

2002 Annual Report: ACHIEVEMENT & GROWTH

The Greater Philadelphia Cultural Alliance's FY 2002 (July 1, 2001 – June 30, 2002) was a year of important milestones and initiatives that garnered increasing support from member, government, foundation, and media stakeholders. With the recent completion of the new 2002-2005 Strategic Plan, the Cultural Alliance's focus on leadership of the arts and culture industry has been reinforced and the organization is ready to utilize new resources to fulfill its mission. This report summarizes the Cultural Alliance's key activities for FY 2002 in each of our four functional areas: Advocacy, Marketing, Membership and Grantmaking.

Advocacy

Advocacy presents us with a critical opportunity to promote the strength and importance of the cultural sector, by familiarizing decision makers with the universal impact of member institutions' work. In FY 2002, the Cultural Alliance represented the needs of the arts and culture sector by intensifying contacts with elected and community leaders, responding to programmatic and funding threats, and assertively articulating its vision for the future of the culture industry.

In FY 2002, the Cultural Alliance's primary advocacy emphasis was on the state level. With a projected revenue shortfall in Harrisburg approaching \$1.2 billion, arts support was especially vulnerable. Our advocacy team led members in several trips to the state capital to speak in support of Pennsylvania Council on the Arts (PCA) funding. We also partnered with the Greater Pittsburgh Arts Alliance to hire a lobbyist in Harrisburg to ensure that our message about the importance of supporting arts and culture was being delivered to influential policy makers on a regular basis. Ultimately, the Cultural Alliance's efforts helped preserve PCA's FY 2003 budget at its FY 2001 level (a modest cut of 10 percent, from \$15.4 million to \$14 million, despite an economic downturn that saw cuts of 48 to 57 percent in other states' arts councils).

On the local level, the Cultural Alliance led the debate about the City of Philadelphia's Percent for Art programs, vigorously defending the requirement that private developers apply a percentage of their construction costs to works of public art for projects — built on public land, or those supported with public funds. The Cultural Alliance's advocacy efforts including a well-attended public forum, numerous media interviews, and an extensive letter-writing campaign. These efforts encouraged City Council to pass a resolution affirming the value of the Percent for Art programs, prompted Mayor Street to intervene with the developer, and finally led the developer to honor his original commitment.

As part of our Cultural Planning Initiative, the Cultural Alliance also held ten meetings throughout the region to obtain grass-roots feedback on the cultural priorities in each of the five southeastern Pennsylvania counties. This feedback was facilitated by Robin Kaye, Principal of the Dewey & Kaye consulting firm and, in combination with earlier cultural planning work, will guide the Cultural Alliance's future regional planning and advocacy strategy.



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Marketing

In FY 2002, the Cultural Alliance took a major step forward with the Campaign for Culture™, moving the regional cultural marketing initiative from the planning phase to implementation. Pulling together the recommendations and resources of key stakeholders and partners, the Cultural Alliance drafted a nine-step, \$3.4 million marketing plan to build awareness, attendance, and institutional marketing capacity. In March, the Campaign for Culture plan was awarded a \$1.8 million grant from The Pew Charitable Trusts for implementation.

The nine Campaign for Culture initiatives are: umbrella and co-operative advertising to build awareness; a regional online events calendar, permission-based e-mail, and ticket distribution to build attendance; and market research, a mailing list cooperative, service quality initiative and a training/mentorship program to build capacity.

The Campaign for Culture plan was presented to members and key stakeholders in May, where its balance and collaborative approach were well received. As the fiscal year concluded, the Cultural Alliance began development of the key early stage projects, including PhillyFunGuide.com (online regional events calendar), the mailing list cooperative and compilation of a library of secondary market research.

Beyond the Campaign for Culture, the Cultural Alliance also sought to increase its overall visibility. With renewed emphasis on public relations, the Cultural Alliance received prominent coverage in key media including the *Philadelphia Inquirer*, *Philadelphia Business Journal*, *Philadelphia Daily News*, *Philadelphia Tribune* and *CityPaper*. The Cultural Alliance also launched a new branding and communication strategy, consistent with its emphasis on professional advocacy and member services. The organization's new look was evident on a variety of collateral pieces including the *2002 Cultural Resource Directory*, *Arts and Culture Advocate* newsletter, Campaign for Culture and member benefits brochures, and website.

Finally, the Cultural Alliance responded to some unique challenges that resulted from last fall's terrorist attacks. In the wake of that tragedy, we convened a special member forum "Fundraising and Marketing for Arts & Culture Organizations in Turbulent Times". We also provided a conduit for members to sign up to participate in the Greater Philadelphia Tourism Marketing Corporation's successful "Philly's More Fun When You Sleep Over" tourism packages.

Membership

This year, the Cultural Alliance's membership grew to an all-time high, from 222 to 245 organizations by the end of the fiscal year. This represents greater than a 10 percent increase, and shows a clear commitment among the region's nonprofit cultural institutions to the Cultural Alliance's advocacy, marketing, grantmaking and membership initiatives.

The Cultural Alliance also reaffirmed its commitment to providing increased value for membership by enhancing its active member participation in advocacy initiatives and the launching of four new member benefits specifically designed to help members increase revenues or cut expenses. These included the new ConflictBuster gala event master schedule, and group discounts on directors and officers insurance, payroll services and fitness club memberships. To help members take full advantage of the new benefits, the Cultural Alliance published a Guide to Member Services and held a "Maximize Your Membership" luncheon, where representatives from all of the benefit program vendors were simultaneously available to answer questions.

Finally, in response to a need identified by community arts organizations, the Cultural Alliance identified an affordable health insurance product, and made it available to individual artists. This new program bridges a gap for a key constituency that is the lifeblood of our field.

Grantmaking

The inaugural year of the Cultural Alliance's 5-County Arts Fund was an overwhelming success. With 311 applicants, 117 grants made, and \$341,000 in awards, the program provided critical project seed capital to individual artists and new presenting organizations. As smaller projects, these programs frequently fly below the radar screens of traditional grant funding, yet their needs are acute. The 5-County Arts Fund filled that void, ensuring that innovative programming on the local level could thrive. From the Cultural Alliance's perspective, the 5-County Arts Fund also helped to lay the foundation for cultural planning and increased arts advocacy in the suburbs. The grant funds, divided equally among the five counties, provided immediate credibility and contacts that otherwise would have taken years to cultivate.

The Cultural Alliance also continued fulfilling its administrative support and advisory role in the Delaware River Port Authority's Cultural Economic Development Grant Program. During the 2002 fiscal year, nearly \$2 million in grants were awarded to 52 organizations with projects demonstrating economic impact and development in the five-county region of southeastern Pennsylvania.

In March, the Cultural Alliance worked with the William Penn Foundation to alleviate difficulties created by a freeze in \$1.4 million of PCA funding that was ordered by Governor Mark Schweiker as part of his \$309 million freeze in the Commonwealth's FY 2002 budget. In our service area, this freeze meant that 88 organizations did not receive a total of \$575,065 in grants that were allocated at the beginning of the year. The Cultural Alliance regranted the lost funds through its 2002 Cultural Stabilization Fund with help from the William Penn Foundation.

Financial Results

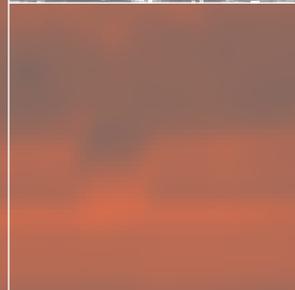
In FY 2002 the Cultural Alliance received several major multi-year grants that produced exceptionally strong financial results. This included the largest grant in the Cultural Alliance's history, \$1,800,000 from The Pew Charitable Trusts for the Campaign for Culture, and a three-year, \$105,000 general operating grant from the Independence Foundation. Other significant gifts came from the Dolfinger-McMahon Foundation, Samuel S. Fels Fund, National Endowment for the Arts, PECO Energy Company and the Philadelphia Foundation. The Cultural Alliance also received income from the William Penn Foundation for our Cultural Stabilization Fund, and the Pennsylvania Council on the Arts and Delaware River Port Authority for the 5-County Arts Fund re-granting initiatives. As a result, in FY 2002, the Alliance's total net assets grew from \$1,180,709 to \$2,784,911.

We are pleased to report this strong financial position, but also recognize that \$2,495,441 of our assets are temporarily restricted reflecting our multi-year grant obligations. The Cultural Alliance remains committed to prudent fiscal management of its multi-year resources to ensure that we remain financially healthy, and deliver on our future commitments to members and funders.

Conclusion:

FY 2002 was a productive year for the Cultural Alliance with key accomplishments in all facets of our organization. We fought to protect state arts funding and the Percent for Art programs, obtained major funding and support for the Campaign for Culture, expanded our regranting program through the 5-County Arts and Cultural Stabilization Funds, expanded membership and launched new benefits.

Just as importantly, we charted a course for the future by completing a new three-year strategic plan. That plan calls for the evolution of the Cultural Alliance, not just as a membership organization, but as a leadership organization. It envisions a future where "the Greater Philadelphia region will become a place where people are passionately involved in and supportive of arts and culture, and a place admired throughout the world for its quality of life, made possible by diverse cultural experiences and creativity." With the active commitment and participation of our stakeholders, we look forward to working to make that vision a reality.



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