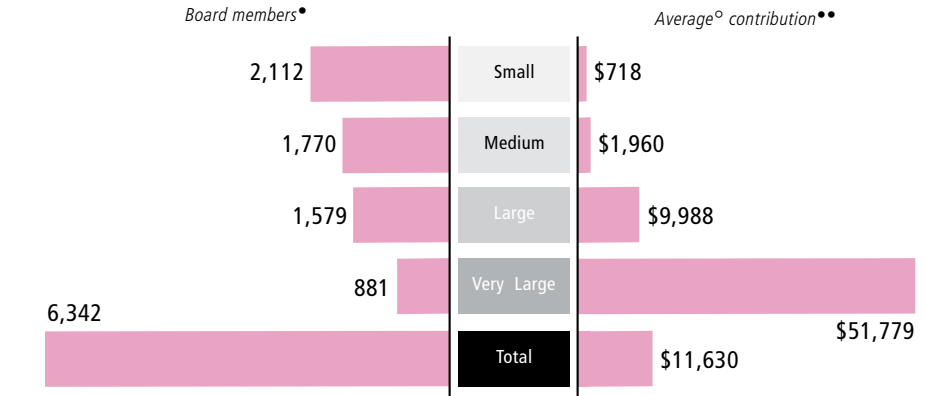
24 Employment, volunteers, and board members*



	Total	%
Full-time staff	4,860	7%
Part-time staff	7,793	12%
Independent contractors	11,276	17%
Volunteers	35,221	54%
Board members	6,342	10%
Total	65,492	

* Individuals are not unique and may be involved with more than one organization
Source: Most Recent FY

25 Board members and donations by size



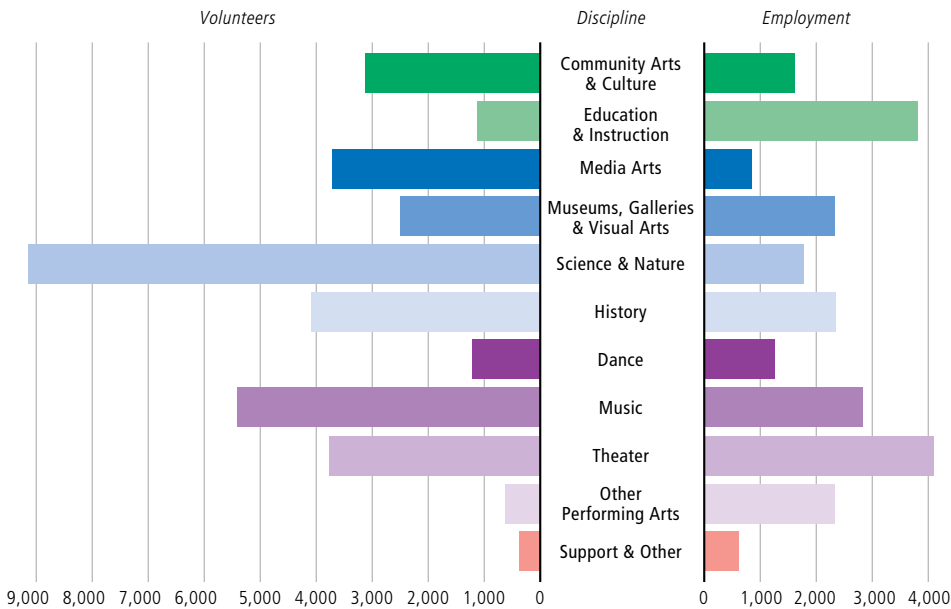
* Individuals are not unique and may be involved with more than one organization

^o Number of board contributors: Small—1,389; Medium—1,389; Large—1,561; Very Large—776; Total—5,115. Because board terms may overlap fiscal years, there may be more board contributors than board members in a fiscal year, i.e., incoming and outgoing board members may make contributions while the total number of board members remains constant. For the same reason, these figures cannot be used to generate a precise "board contribution rate."

** This is calculated by dividing the total value of board contributions by the total number of board contributors.

Source: Most Recent FY

26 Employment and volunteers by discipline*



* Individuals are not unique and may be involved with more than one organization.

Source: Most Recent FY

Staff and Independent Contractors

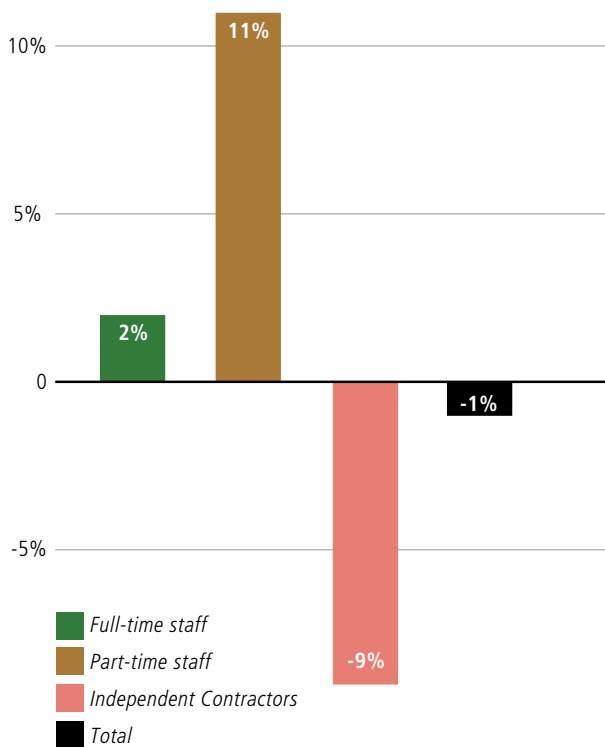


pproximately 24,000

paid positions exist in the sector, either full-time, part-time, or Independent Contractors (see Graph 27). Overall, staffing has increased slightly, with a 2% increase in full-time staff and a shift from Independent Contractors (down 9%) to part-time staff (up 11%) (see Graph 27). Artists, with over 9,000 positions, are one of the top employment types, but the majority of them are Independent Contractors, with just 197 full-time artists working at cultural organizations (see Graphs 28 and 29).

Less than 3% of working artists are employed full-time

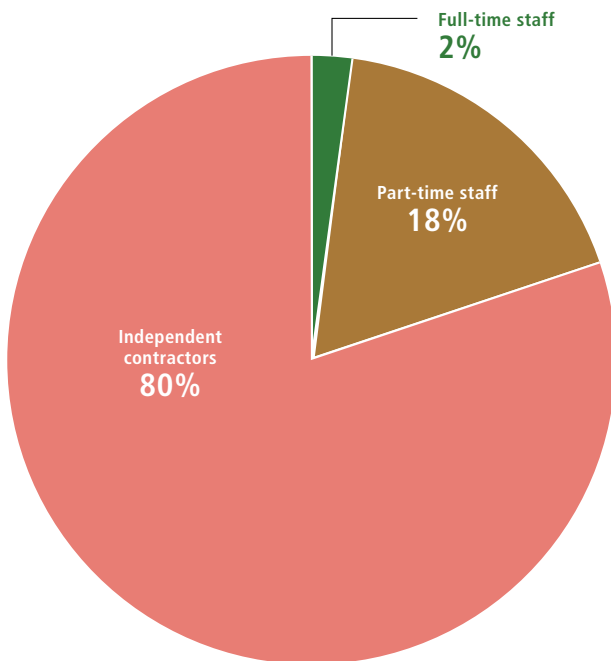
27 Change in employment



Source: FY 2009–2012 Trend



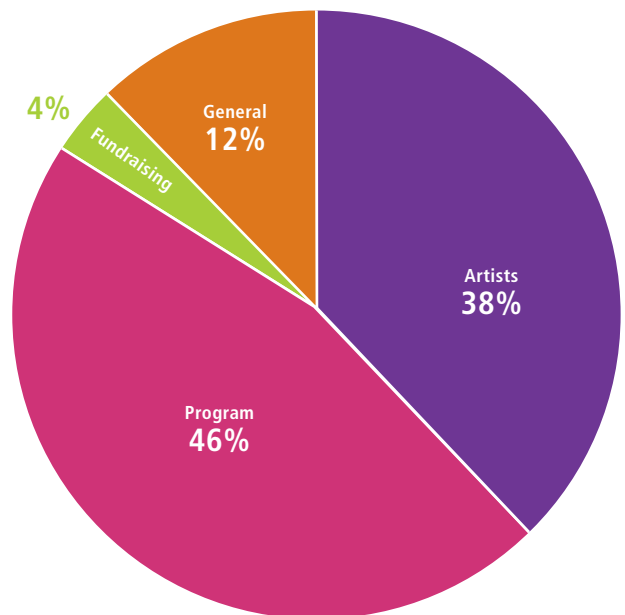
28 Artists' employment by type*



Full-time staff	197	2.2%
Part-time staff	1,631	18.0%
Independent contractors	7,233	79.8%
Total	9,062	

* Individuals are not unique and may be involved with more than one organization
Source: Most Recent FY

29 Employment by purpose*



Artists	9,062	37.9%
Program	10,936	45.7%
Fundraising	1,006	4.2%
General	2,925	12.2%
Total	23,929	

* Individuals are not unique and may be involved with more than one organization
Source: Most Recent FY

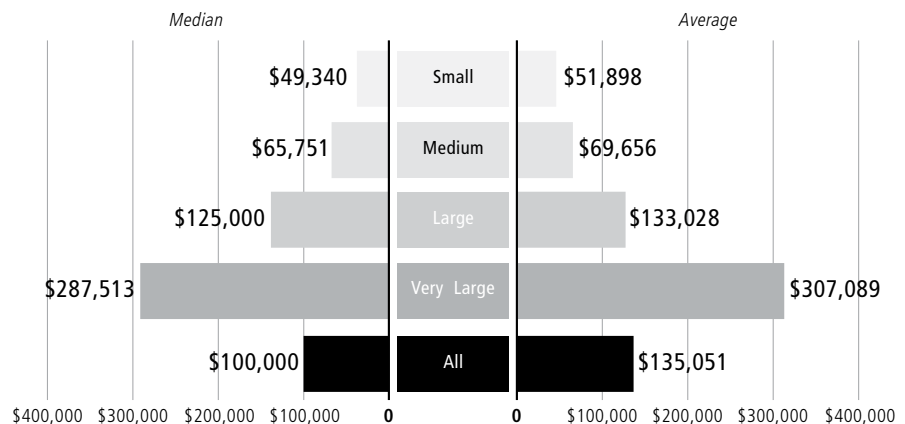
Salary and Benefits Report

In a 2013 salary survey conducted by the Alliance and Arthur S. Gallagher & Company, 152 organizations shared detailed information on compensation and benefits for their paid staff. Highlights of that survey included the fact that the mean salary for an Executive Director was \$100,000. However, as can be expected, salaries were directly impacted by an organization's budget size, with Executive Director Salaries ranging from a median of \$288,000 at Very Large organizations to a median of \$49,000 at Small organizations (see Graph 30). Median salaries for specific disciplines are included in the Discipline Snapshots on page 56.

Salaries at comparable institutions within the economy can help cultural leaders better understand the competitive environment faced by nonprofits. While it is difficult to benchmark the salaries in the local nonprofit cultural sector to related executive positions at

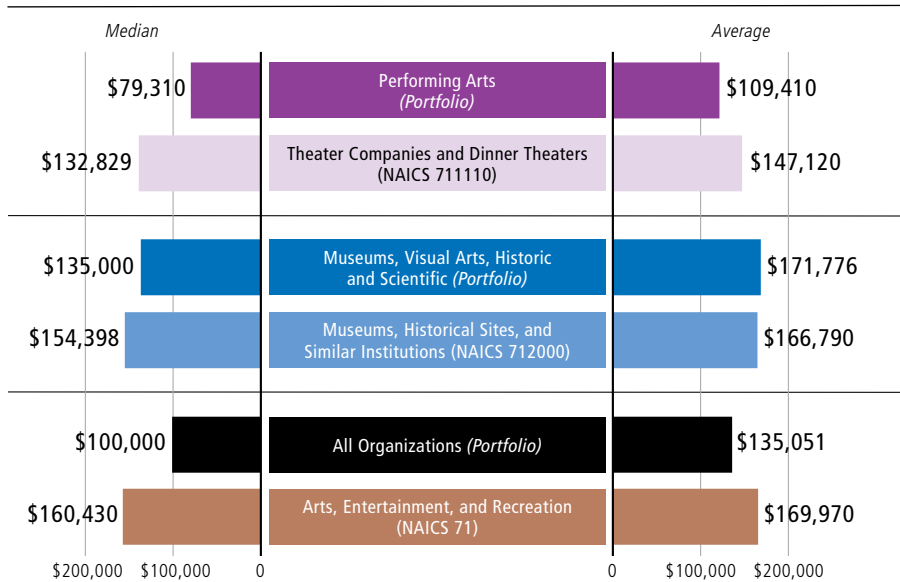
broader entertainment businesses across the economy, given the unique mission and activities of regional cultural nonprofits, it is an important point of reference. The Bureau of Labor Statistics (BLS) collects extensive compensation information for a wide variety of occupations and industries. Category 71, Arts, Entertainment and Recreation organizations—a meta-category that includes performing arts companies, theatres, museums and historical sites, as well as gambling, fitness and recreational businesses—is a useful reference. Overall, median executive compensation in the broader sector measured by Category 71 exceeds the medians within our survey. The median Chief Executive compensation for Category 71 is \$160,000 and the average salary is \$170,000. Within Category 71, a median Chief Executive salary at a Theater company (711110) is \$133,000 and at a Museum or Historical site (712000) is \$154,000. Again, this includes both for-profit and nonprofit organizations (see Graph 31).

30 Executive Director salary by organization size*



* For more information, including a listing of the 152 participating organizations, please visit the Research section of www.philaculture.org.
Source: 2013 Cultural Alliance Salary and Benefits Report

31 Executive Director salary by organization type with national NAICS comparisons*



* For more information, including a listing of the 152 participating organizations, please visit the Research section of www.philaculture.org

Source: 2013 Cultural Alliance Salary & Benefits Report

The mean salary for an Executive Director was **\$100,000**

32 Salary for selected positions*

	Organizations responding	Employees at Position	Median	Average
Executive Director	106	109	\$100,000	\$135,051
Vice President / Director of Programs	43	68	\$ 75,000	\$ 88,456
Office Manager	37	51	\$ 40,000	\$ 42,813
Executive Assistant	47	64	\$ 42,285	\$ 42,858
Administrative Assistant, Intermediate Level	24	92	\$ 31,045	\$ 31,529
Chief Financial Officer / Vice President, Finance	38	39	\$106,227	\$113,676
Curator	27	45	\$ 60,886	\$ 63,630
Director / Vice President, Development	47	53	\$ 85,700	\$ 99,219
Development Associate	51	84	\$ 36,000	\$ 38,318
Director / Vice President, Education	42	52	\$ 56,314	\$ 62,437
Facilities Manager	36	40	\$ 55,629	\$ 65,821
Communications Director or Manager	35	39	\$ 55,000	\$ 58,716
Director / Vice President, Marketing	31	35	\$ 85,000	\$ 92,225
Marketing Associate	29	35	\$ 31,000	\$ 33,835
Production Manager / Producer	25	27	\$ 41,600	\$ 47,008
Artistic Director	29	34	\$ 46,000	\$ 69,610
Executive Assistant	47	64	\$ 42,285	\$ 42,858

* For more information, including a listing of the 152 participating organizations, please visit the Research section of www.philaculture.org.

Source: 2013 Cultural Alliance Salary and Benefits Report

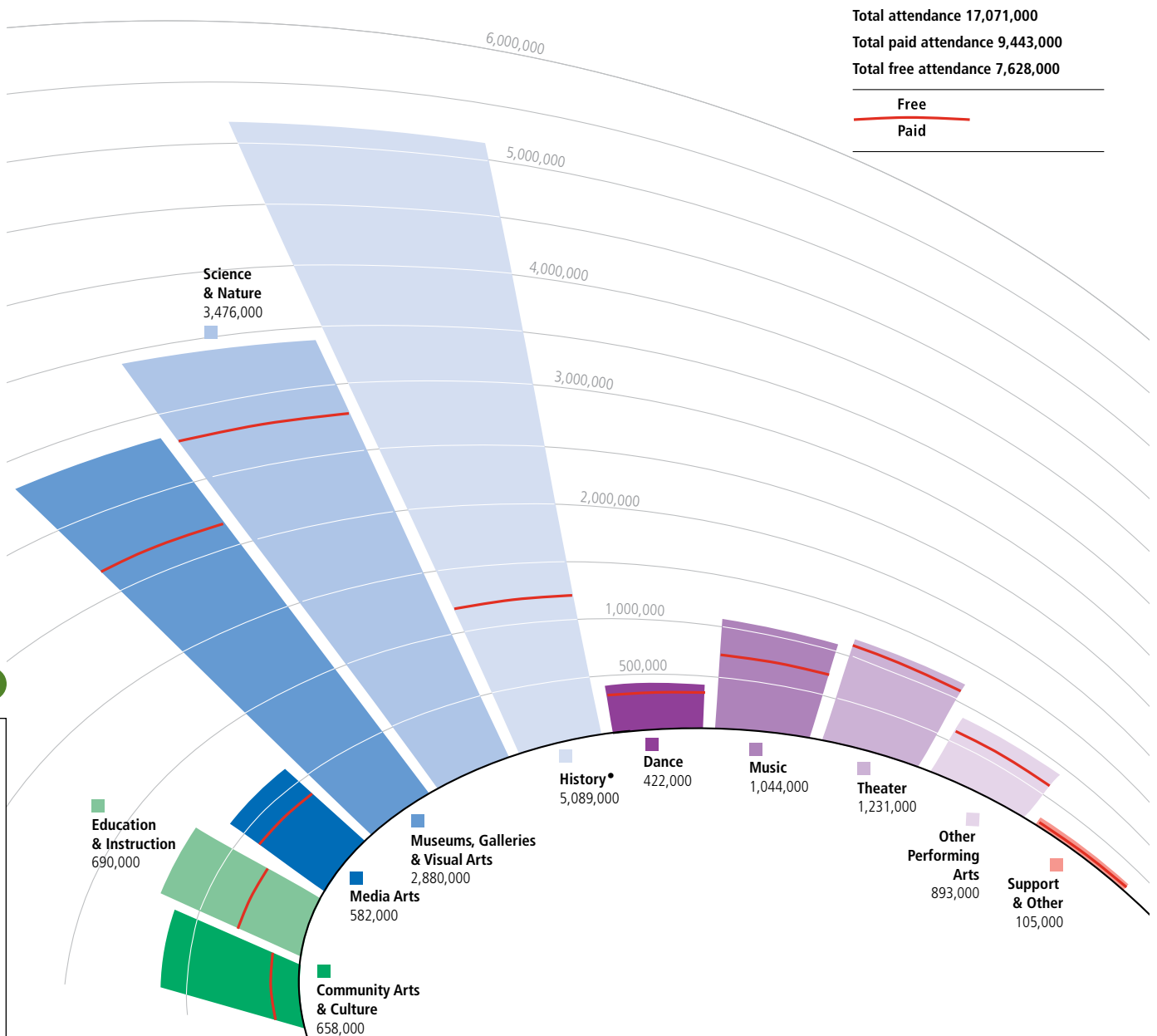
Audiences





Attendance

33 Attendance by discipline**



* Excludes parks (excepting historic parks), broadcast listenership/viewership, and library circulation figures.

If attendance at an organization is comprised of the attendance from multiple smaller organizations, the attendance at the former is removed to prevent double counting.

** See endnote 3

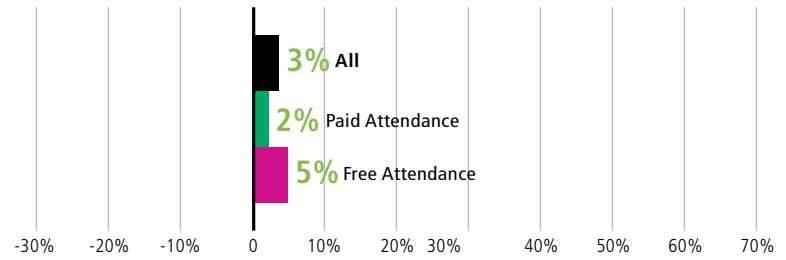
Source: Most Recent FY



Attendance/visits (attendance) for the cultural sector remain significant, with a total of 17 million annual visits. Attendance increased somewhat in the Trend data, up 3% overall with an increase of 2% for paid attendance and 5% for free attendance (see Graph 34). The most attended disci-

pline was History; with over 5 million visits (almost 4 million of those visits were free, which is over half of all free visits for the entire cultural sector). The most popular discipline for paid attendance was Science & Nature with 2.7 million paid visits (see Graph 33).

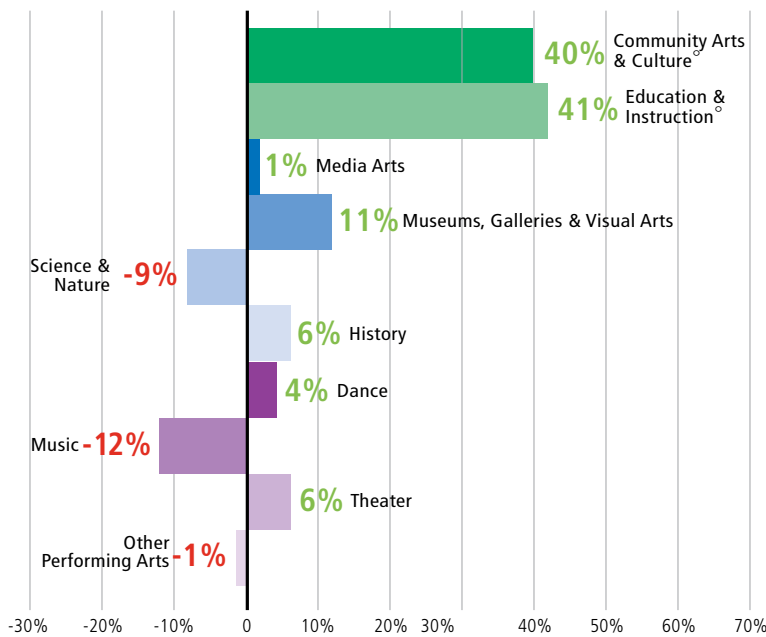
34 Attendance change by type*



* Excludes parks (excepting historic parks), broadcast listenership/viewership, and library circulation figures.

Source: Trend FY 2009–2012

35 Attendance change by discipline*



* Excludes parks (excepting historic parks), broadcast listenership/viewership, and library circulation figures.

° Note that these disciplines have Attendance totals that can be affected greatly by a change in attendance at a handful of organizations (see Graph 34). The significant swings in attendance are the result of this.

If attendance at an organization is comprised of the attendance from multiple smaller organizations, the attendance at the former is removed to prevent double counting.

Source: Trend FY 2009–2012

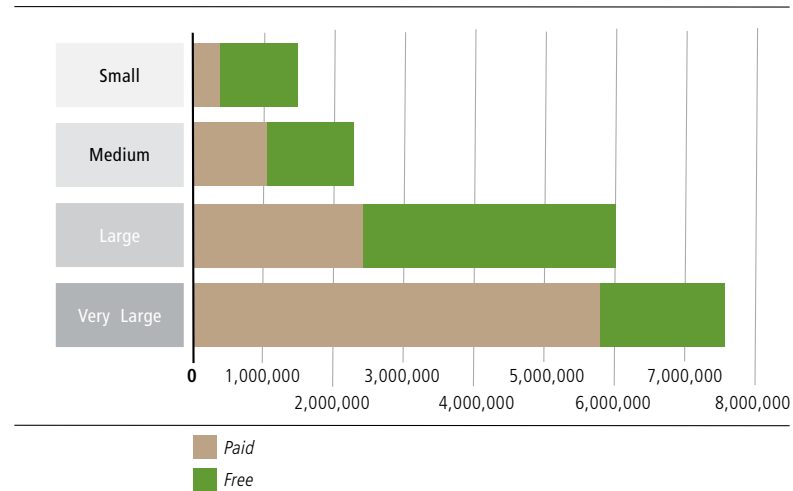


It is interesting to note that even though Small organizations generate only 2% of the total sector spending, they attract 15% of total free attendance. Small organizations also have the highest percentage of free attendees (77%). While free attendance is the dominant category for every budget size but the Very Large category, the Very Large category has the most attendance overall and 4 out of 5 of those visits to Very Large organizations were paid attendance (see Graph 36).

There were significant increases in attendance for Community Arts & Culture organizations (up 40%), Education & Instruction (up 41%), and Museums, Galleries & Visual Arts (up 11%). Combined with a 6% increase in attendance at History organizations, the discipline with the most attendance overall, these disciplines were the main drivers in pushing attendance up. The only two disciplines that saw declines in attendance were Science & Nature (down 9%) and Music (down 12%).

Small organizations have the highest proportion of free attendance

36 Attendance by size*



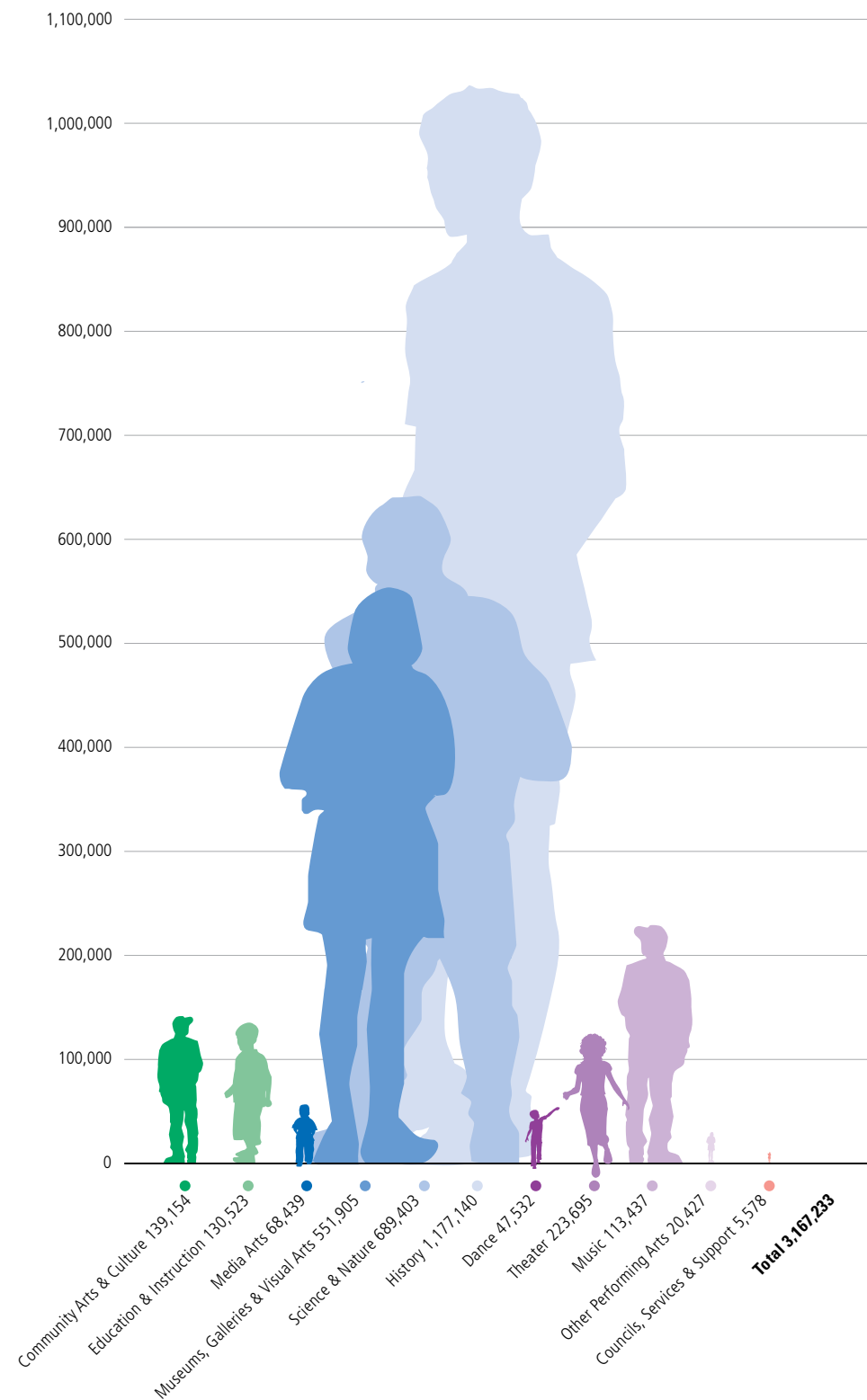
Organization size	Paid	% Paid	Free	% Free	Total	% of Total Attendance	% of Free Attendance
Small	343,575	23%	1,153,000	77%	1,497,000	9%	15%
Medium	1,044,000	47%	1,178,000	53%	2,222,000	13%	15%
Large	2,304,000	39%	3,668,000	61%	5,972,000	35%	48%
Very Large	5,751,000	78%	1,629,000	22%	7,380,000	43%	21%
Total	9,443,000	55%	7,628,000	45%	17,071,000		

* Excludes parks (excepting historic parks), broadcast listenership/viewership, and library circulation figures

If attendance at an organization is comprised of the attendance from multiple smaller organizations, the attendance at the former is removed to prevent double counting.

Source: Most Recent FY

37 School children attendance by discipline*

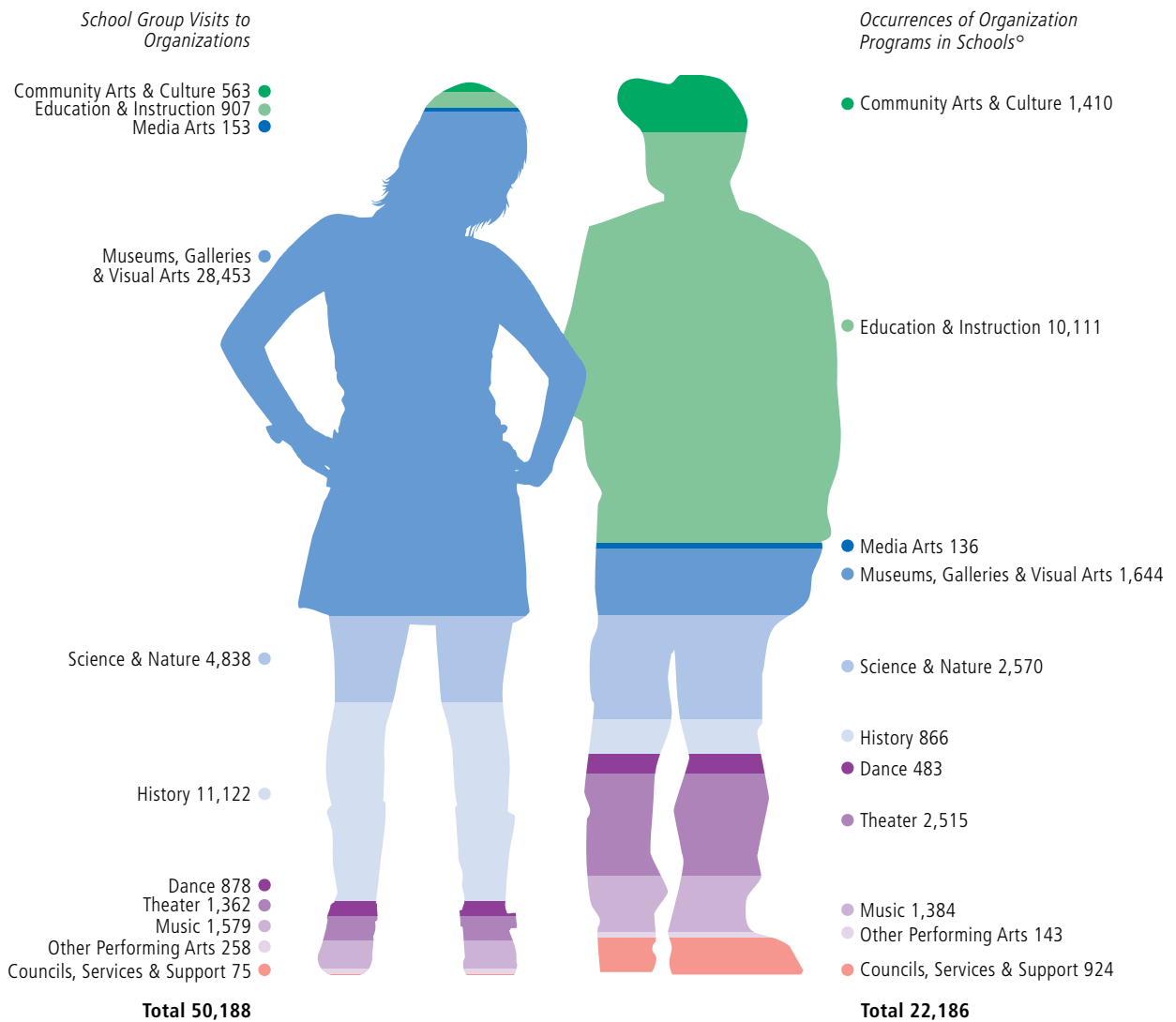


* Excludes parks (excepting historic parks), broadcast listenership/viewership, and library circulation figures
 Source: Most Recent FY

Children's attendance increased 17%

School children attendance saw a significant increase, 17%, with a marked increase in children's attendance at History (up 34%) and Science & Nature organizations (up 43%), the two disciplines with the largest attendance overall (see Graph 37). The Museums, Galleries & Visual Arts and History disciplines attracted 80% of school group visits. The Education & Instruction discipline was most active in schools, conducting 45% of all school programming by cultural organizations (see Graph 38).

38 Number of school group visits and organization visits to schools*



* Excludes parks (excepting historic parks), broadcast listenership/viewership, and library circulation figures

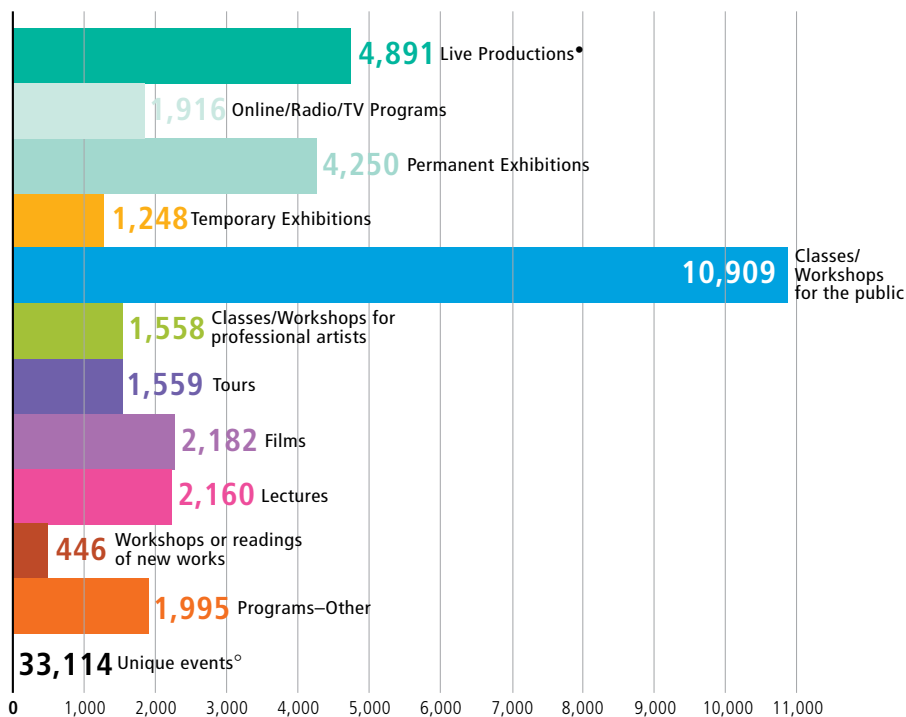
^o Data collection and reporting method has changed from previous Portfolio reports. Prior to 2011, data were only collected for number of "types" of programs—e.g., "Women in early America"—not the number of times programs were conducted. Currently both are collected, here we report the latter; in previous editions of Portfolio, we reported the former.

Source: Most Recent FY

Programming

Classes and workshops remains the most popular category of programming followed by exhibitions and live programming. Note that these numbers represent productions; individual performance numbers for each production are much greater (see Graph 39).

39 Events by category



Most prices, adjusted for inflation, have declined

* Self-Produced and Presented Only combined
 ° Data collection and reporting method for events has changed from previous Portfolio reports. Since 2011, more data have been collected on both types of programs (e.g., Production of "Peter Pan") and single performances/occurrences (e.g., "October 3, 8 pm performance of Peter Pan"). Currently both are collected. Here we report the former, generating a "Unique Events" figure; in previous editions of Portfolio, we reported both, also generating a "Total Events" figure.
 Source: Most Recent FY

Pricing



As we have noted before, prices for paid admission are much lower than the cost of production, reflecting the core nonprofit model with its goal of accessibility, using contributed support and other income sources to subsidize ticket prices. Median admission prices are lower for Museums, Visual Arts,

History and Scientific disciplines, at \$8.25, less than half the median ticket price for Performing Arts disciplines of \$17.50 (see Graph 40). Overall, prices are flat, with no price increases in the Trend data, but adjusting for inflation, they have actually declined 6% (see Graph 41).

40 Admission price and cost of production



	Median* admission price	Median cost of admission ^o
Total**	\$15.00	\$49.58
Museums, Visual Arts, Historic and Scientific	\$8.25	\$40.04
Performing Arts	\$17.50	\$44.01

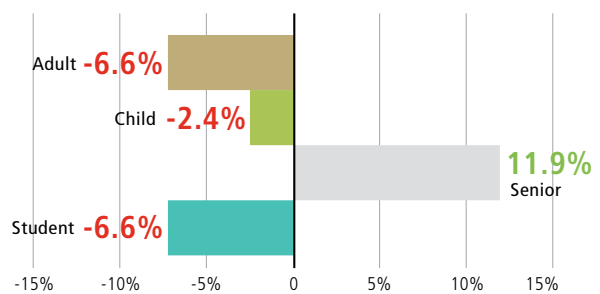
* This is a median of reported medians.

^o Cost of organization per attendee. This is a median of calculated medians

** Total includes Community Arts and Education and Support and Other organizations. Few of these report median admission price, so their figures are not reported separately

Source: Most Recent FY

41 Change in admission price by type*



* For each of the declines, prices did not decline in absolute value but after figures were adjusted for inflation.

Source: FY 2009–2012 Trend

Memberships/ Subscriptions



54

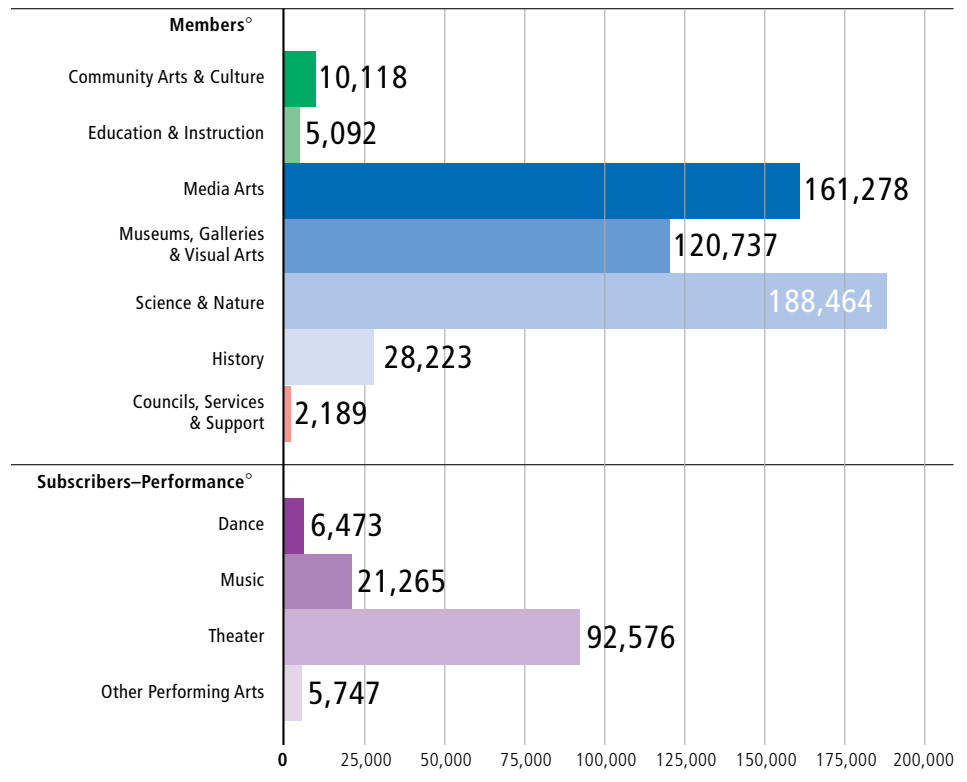
Overall, total numbers of memberships increased and total subscriptions decreased in the Trend data. This reflects the similar trend in the Revenue section, where membership revenue increased 24% and subscription revenue declined 20%. It is not possible to break out every discipline (in certain disciplines not enough groups submitted total numbers of members and/or subscribers). However, Museums, Galleries & Visual Arts (+43%) and the Science category (+21%) saw large increases in

membership. Conversely, the number of subscriptions declined 1% for the Music category and were essentially flat for Theater (-0.4%), a discipline that also saw a 5% drop in total revenue from subscriptions.

These trends were also seen in a recent Patron Loyalty Study conducted by TRG for the Cultural Alliance. In that study, 17 of the major attractions in the region shared detailed member, subscription, and patron data for the last seven years. In that study as well, from 2007 to 2013, memberships increased (111%) and subscriptions decreased (16%).



42 Members and subscribers by discipline*



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

[°] "Membership" is the dominant classification for non-Performing Arts and "subscriptions" are the dominant relationship at Performing Arts organizations. This graph shows the dominant classification for each discipline.

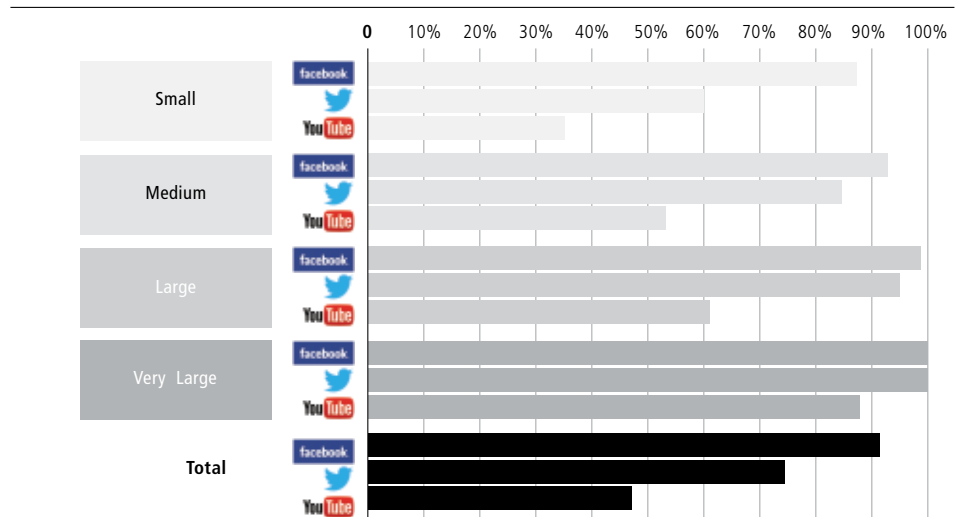
Subscriptions continue to generate significant revenue for cultural organizations but changing consumer behavior patterns in cultural consumption seem to favor the more flexible membership model, which some Performing Arts organizations are beginning to explore, such as the Philadelphia Orchestra's EZseatU program, which allows students to buy last-minute discount tickets if they purchase an annual membership.

Social Media

Social Media, as can be expected, is largely used by the cultural sector to engage audiences and supporters. For the 473 *Portfolio* organizations, we examined publicly available data on the use of three of the most popular social media websites—Twitter, Facebook, and YouTube. Facebook was the most used of the three social media tools, with 91% using Facebook, 74% using Twitter, and 47% using YouTube (see Graph 43). In general, usage and views increased across the board for larger organizations, with the Very Large organizations having significantly higher metrics for all three social media channels. Almost half of the small organizations did not have a Twitter account, but all Very Large organizations had both a Twitter and Facebook account.

Overall, while there were substantial differences in the use of Social Media, most behavior seemed to be most closely correlated with the size of the organization. Across the board, usage, views, and other metrics increased for larger organizations and for disciplines that had a higher proportion of larger organizations. The only exception was that while the Museums Category as a whole had the most overall use of Social Media, Performing Arts, which had many smaller organizations than Museums, were more active than average on YouTube, particularly Dance and Music (see Graph 44). It does appear that Performing Arts is able to leverage YouTube more effectively and could be an area where those groups should be more active, especially since only about half of those groups are currently on YouTube at all.

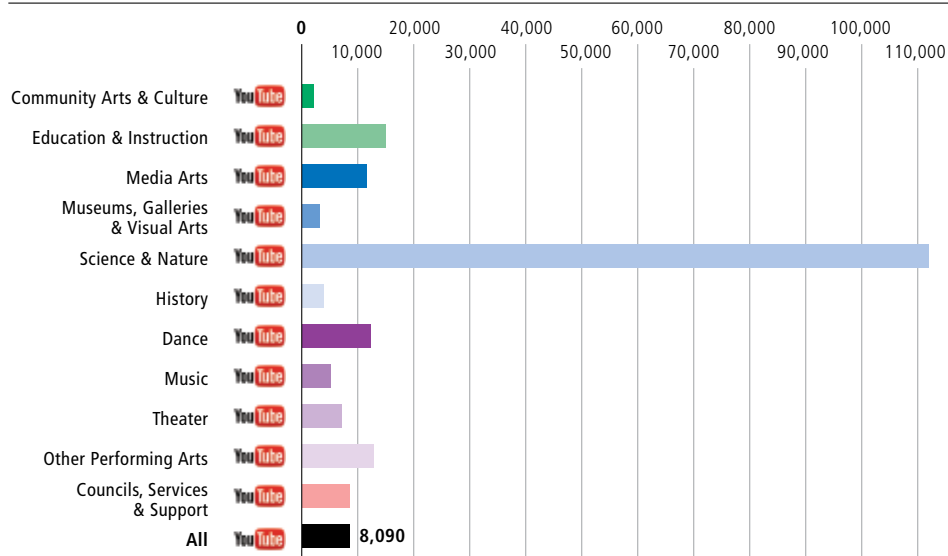
43 Social media use by type and size



Source: Data on Social Media use for each of the 473 participating organizations were collected by Greater Philadelphia Cultural Alliance staff in May 2014.



44 Median YouTube views by discipline*



* Median of the total number of YouTube views for all organizations that have YouTube accounts in that discipline.

Source: Data on Social Media use for each of the 473 participating organizations were collected by Greater Philadelphia Cultural Alliance staff in May 2014.

Spaces

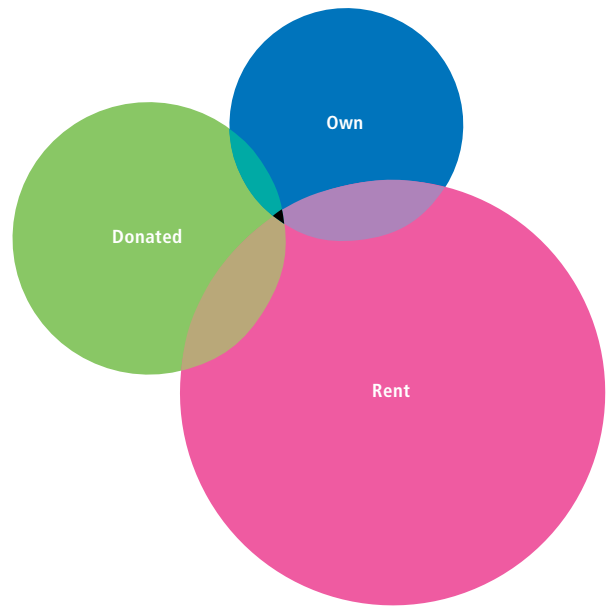




W

e also looked at where organizations performed and whether they owned, rented, or used donated space. Interestingly, while most organizations rented space, there was quite a mix of business models, with many using a combination of two or more types of space (see Graph 45).

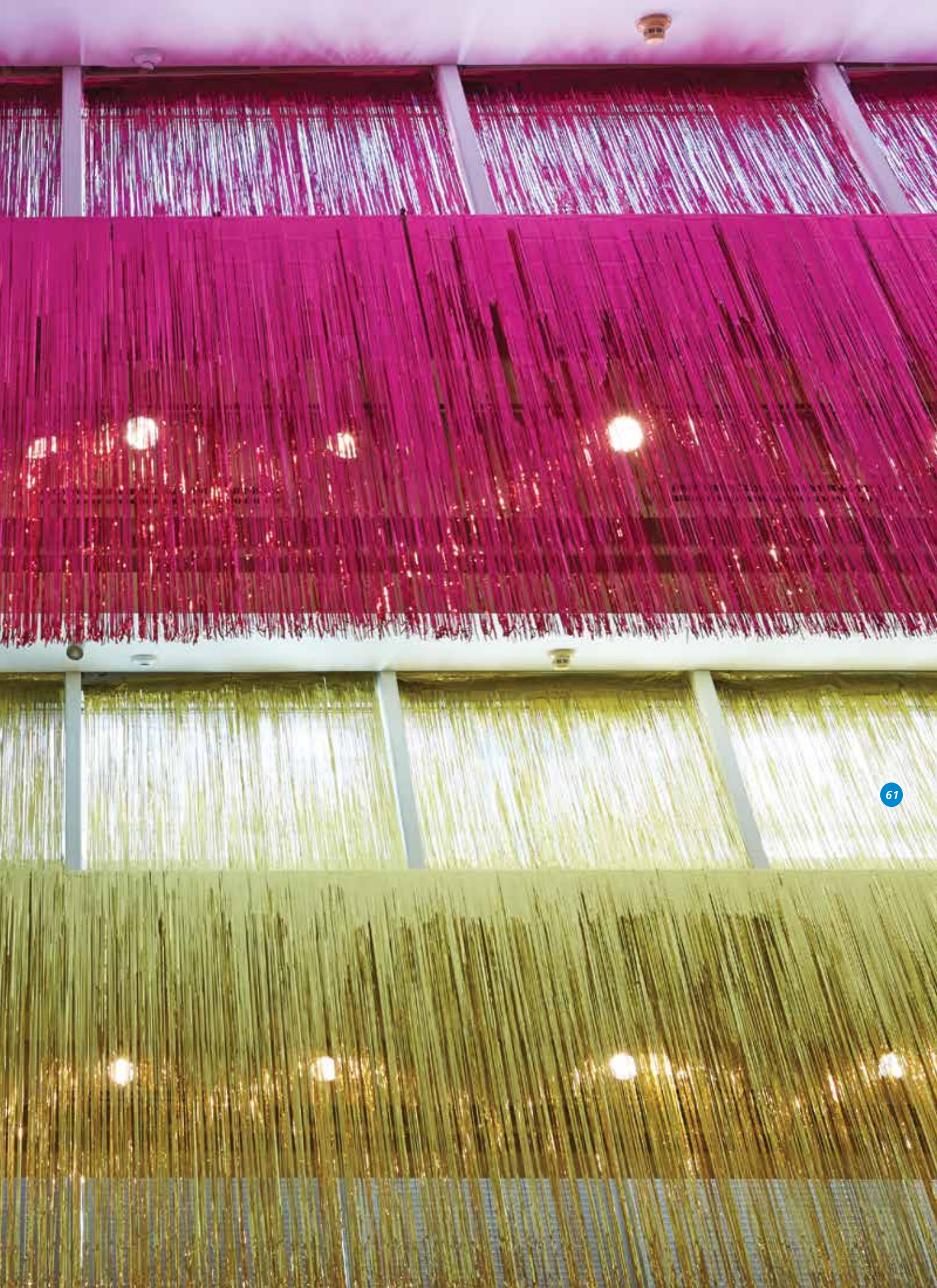
45 Space use by type



Source: Most Recent FY

The image is a vertical collage of three photographs. The top photograph shows a ceiling with red tinsel streamers hanging from a white grid. A single recessed light is visible. The middle photograph shows the same ceiling with red tinsel, but with several recessed lights illuminated, creating a warm glow. The bottom photograph shows the ceiling with gold tinsel streamers and several recessed lights illuminated. The text 'Discipline Snapshots' is overlaid in white on a dark red background across the top of the middle photograph.

Discipline Snapshots



Museums, Visual Arts, Historic and Scientific

	Media Arts	Museums, Galleries & Visual Arts	Science & Nature	History
Organizations in Most Recent FY (in Trend)	33 (18)	39 (32)	15 (12)	66 (35)
Median expenses (size of median)	\$201,000 (Small)	\$515,000 (Medium)	\$1,569,000 (Large)	\$355,000 (Medium)
Total expenses	\$54,680,000	\$187,990,000	\$192,934,000	\$123,847,000
Change in Total Expenses (FY 2009–2012)	-8%	17%	-6%	-6%
% Total Expenses spent on Marketing	4%	4%	4%	5%
% Total Expenses spent on Fundraising	21%	10%	4%	9%
Surplus / Deficit*	5.0%	-14.6%	3.1%	1.2%
Organizations in deficit under 10%°	15%	13%	13%	20%
Organizations in deficit over 10%	21%	28%	33%	20%
Total Revenue	\$58,042,000	\$240,160,000	\$238,864,000	\$141,392,000
Earned / Contributed°	34% / 66%	47% / 53%	76% / 24%	34% / 66%
Largest source of revenue	All individual (including Board) (32%)	Investments & Interest (25%)	Investments & Interest (40%)	Other Contributed (29%)
2nd largest source of revenue	Other contributed (13%)	All individual (including Board) (20%)	Admissions & Tickets (14%)	Investments & Interest (15%)
Memberships	161,000	121,000	188,000	28,000
Total Attendance	582,000	2,880,000	3,477,000	5,089,000
Paid / Free	67% / 33%	73% / 27%	80% / 20%	23% / 77%
School Children Attendance	68,000	552,000	689,000	1,177,000
Median admission price**	\$8.79	\$9.38	\$12.00	\$6.50
Total Employment	961	2,264	1,892	2,357
Volunteers	3,825	2,575	9,100	4,051

* Surplus/deficit is calculated as Total Unrestricted Revenue minus Total Expenses divided by Total Expenses. Four organizations had significant anomalies in their revenue and were removed.

° Percentage values are calculated using Total Revenue earned and contributed. Total Revenue also includes Transfers and Reclassifications, which may be either earned or contributed funds.

** This is a median of reported medians



Performing Arts

	Dance	Music	Theater	Other Performing Arts
Organizations in Most Recent FY (in Trend)	63 (32)	70 (45)	63 (45)	19 (13)
Median expenses (size of median)	\$43,000 (Small)	\$114,000 (Small)	\$179,000 (Small)	\$273,000 (Medium)
Total Expenses	\$24,815,000	\$130,655,000	\$55,322,000	\$69,043,000
Change in Total Expenses (FY 2009–2012)	-5%	35%	-4%	1%
% Total Expenses spent on Marketing	12%	4%	13%	8%
% Total Expenses spent on Fundraising	6%	6%	7%	4%
Surplus / Deficit*	-5.5%	4.0%	10.0%	0.2%
Organizations in deficit under 10%°	16%	14%	27%	26%
Organizations in deficit over 10%	25%	30%	6%	21%
Total Revenue	\$22,733,000	\$104,260,000	\$260,329,000	\$74,557,000
Earned / Contributed°	58% / 42%	41% / 59%	56% / 44%	50% / 50%
Largest source of revenue	Admissions & Tickets (18%)	Other Contributed (33%)	Admissions & Tickets (21%)	Admissions & Tickets (25%)
2nd largest source of revenue	Tuitions (16%)	All individual (including Board) (12%)	Memberships & Subscriptions (20%)	Other Contributed Interest (23%)
Subscribers—Performance	6,473	21,165	92,576	5,747
Total Attendance	422,000	1,044,000	1,231,000	893,000
Paid / Free	77% / 23%	64% / 36%	85% / 15%	60% / 40%
School Children Attendance	48,000	113,000	224,000	20,000
Median admission price**	\$15.00	\$18.00	\$20.00	\$18.45
Total Employment	1,223	2,908	4,017	2,233
Volunteers	1,123	5,419	3,826	691

* Surplus/deficit is calculated as Total Unrestricted Revenue minus Total Expenses divided by Total Expenses. Four organizations had significant anomalies in their revenue and were removed.

° Percentage values are calculated using Total Revenue earned and contributed. Total Revenue also includes Transfers and Reclassifications, which may be either earned or contributed funds.

** This is a median of reported medians.

Community Arts & Education / Support & Other

	Community Arts & Culture	Education & Instruction	Support & Other
Organizations in Most Recent FY (in Trend)	54 (33)	35 (23)	16 (10)
Median expenses (size of median)	\$201,000 (Small)	\$650,000 (Small)	\$471,000 (Medium)
Total expenses	\$22,469,000	\$201,501,000	\$40,429,000
Change in Total Expenses (FY 2009–2012)	2%	-2%	-14%
% Total Expenses spent on Marketing	7%	4%	5%
% Total Expenses spent on Fundraising	8%	3%	5%
Surplus / Deficit*	-0.4%	-1.1%	-0.6%
Organizations in deficit under 10%°	32%	37%	19%
Organizations in deficit over 10%	26%	23%	6%
Total Revenue	\$24,551,000	\$220,131,000	\$40,305,000
Earned / Contributed°	50% / 50%	68% / 32%	34% / 66%
Largest source of revenue	Foundation (24%)	Tuitions (49%)	Foundation (54%)
2nd largest source of revenue	Tuitions (19%)	All individual (including Board) (11%)	Fees (23%)
Subscribers—Performance	na	na	na
Total Attendance	658,000	690,000	105,000
Paid / Free	15% / 85%	45% / 55%	39% / 61%
School Children Attendance	139,000	131,000	6,000
Attendance at Classes / Workshops	72,000	185,000	5,000
Total Employment	1,590	3,834	650
Volunteers	3,084	1,063	464

* Surplus/deficit is calculated as Total Unrestricted Revenue minus Total Expenses divided by Total Expenses. Four organizations had significant anomalies in their revenue and were removed.

° Percentage values are calculated using Total Revenue earned and contributed. Total Revenue also includes Transfers and Reclassifications, which may be either earned or contributed funds.

Participating Organizations

Community Arts & Culture

Abington Art Center **African Cultural Alliance of North America** **Al-Bustan Seeds of Culture** **Allens Lane Art Center** **Art for Justice** **Art Partners Studio** **Art Sanctuary** **Asian Americans United** **Asian Arts Initiative** **Bainbridge House** **Building Community Through the Arts** **Center in the Park** **Centro Cultural Latinos Unidos, Inc.** **Centro de Cultura, Arte Trabajo y Educacion (CCATE)** **Centro Nueva Creacion** **Cheltenham Center for the Arts** **Chester County Art Association** **The Clay Studio** **Coalition Ingenu Self-Taught Artist Collective** **Community Arts Center** **Darlington Arts Center** **First Night Newtown** **Foundation at the Manor** **The Gershman Y** **Greater Philadelphia Overseas Chinese Association** **Islamic Cultural Preservation & Information Council** **Japan America Society of Greater Philadelphia** **Main Line Art Center** **Manayunk-Roxborough Art Center** **Mexican Cultural Center** **New Kensington Community Development Corporation** **NEXUS/ foundation for today's art** **The NIA Center, Inc.** **Norris Square Neighborhood Project** **North Light Community Center** **Odunde, Inc.** **Ollin Yoliztli Calmecac** **Passyunk Square Arts** **Philadelphia Art Alliance** **Philadelphia Community Arts Network** **Philadelphia Folklore Project** **Phoenix Village Art Center** **Russian Mosaica Heritage Festival** **Samuel S. Fleisher Art Memorial** **Southeastern Cherokee Confederacy of PA** **Sunshine Arts** **Taller Puertorriqueno, Inc.** **Trinity Center for Urban Life** **University City Arts League** **The Village of Arts and Humanities** **Wayne Art Center** **West Park Cultural Alliance** **West Philadelphia Cultural Alliance** **White Pines Productions, Inc**

Education & Instruction

Academy of Vocal Arts **Artfusion 19464** **Art-Reach** **The Arts and Quality of Life Research Center** **Arts in Schools Collaborative / Dancing Classrooms Philly** **ArtWell** **BCCC** **Office of Cultural and Community Programming** **BuildaBridge International** **Center for Life Long Learning** **Communications, Arts & Humanities Division, Delaware County Community College** **Community Education Center/CEC and Meeting House Theatre** **Community Music School of Collegeville** **The Conservatory** **Curtis Institute of Music** **Georgia E. Gregory Interdenominational School of Music** **Girls Rock Philly** **International House Philadelphia** **John B. Hurford '60 Center for the Arts and Humanities** **Kardon Institute for Arts Therapy** **Main Line School Night** **Montgomery County Community College** **Moonstone, Inc.** **Moore College of Art & Design** **Pennsylvania Academy of the Fine Arts** **Philadelphia Arts in Education Partnership** **Philadelphia Young Playwrights** **Settlement Music School** **Studio Incamminati** **Temple Contemporary** **Temple University Center for the Arts** **Temple University Music Preparatory Division of the Boyer College of Music and Dance** **The University of the Arts** **Violette de Mazia Foundation** **Visionary Voices** **Young Audiences New Jersey & Eastern Pennsylvania**

Media Arts

Ambler Theater, Inc. **The American Poetry Review Association for the Colonial Theatre** **The Big Picture Alliance** **Bryn Mawr Film Institute** **County Theater** **The East Coast Black Age of Comics Convention, Incorporated** **First Person Arts** **G-Town Radio** **The Hacktory** **Israeli Film Festival**

Living History Storytelling Project **Art without Boundaries** **Paint for Fun with Regina Sarno** **Mad Poets Society** **Mighty Writers** **miND: Independence Media** **Pennsylvania Public Radio Associates** **Philadelphia Center for the Book** **Philadelphia Community Access Media (PhillyCAM)** **Philadelphia Film Society** **Philadelphia Independent Film and Video Association-PIFVA** **Philadelphia Photo Arts Center** **The Philadelphia Photo Review** **Philadelphia Stories** **Poets and Prophets** **Project Twenty1** **Random Embassy** **Scribe Video Center, Inc.** **Shirley Road Productions** **Termite TV Collective** **Uptown Entertainment & Development Corp.** **WHYY Inc.** **WRTI** **WXPB-FM**

Museums, Galleries & Visual Arts

The African American Museum in Philadelphia **Arcadia University Art Gallery** **Arthur Ross Gallery** **Association for Public Art** **The Barnes Foundation** **Brandywine Conservancy and Museum of Art** **Brandywine Workshop** **Carbon14 gallery** **The Center for Art in Wood** **The Center for Emerging Visual Artists** **Community Design Collaborative of AIA Philadelphia** **Conservation Center for Art and Historic Artifacts** **COSACOSA art at large, Inc.** **Da Vinci Art Alliance** **The Fabric Workshop and Museum** **The Galleries at Moore** **Independence Seaport Museum** **Institute of Contemporary Art** **James A. Michener Art Museum** **La Salle University Art Museum** **National Liberty Museum** **National Museum of American Jewish History** **Penn Museum** **Philadelphia Guild of Hand Weavers** **Philadelphia History Museum at the Atwater Kent** **Philadelphia Museum of Art** **The Philadelphia Sketch Club** **Philadelphia Sports Hall of Fame Foundation** **Philadelphia's Magic Gardens** **Philagrafika** **Philip and Muriel Berman Museum of Art at Ursinus College** **Please Touch Museum** **The Print Center** **Slought Foundation** **University City Science Center** **Visual Arts Alliance** **Vox Populi** **Wharton Esherick Museum** **Woodmere Art Museum, Inc.**

Science & Nature

The Academy of Natural Sciences of Drexel University **Chemical Heritage Foundation** **The Franklin Institute** **Franklin's Paine Skatepark Fund** **Geographical Society of Philadelphia** **John Bartram Association** **Longwood Gardens** **Morris Arboretum of the University of Pennsylvania** **The Pennsylvania Horticultural Society** **The Schuylkill Center for Environmental Education** **Smith Memorial Playground and Playhouse** **Tyler Arboretum** **Wagner Free Institute of Science** **West Whiteland Township** **Friends of the Park** **Zoological Society of Philadelphia**

History

American Philosophical Society **American Swedish Historical Museum** **American Women's Heritage Society** **Arch Street Meeting House** **Athenaeum of Philadelphia** **Beth Sholom Synagogue** **Bucks County Historical Society** **Chester County Historical Society** **Christ Church Preservation Trust** **Cliveden of the National Trust** **The Committee of 1926 and Historic Strawberry Mansion** **Concord School House and Upper Burying Ground of Germantown** **Drexel University College of Medicine Legacy Center** **Eastern State Penitentiary Historic Site, Inc.** **Ebenezer Maxwell Mansion** **Fairmount**

Park Historic Preservation Trust Feinstein Center for American Jewish History Fort Mifflin on the Delaware Foundations of The Union League **Founder's Hall** Free Library of Philadelphia Foundation Friends of Greenwood Cemetery **Friends of the Free Library of Philadelphia** **Friends of the Japanese House & Garden (Shofuso)** Friends of the Ridley Township Public Library Friends of the Swarthmore Public Library **German Society of Pennsylvania** **Germantown Mennonite Historic Trust** **Glen Foerd on the Delaware** Haverford Township Free Library Helen Kate Furness Free Library **Hidden City Philadelphia** **Historic Fair Hill, Inc.** **Historic Fallsington, Inc.** **Historic Germantown** **Historic Philadelphia, Inc.** **Historic Yellow Springs, Inc.** Historical Society of Pennsylvania Independence National Historical Park Independence Visitor Center Corporation **Johnson House Historic Site, Inc.** **Laurel Hill Cemetery** Library Company Arts Programs **The Library Company of Philadelphia** Marple Public Library **Mercer Fonthill Trust** Middletown Township Historical Society The Mill at Anselma Preservation and Educational Trust, Inc. Montgomery County-Norristown Public Library **National Constitution Center** **Pearl S. Buck International** **The Pennsbury Society Philadelphia Society for the Preservation of Landmarks** Philadelphia Flag Day Association **Preservation Alliance for Greater Philadelphia** **The Rosenbach of the Free Library of Philadelphia** **Schwenkfelder Library & Heritage Center** **Stenton, NSCDA/PA** Swarthmore Public Library Temple Judea Museum Township Library of Lower Southampton **Village Library of Wrightstown** Washington Memorial Heritage Women for Greater Philadelphia **Woodlands Trust for Historic Preservation** **Wyck Association**

Dance

Alchemy Dance Company **Anne-Marie Mulgrew & Dancers Company** Archedream for Humankind BalletFleming **BalletX Brandywine Ballet Company** Carbon Dance Theatre Chinese American Women's Sisterhood Society of Philadelphia ContempraDance Theatre DaDaDance Project **Dance Affiliates** Dance Del Bello Dance Iquail Dancefusion Danse4Nia Repertory Ensemble, Inc. Eleone Dance Theatre En 'L' Air Dance Company **FiddleKicks** Flamenco Ole Inc. **Group Motion Multi Media Dance Theater** **Headlong** IdiosynCrazy Productions International Ballet Classique **International Ballet Exchange** INVISIBLE RIVER Jennifer Morley/ Figments JUNK **Kate Watson-Wallace/anonymous bodies** **Koresh Dance Company** Kulu Mele African Dance and Drum Ensemble **Kun-Yang Lin Dancers** **Leah Stein Dance Company** MacArthur Dance Project **Mascher Space Cooperative** Melanie Stewart Dance Theatre **Metropolitan Ballet Company** **Miller Rothlein** Mutya Philippine Dance Company The Naked Stark **Nichole Canuso Dance Company** Olive Prince Dance **Pasión y Arte** Penn Chinese Dance Club **Pennsylvania Ballet Association** **Performance Garage** **Philadanco Philadelphia Dance Projects** **Pink Hair Affair** **Project Capoeira** Real Live People The Requisite Movers **The Rock School for Dance Education** Schuylkill Valley Regional Dance Company **Scrap Performance Group** SHARP Dance Company Smoke, Lilies & Jade Arts Initiative **Subcircle, Inc.** **Susan Hess Modern Dance** Three Aksha Tori Lawrence + Co. Underground DanceWorks (UDW) **Usiloquy Dance Designs** Voloshky Ukrainian Dance Ensemble

Music

1807 & Friends **American Composers Forum, Philadelphia Chapter** **Anna Crusis Women's Choir** **Ars Nova Workshop** **The Bach Festival of Philadelphia, Inc.** **Bel Canto Children's Chorus** Black Pearl Chamber Orchestra Blackboard Labs **Bucks County Symphony Society** **Chamber Orchestra of Philadelphia** **Chester Children's Chorus** **Choral Arts Society of Philadelphia** **The Choristers** **Commonwealth Youthchoirs—Keystone State Boychoir & Pennsylvania Girlchoir** **The Crossing** Crossroads Music **Delaware County Symphony** Delaware Valley Philharmonic Orchestra, Inc. The Delius Society—Philadelphia Branch, Inc. **Dolce Suono Ensemble** Friends of Music at St. Thomas' **Kennett Symphony of Chester County** Lansdowne Symphony Orchestra Latin Fiesta Inc **Lenape Chamber Ensemble** LiveConnections.org **Lyric Fest** **Media Business Authority** **Mendelssohn Club of Philadelphia** Music at Abington/ Abington Presbyterian Church **Musicopia** **Nashirah: The Jewish Chorale of Greater Philadelphia** **Network for New Music** **New Sounds Music, Incorporated** Opera North, Inc. **Opera Philadelphia** **Orchestra 2001, Inc.** Paoli Blues Fest, Inc. Philadelphia Boys Choir and Chorale **Philadelphia Chamber Ensemble** **Philadelphia Chamber Music Society** **Philadelphia Chapter of the Barbershop Harmony Society** **Philadelphia Chinese Opera Society** Philadelphia Classical Guitar Society Philadelphia Classical Symphony Philadelphia Clef Club of Jazz and Performing Arts **Philadelphia Folksong Society** Philadelphia Freedom Band Philadelphia Gay Men's Chorus **The Philadelphia Orchestra Association** **Philadelphia Sinfonia Association** **The Philadelphia Singers** The Philadelphia Trio **Philadelphia Virtuosi Chamber Orchestra** **Philadelphia Voices of Pride** **Philadelphia Youth Orchestra** **Encore Series, Inc.** **The Philly Pops** **Piffaro, The Renaissance Band** PRISM Quartet, Inc. **Quakertown Band** Raising Music **Relache, Inc.** Rock to the Future **Shofuso Taiko** Side One Jazz **Singing City, Inc.** **Tempesta di Mare, Inc.** **Tri-County Concerts Association** Warriors of the Wonderful Sound Weathervane Music Organization

Theater

11th Hour Theatre Company **1812 Productions** **Act II Playhouse, Ltd.** **VSA Pennsylvania/Amaryllis Theatre Company** **American Historical Theatre** Applied Mechanics **Arden Theatre Company** **Azuka Theatre** **B. Someday Productions** The Bearded Ladies Cabaret **Brat Productions** **Bristol Riverside Theatre** Bucks County Playhouse **Bushfire Theatre of Performing Arts** Celebration Theater Center City Theatre Works **Coatesville Cultural Society** **Commonwealth Classic Theatre Company** **Curio Theatre Company** **EgoPo Classic Theater** **Enchantment Theatre Company** Evelyn Graves Drama Productions **Flashpoint Theatre Company** **Gas & Electric Arts** **Hedgerow Theatre** Hiway Theatre, Inc. **The Idiopathic Reticulopathy Consortium** **Images of the Motherland Interactive Theater** **Inis Nua Theatre Company** **InterAct Theatre Company** Lantern Theater Company Luna Theater Company Mauckingbird Theatre Company **The Media Theatre** **Montgomery Theater** **New City Stage Company** **New Freedom Theatre, Inc.** **New Paradise Laboratories** **The People's Light & Theatre Company** Philadelphia Artists' Collective **The Philadelphia Shakespeare**

Theatre Philadelphia Theatre Company **Pig Iron Theatre Company** **PlayPenn** **Plays & Players** Quintessence Theatre Group The Renegade Company Shakespeare in Clark Park **Simpatico Theatre Project** **Society Hill Playhouse Center for the Performing Arts, Inc.** **Spiral Q** **The Stagecrafters Stages of Imagination** **Steel River Playhouse** **Storybook Musical Theatre** Swim Pony Performing Arts Team Sunshine Performance Corporation **Theatre Exile** **Theatre Horizon** Tiny Dynamite Productions **Walnut Street Theatre** **The Wilma Theater** **Wolf Performing Arts Center**

Other Performing Arts

Annenberg Center for the Performing Arts **Artistas y Musicos Latino Americanos** **Astral Artists** **Bowerbird** **Bryn Mawr College, Performing Arts Series** Fidget **FringeArts** Hybridge Arts Collective **Intercultural Journeys, Inc.** **Kimmel Center, Inc.** **The Mann Center for the Performing Arts** **PA Performing Arts for Young Audiences (PAPAYA)** **Painted Bride Art Center** Performance Hypothesis Prince Music Theater **Raices Culturales Latinoamericanas, Inc.** **SRUTI - The India Music and Dance Society** Tangle Movement Arts Temple Performing Arts Center

Councils, Services & Support

Arts & Cultural Council of Bucks County **Arts + Business Council of Greater Philadelphia** **City of Philadelphia Mural Arts Program** CultureWorks Greater Philadelphia **CultureWorks, Ltd.** **Dance/UP** **Greater Philadelphia Cultural Alliance** **InLiquid** **International Performing Arts for Youth** **Jazz Bridge** Media Arts Council Nonprofit Finance Fund Greater Philadelphia **Partners for Sacred Places** Pennsylvania Humanities Council **Philadelphia Sculptors Theatre Philadelphia**

Other

No organizations are classified as other in this edition.

Bold = organization's data is in both Most Recent FY and Trend FY2009–2012 datasets



Methodology

This is the fourth edition of the Greater Philadelphia Cultural Alliance's **Portfolio** report; previous editions were published in 2006, 2008, and 2011. While the basic methodology used to derive the outputs is the same for all editions, we discourage drawing conclusions from direct comparisons with data from previous editions, because there are some differences in which organizations participated in the reports. This report includes the most comprehensive dataset to date, with 473 organizations in the Most Recent FY dataset and 298 in the Trend FY2009-2012 dataset from Southeastern Pennsylvania.

Each organization is classified in primarily two ways—budget size and discipline. Budget size categories, based on annual expenses, are:

Small organizations, with budgets of up to \$249,999 per year

Medium organizations, with budgets from \$250,000 up to \$999,999 per year

Large organizations, with budgets from \$1,000,000 up to \$9,999,999 per year

Very Large organizations, with budgets of \$10,000,000 or more per year

The Greater Philadelphia Cultural Alliance uses a 12-Disciplines-into-4-Organization Types system of classification for its research and publications. The following Organization Types and Disciplines are used to group organizations based on their mission, self-selected type, and primary activities:

Community Arts and Education

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

Education & Instruction providing music, visual, and performing arts instruction, including schools, colleges, and universities; using arts as a primary instruction or therapy practice; lecture series

Museums, Visual Arts, Historic and Scientific

Media Arts working in print, sound, or visual media, including nonprofit broadcasters; spoken word, publishers, literary or poetry societies, film and video producers, and film theaters

Museums, Galleries & Visual Arts creating exhibits or displaying visual arts, including painting, drawing,

sculpture, public art, or murals; not including science and history museums or film and video organizations

Science & Nature advancing or presenting science and the natural world, including science museums, horticultural organizations, zoos, aquariums and parks

History preserving and presenting history and/or heritage, historical collections, or artifacts, including history museums, historical sites, archives, and libraries

Performing Arts

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

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

Theater performing theater productions, including theater companies and related organizations

Other Performing Arts performing or presenting work not described solely by one of the other performing categories, including nonprofit venues and festivals

Support and Other

Councils, Services & Support supporting the whole sector or organizations in a specific discipline or artists, generally not directly producing or presenting arts and cultural products

Other not fitting in any of the other categories

This report does not purport to capture data from every cultural nonprofit in Greater Philadelphia. Our goal was to analyze the most recent available financial and programmatic data for as many organizations as possible. The CDP is the most complete and recent dataset for such an analysis. While **Portfolio** does not include data on all regional cultural nonprofits, in the past we have estimated that **Portfolio** organizations represent more than 85% of the economic activity of the sector. Currently that analysis is not possible since the aggregate regional financial data in the National Center for Charitable Statistics (NCCS) database is from earlier fiscal years than the data in this report. However, we believe that estimate holds true. For a more detailed memo on this issue, please visit www.philaculture.org/portfolio.

The Alliance makes a concerted effort to recruit as many Small organizations as possible, and the majority of organizations in *Portfolio* (52%) are Small organizations. However, data reporting can be difficult for Small organizations with limited staffing and we recognize that they are underrepresented in both the CDP and this report. We estimate that *Portfolio* represents only 18% of the number of Small organizations in Southeastern Pennsylvania.

Cultural Data Project

The Cultural Data Project (CDP), an independent nonprofit cultural research organization, collects data through a web-based data collection system. For this report, two CDP datasets were used. The primary and larger dataset, "Most Recent FY," is comprised of the most recent CDP data profile for each organization, primarily FY2012 or FY2013. A smaller dataset, "Trend FY2009-2012," is made up of organizations that have CDP profiles from both FY2009 and FY2012. All organizations in the "Trend Data" are also in the "Current Data" dataset. All data on individual organizations are strictly confidential, and no information is presented except in aggregated form. Details on both datasets are included in Graph 1 and within the Discipline Snapshots.

CDP data are self-reported by organizations using the Pennsylvania CDP. Neither the Pennsylvania CDP 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 Pennsylvania CDP or its Governing Group.

All figures contained in this report are ultimately the responsibility of those organizations submitting data to the CDP. The Cultural Alliance, Metro Metrics, and CDP are not responsible for errors in data submitted by individual cultural organizations whose information is used here.

Cultural Alliance Data

2013 Cultural Alliance Salary and Benefits Report

The Greater Philadelphia Cultural Alliance partnered with Gallagher Benefits to conduct a community survey on salaries and benefits. Data was collected in June and July of 2013, with 152 organizations completing the survey. The surveying and data col-

lection systems were those of Gallagher Surveys, with organizational contact information and categorization provided by the Cultural Alliance.

Social Media Data

The Alliance collected publicly available social media statistics on all organizations in the Most Recent FY dataset in May and June 2014.

Metro Metrics

Metro Metrics LLC, an independent consulting firm specializing in research and project management services to nonprofit and government organizations, served as research partner to the Cultural Alliance for the development of the *2014 Portfolio* report by conducting data analysis and interpretation services. Notably, Annette Mattei, Principal of Metro Metrics, was lead researcher for the 1998 report on the economic impact of arts and cultural organizations in the region, *Greater Philadelphia's Competitive Edge: The Nonprofit Culture Industry and its Economic Value to the Region*, which has been cited in previous editions of *Portfolio*. Metro Metrics conducted the calculations on the datasets downloaded from CDP and returned raw data results to the Cultural Alliance. Metro Metrics also conducted the Growth organization analysis included in the report. Error-checking and testing for statistical outliers was conducted by both Metro Metrics and the Cultural Alliance.

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 instances, rather than the number of unique individuals involved in those instances.

Occasionally, data from a single organization (or small number of organizations) is removed from calculations in this report. This occurs only in circumstances for which that information changes the results in such a way that they no longer accurately represent the combined experiences of the group of organizations represented in this report. All of these alterations are made in consultation with data partners and all circumstances are noted where they occur.

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Endnotes

- 1 Expense categories are as follows: Salaries and Benefits: Salaries, Commissions, Payroll Taxes, Health Benefits, Disability, Workers' Compensation, Pension and Retirement, Benefits—Other; Professional Services: Accounting, Advertising and Marketing, Audit, Bank Fees, Conferences & Meetings, Fundraising, Expenses—Other, Fundraising Professionals, Honoraria, Interest Expense, Investment Fees, Legal Fees, Professional Development, Professional Fees—Other, Public Relations, Royalties/Rights & Reproductions, Sales Commission Fees; Artistic/Programmatic Services: Artist Commission Fees, Artist Consignments, Artists & Performers—Non-Salaried, Collections Conservation, Collections Management, Grantmaking Expense, Programs—Other, Recording & Broadcast Costs, Touring; Physical Plant: Repairs & Maintenance, Catering & Hospitality, Cost of Sales, Depreciation, Equipment Rental, Facilities—Other, In-Kind Contributions, Insurance, Lodging & Meals, Major Repairs, Office Expense—Other, Other, Rent, Security, Supplies—Office & Other, Travel, Utilities; Communications: Dues & Subscriptions; Internet & Website; Postage & Shipping; Printing; Production & Exhibition Costs; Telephone
- 2 This weighted return is a blended result that takes into account the starting and end points of varied fiscal years, as well as the value of the Endowments & Investments per fiscal year. Comparisons for the S&P 500 and Lipper Index were calculated using the same method.
- 3 Attendance and other Section 11 CDP data are collected from individual cultural organizations and that information is segmented in **Portfolio** primarily in two ways, by budget size and by discipline of the organizations. Multi-Discipline presenters are segmented under a specific discipline category, "Other Performing Arts." CDP does not ask organizations to break out their attendance by discipline, so this category reflects activities and events from a mix of disciplines presented by those multi-discipline organizations—primarily dance, theater, and music. Therefore discipline-specific numbers do not include attendance from Other Performing Arts organizations.

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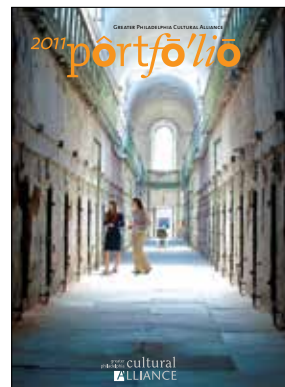
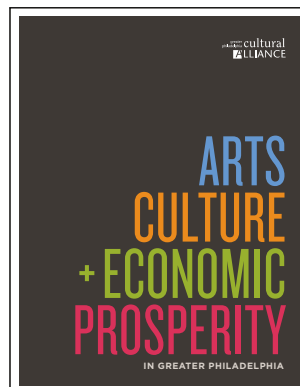
The 2014 *Portfolio* examined the health and scope of the nonprofit cultural sector in Greater Philadelphia. This spring, with lead support from the Doris Duke Charitable Foundation, we will release a follow-up report, *Portfolio: Culture Across Communities*. *Culture Across Communities* will examine top level cultural indicators across eleven cities: Boston, Cleveland, Chicago, Los Angeles, Minneapolis, New York City, Phoenix, Pittsburgh, San Francisco, and Washington, D.C as well as Philadelphia.



About the Greater Philadelphia Cultural Alliance

Established in 1972, the Greater Philadelphia Cultural Alliance is the region's leading arts and cultural advocacy, research, and marketing organization. Our mission is to "lead, strengthen, and give voice to a diverse cultural sector that is making Philadelphia a world-class region to live, work, and play." Our membership includes over 400 organizations ranging from museums and dance companies to community art centers, historic sites, music ensembles, and zoos. The Alliance produces and commissions research on the health and growth of the sector; directs grantmaking in partnership with the Pennsylvania Council on the Arts; provides robust professional development and membership services; markets the sector through our signature consumer marketing programs, Phillyfunguide.com and Funsavers; and provides leadership in policy and community engagement through our Groundswell advocacy initiative and STAMP teen program. For more information on the Cultural Alliance, please visit www.philaculture.org.

Recent research by the Alliance is available at www.philaculture.org/research



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