

2001 ANNUAL REPORT: THE KEY TO THE FUTURE

For the Greater Philadelphia Cultural Alliance, FY 2001 (July 1, 2000 – June 30, 2001) was a year of successful transition and growth. With the arrival of its new Executive Director, Peggy Amsterdam, and an entirely new management team, the organization expanded upon its advocacy mission and focused new energy on delivering value to members. This report summarizes the Alliance's key activities for FY 2001 in each of our four key functional areas: Advocacy, Marketing, Membership and Grantmaking.

Advocacy

As the core mission of the Greater Philadelphia Cultural Alliance, advocacy communicates the importance of arts and culture to policy makers, the corporate sector, foundations and the general public. When culture is truly valued, it is supported with both funding and participation.

To achieve these ends, Alliance staff and members were active at the national, state and local levels. We led an advocacy trip to Washington, D.C. in March 2001, where we met with many of our representatives and their staff including Representatives *Robert Borski*, *Robert Brady*, *Chaka Fattah*, *Joe Hoeffel*, *Tim Holden* and *Curt Weldon*, as well as Senators *Rick Santorum* and *Arlen Specter*. We urged them to support increased funding for the National Endowment for the Arts, tax legislation allowing non-itemizers to deduct charitable contributions and artists to deduct the fair market value of works donated to nonprofit institutions, and the inclusion of language encouraging arts education in school reform legislation.

In April, we went to Harrisburg to meet with state legislators to seek support for Governor *Tom Ridge's* proposed \$1,400,000 increase for the Pennsylvania Council on the Arts. Later in the year, when the increased appropriation was threatened, its sponsors recognized the Cultural Alliance for being instrumental in preserving the funding increase.

On the local level, the Cultural Alliance's regularly scheduled meetings between Philadelphia City Council members and individual cultural institutions forged closer relationships and communicated the impact of the arts on our region's character and quality of life. This new initiative forged ties that will assist our advocacy efforts for years to come. The Alliance also worked with Councilwoman *Blondell Reynolds Brown* and testified before City Council on behalf of arts education, and also nominated Councilman *James Kenney* for the National Association of Counties' Arts Advocate Award, which he later won at their annual convention this summer in Philadelphia.

In FY 2001, the Greater Philadelphia Cultural Alliance also established itself as a valued representative of our industry, with invitations to speak before such groups as the *Council on Foundations*, *Greater Philadelphia First*, the *National Assembly of State Arts Agencies'* and *National Association of Counties*.

Through the *Voice* and *Short Subjects* newsletters, the Cultural Alliance kept members up-to-date on legislation that directly impacts them. Topics covered included the Artists' Gift to America Act, itemized deductions, NEA funding, INS regulations affecting artists' visas, and the impact of tax reform on charitable giving. We also served as an ongoing resource to all members, answering questions, providing reports and statistics to assist them with their fact-finding needs.

Finally, looking to the future, the Greater Philadelphia Cultural Alliance released the findings of the long-awaited Wolf-Keens cultural planning study, thereby completing the first critical milestone in its long-term objective to establish a comprehensive regional cultural plan. Although our planning process will be both time and resource intensive, the Cultural Alliance remains committed to a grass-roots development strategy that advances the long-term goal of regional fiscal and participatory support for the arts.

Marketing

Two years ago, the Greater Philadelphia Cultural Alliance recognized the strategic importance of umbrella marketing as part of its overall advocacy mission. To that end, the Alliance established a marketing department and initiated the beginnings of the "Campaign for Culture" to promote audience participation.

In FY 2001, the Cultural Alliance completed the research phase of the Campaign for Culture, presenting the results of both its qualitative and quantitative research studies to 150 members at an April Stakeholder's briefing. The findings revealed that more than 9 out of 10 Greater Philadelphians participate in some cultural activity each year, but that their frequency of participation is roughly one-quarter that of other leisure forms. The research revealed that Philadelphians respect the region's cultural product, and identified some of the practical barriers that inhibit higher participation. The research concluded by identifying seven "psychographic clusters" for cultural participation; including several family-oriented clusters as high-potential segments for cultural participation, based on their inclinations and interests.*

In FY 2001, the Cultural Alliance also studied other regional umbrella arts marketing campaigns from around the country, to identify pitfalls and best practices. Our research indicated that only a few communities had tried such a campaign, and most of those that did lacked both fulfillment capability and measures of performance.

Recognizing this need, the Cultural Alliance, together with *The Pew Charitable Trusts* and the *Greater Philadelphia Tourism Marketing Corporation*, convened a "Leadership Council on Cultural Marketing" to develop a more comprehensive approach to marketing, rather than a simple "awareness" campaign. The Leadership Council, which contains representatives from tourism, education, funding, institutions and media, has now established eight key areas of focus: collaborative marketing, information and distribution, product development, customer service, marketing knowledge, marketing technology, constituent development and marketing people. Each of these areas

*A summary of "Campaign for Culture" research findings will be mailed upon request. The full 250-page final report is available to all members in the Cultural Alliance's Resource Library.



is represented by a working group, which is developing short-term (<18 months) and long-term (18+ months) action plans that will collectively form the Campaign for Culture. By focusing on product, distribution channels, service, information delivery, and awareness, the Campaign for Culture is now much better positioned to yield a higher return on its marketing investment, delivering measurable impact for members on both earned income and attendance.

In addition to the Campaign for Culture, the Alliance also used FY 2001 to promote our industry in the local media. Led by major coverage in publications such as the *Philadelphia Inquirer*, *Philadelphia Business Journal*, *Philadelphia Magazine*, the *Daily News* and *City Paper*, the Alliance received coverage in 151 stories in FY 2001.

The Alliance also laid the foundation for a re-launching of its image by signing a contract with Philadelphia-based Maskar Design, for the development of a new logo, redesigned newsletter, Cultural Resource Directory, membership materials, informational brochure, and website. Strategically, the organization also dropped the acronym "G.P.C.A." in favor of the words "Cultural Alliance" to better communicate both its mission and results-oriented approach.

Membership

In FY 2001, the Greater Philadelphia Cultural Alliance took several steps to strengthen our commitment to member services. First, we established a dedicated Membership Committee to ensure that the Alliance's tangible and intangible benefits create value for each member, and to expand the membership roster.

We engaged the services of the *Drexel University Arts Administration Program* to conduct a membership benefits survey. The survey clearly identified the highest priorities for members in both current and potential future benefits. The most highly valued current benefits proved to be the Cultural Resource Directory, advocacy, research, Job Bank and the newsletter. The most valued potential new benefits were an on-line cultural calendar, discounted directors' and officers' insurance and discounted office supplies.

Based on this information, the Alliance immediately pursued a discounted office supplies program from Office Basics, exclusively for Cultural Alliance members. The schedule negotiated by the Cultural Alliance ensures that many members who are currently purchasing from Staples, Office Max or Quill can anticipate savings in excess of their annual membership dues.

The introduction of this new benefit paves the way for additional programs to be launched in FY 2002, including discounted directors' and officers' insurance and a preferred payroll services provider. The Alliance also formed a task force made up of leaders from the cultural, tourism and events communities to establish a single online calendar that would serve the needs of all three sectors.

In Conclusion As the Alliance enters fiscal year 2002, we are stronger politically, organizationally and financially. With the support and active participation of our members, the Greater Philadelphia Cultural Alliance has established a firm foundation from which to pursue our long-term strategies of regional cultural planning and collaborative marketing. Thank you for your support of this important work. Together, we have much to be proud of, and a great start on the broad agenda that lies ahead.

Grantmaking

A major new initiative of the Cultural Alliance in FY 2001 was grantmaking. Prior to entering the "regranting" arena, the Board of Directors and staff carefully considered the decision to ensure strategic fit with our advocacy mission. It was agreed that this new initiative would indeed provide critical support to the Alliance's cultural planning process and advocacy initiatives, by quickly establishing relationships, visibility and value for the Cultural Alliance throughout the five county region. These relationships are integral to the establishment of local arts agencies that will form the long-term foundation of the planning process.

In FY 2001, the Alliance secured funding from the *Pennsylvania Council on the Arts* and leveraged it with matching funds from the *Delaware River Port Authority* to create a \$340,000 pool of grant funds called the *Five County Arts Fund*. The pool was divided equally among the five counties of southeastern Pennsylvania, and targeted specifically as project seed capital for individual artists and organizations. Based on similar projects around the state, the Cultural Alliance anticipated 75-100 applications, but actually received over 300, demonstrating the tremendous need for this program. In fact, of the 13 agencies around the state administering such grants, the Cultural Alliance's Five-County Arts Fund accounted for one third.

The Cultural Alliance also entered into an agreement with the *Delaware River Port Authority* to administer its *Regional Cultural Economic Development Grants* program. This commitment facilitated \$4.5 million in funding for regional non-profit cultural organizations.

Financial Results

In the final months of FY 2001, the Greater Philadelphia Cultural Alliance secured several major grants that resulted in strong fiscal results. We received an \$871,000 three-year grant from *The William Penn Foundation* for cultural planning and common data collection, and \$357,000 from *The Pew Charitable Trusts* for collaborative marketing. The Alliance also recorded income from the *Pennsylvania Council on the Arts* and the *Delaware River Port Authority* for their regranting efforts. As a result, in FY 2001, the Alliance's *total net assets grew from \$570,518 to \$1,180,709*. Clearly these results are extremely favorable, and indicate the commitment of the funding community to the Alliance's work.

At the same time, we must remember that \$920,729 of these assets are temporarily restricted, reflecting our multi-year grant obligations. Therefore, the Alliance is committed to continued conservative fiscal management in anticipation of its responsibility to implement these forward-funded programs.

