



Greater Philadelphia
Cultural Alliance

05

2005 Annual Report





It is a pleasure to share with you the 2005 Annual Report of the Greater Philadelphia Cultural Alliance. As always, the accomplishments that we document here are the collective work of the entire cultural community. The Alliance may knit together all of the strands, but you, our members and supporters, are the whole cloth.

So, to our members, partners and funders, we say thank you. Collaboration is rarely easy, but your willingness to do so has enabled the Philadelphia region to advance its rebirth. We are emerging as one of the most attractive, diverse, and livable cities in the country, thanks in large part to an arts and culture scene that is both courageous and approachable.

Each day we admire your commitment, and thank you for the privilege of sharing it with others.

Peggy Amsterdam
President

2005 has been an encouraging year on many fronts. After years of declining commitment to funding the arts, policy makers are interested in discussing the need for a dedicated regional cultural funding source. Thousands of new patrons are visiting cultural organizations for the first time. Members are working together to collaborate on projects and use resources more efficiently. Grants are reaching new and emerging artists, ensuring that our cultural experience remains varied and fresh. Communities are coming together, using culture as a catalyst for local revitalization. In short, genuine appreciation of the arts is on the rise.

In 2005, the Cultural Alliance undertook wide-ranging initiatives in its four principal areas—Advocacy, Marketing, Member Services and Grantmaking—to ensure the visibility and health of our sector. This annual report details those activities.

Mission/Vision/Goals

In March 2005, the Greater Philadelphia Cultural Alliance completed a new five-year strategic plan to guide the organization through 2010. This plan reaffirmed the Alliance's role as a leadership organization, a direction first established by the Board of Directors in 2002. In the new strategic plan, we have broadened the scope to emphasize the interrelationship between the cultural community and our peers in other sectors.

The Mission Statement

The mission of the Greater Philadelphia Cultural Alliance is to lead the effort to expand awareness of, participation in and support for arts and culture in the region.

The Vision Statement

The greater Philadelphia region is 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.

Goals/Objectives

The Cultural Alliance has six goals to leverage the collective strength of its members:

- Goal 1:** To Increase Support for the Cultural Sector
- Goal 2:** To Sustain and Grow Awareness of the Cultural Sector
- Goal 3:** To Increase Participation in Arts and Culture
- Goal 4:** To Provide Non-Profit Cultural Organizations with Direct Services that Increase Income, Increase Capacity, or Decrease Costs
- Goal 5:** To Capitalize on the Role that Arts and Culture Can Play in Broader Community and Regional Public Policy
- Goal 6:** To Sustain the Organization so that it is Progressive, Dynamic, Effective, Well Managed and Financially Stable

In 2005 the Cultural Alliance continued to focus its resources on our core mission to increase the visibility and stature of arts and culture.

From a funding perspective, we had success at the federal, state and local levels. In the City of Philadelphia, the Alliance worked preemptively with the administration and key council members to ensure that there was no repeat of 2004's heated budget battle. In 2005 local policy makers seemed much more receptive to and appreciative of arts and culture. In the end, despite cuts in many other city programs, most arts funding was left completely intact. In fact, some programs actually saw increases, including a 10% increase for the Free Library and a 5% increase in the Cultural Fund.



At the state level, the Pennsylvania Council on the Arts' appropriation was also spared the budget axe, despite a dire year for the overall State budget. In Washington, the National Endowment for the Arts enjoyed a 4% increase from \$121 million to \$126 million.

Another important development in 2005 was renewed interest in a dedicated funding stream for arts & culture. The idea caught fire again with endorsements from key media, political and corporate leaders, suggesting that our long-term effort to communicate the wide reaching impact of the arts is beginning to pay dividends.

The Cultural Alliance's planning initiatives also bore fruit this year. Our regional revitalization work studied models of excellence from all around the United States, and then applied them directly in the leadership and facilitation of local arts

service organizations in Chester, New Hope, Norristown, and Pottstown. To ensure that we can meet the needs of all five counties, the Alliance added a second county outreach coordinator.

2005 also marked the launch of the Otis Morse Advocacy Scholarship, which funded two individuals affiliated with the arts, to attend and participate in National Arts Advocacy Day in Washington, D.C. This scholarship award was created as a way to honor and remember our colleague Otis Morse for his passion for the arts and his vivid historical memory of the philanthropic individuals who support arts and culture in Pennsylvania.

Finally, recognizing that effective advocacy and planning must be built upon solid fact-based analysis, the Alliance upgraded its research capabilities in 2005. We worked closely with The Pew Charitable Trusts, Pennsylvania Council on the Arts and William Penn Foundation in the design and rollout of the Pennsylvania Cultural Data Project



(PACDP). This important initiative will provide critical benchmarks and longitudinal research to guide our management and advocacy efforts for the future. The Alliance was also fortunate to be able to partner with the William Penn Foundation on a study by the RAND Corporation of cultural support models from around the country. The findings of this work will be released in early 2006.



FY2005 cultural policy activities were made possible, in part, by a grant from the William Penn Foundation.

After three strong years, the Alliance's "Campaign for Culture" continues to be a national model for collaborative cultural marketing. As funding sources grow tighter across the nation and competition for consumers' leisure time and money becomes more intense, arts managers and funders are realizing that they must collaborate to survive and thrive.

In 2005, the Campaign for Culture was honored to receive a generous three-year, \$2 million commitment from The Pew Charitable Trusts. This critical funding will enable the Alliance to deliver on its mission to increase arts awareness, attendance and organizational marketing capacity.

In 2005, our FunSavers e-mail program hit a major milestone, topping \$1 million in sales. Since its inception, we've helped 150 organizations sell 57,000 seats that would otherwise have gone empty, and returned \$1 million to local arts organizations. In May, we were also pleased to launch on-line ticket fulfillment, adding a "Buy It Now" button to the weekly FunSavers e-mails to make the purchase experience even easier.

In 2005, we also re-launched the PhillyFun Guide.com online events calendar, with a new visual and user-friendly look and greatly increased content. PhillyFunGuide.com now generates more than 1.8 million annual visitor sessions and over 8 million page views per year.

Another important aspect of the Campaign was its commitment to building marketing capacity at member organizations. In 2005, our co-operative advertising program increased the affordability and visibility of print and radio advertising for members. The program placed \$300,000 in collaborative advertising, resulting in 20,000,000 consumer impressions.

Our mailing list co-op also reached a record high, with 56 participating organizations combining to build a joint list of 355,000 names, representing 18% of the region's households.

Our co-mentorship program blended outside expertise and peer mentoring, to enable 30 of the region's cultural marketers to learn from each other, and attend the National Arts Marketing Conference together in Chicago.



FunSavers Subscribers	\$19,800	FY03
	\$36,000	FY04
	\$45,000	FY05
FunSavers Ticket Revenue	\$138,280	FY03
	\$357,423	FY04
	\$425,312	FY05
Cultural Mailing List Participants	23	FY03
	41	FY04
	56	FY05

THE PEW CHARITABLE TRUSTS

The Campaign for Culture's FY2005 activities were sponsored by a grant from The Pew Charitable Trusts, with additional support from Advanta, American Express Company, Claneil Foundation, Dolfinger-McMahon Foundation, Greater Philadelphia Tourism Marketing Corporation, and PNC Bank. In-kind support was provided by Harmelin Media; KYW NewsRadio; Philadelphia Cultural Management Initiative, funded by The Pew Charitable Trusts, administered by Drexel University; WHY; and WXPX 88.5.

In 2005, the Cultural Alliance, through the Pennsylvania Council on the Arts Partners in the Arts program, re-granted a record \$414,000 throughout the five counties of Southeastern Pennsylvania. The 5-County Arts Fund and Program Steam grants programs enabled us to award 172 grants this year.

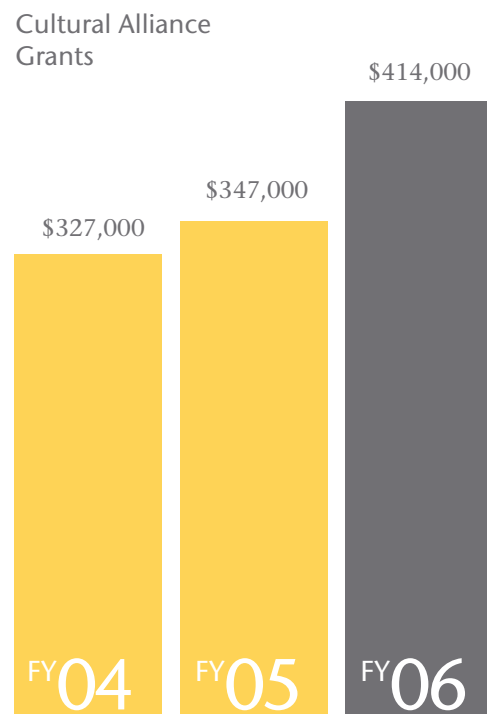
The recipients were typically smaller organizations, individual artists and start-up projects. They were selected using a model peer-review program to ensure that the funds were invested wisely, and that the process was open and fair.

Citizens Bank Foundation also sponsored a 5-County Arts Fund grant award presented to the International Institute for Theatre Research. The award enabled the Institute to present "Fiesta Latina" in May 2005, a community wide, street festival in Coatesville. Seventy-nine percent of grantees were located in the suburban counties of Bucks, Chester,

Delaware and Montgomery. This distribution reflected the Cultural Alliance's ongoing commitment to regional cultural development. It also enabled us to continue developing relationships with key policy and community leaders in all five counties who increasingly recognize the impact of arts and culture on the social fabric and economic competitiveness of their communities.



Montgomery County Board of Commissioners present \$10,000 check to Cultural Alliance



The 5-County Arts Fund's FY2005 activities were sponsored by the Pennsylvania Council on the Arts, a state agency, with additional support from Citizens Bank Foundation; Delaware River Port Authority; Montgomery County; and PECO, An Exelon Company.

The Cultural Alliance ended FY 2005 with 312 members, an all-time high. This marks the fifth consecutive year of membership growth, and the Alliance is now 41% larger than we were in 2001. Most importantly, our membership renewal rate for 2005 was 97%.

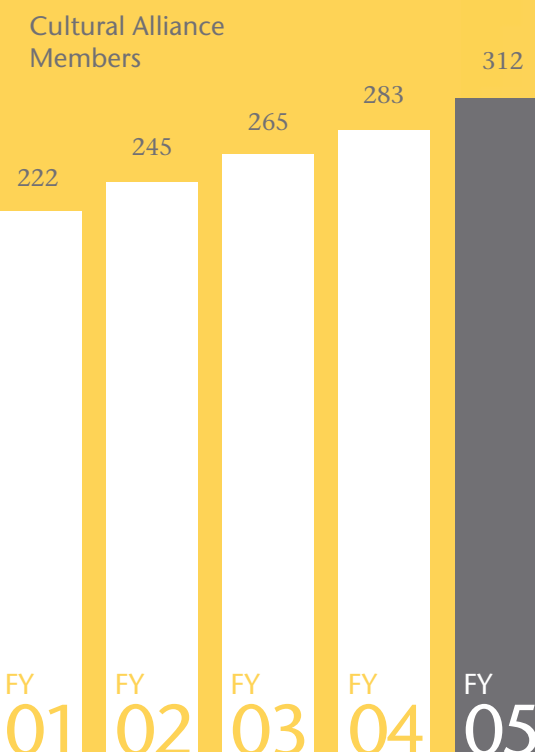
In 2005, the Alliance continued to look for ways to serve members better. We redesigned the Arts & Culture Advocate newsletter, including more content, an eye-catching new layout and interviews with high profile industry leaders such as Richard Florida, Kenny Gamble and Marlee Matlin.

The Alliance introduced on-line membership registration and renewal to speed the registration process for both prospective and renewing members. We also introduced credit card transaction capability so that members could more easily sign up for workshops, co-op advertising, Job Bank listings, membership renewal and publications.



In 2005, the Alliance launched a new hotel benefit with Club Quarters, a small, members-only hotel chain providing favorable hotel rates in major metro areas, including Philadelphia, New York, Boston, Washington, Chicago, San Francisco and London.

We also completed a thorough analysis of the Alliance's dues structure, benefits and member satisfaction. Based on those findings, the Alliance modified its FY2006 dues structure to begin to decrease the Alliance's longstanding dependence on contributed project support.



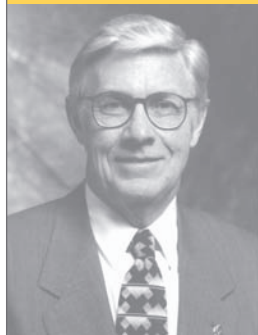
Images from Cultural Alliance Annual Meeting 2004

The Cultural Alliance completed FY 2005 with its fifth consecutive balanced budget. We remain on solid financial footing, thanks in large part to the continued confidence of our members and funders.

Major new grants in FY 2005 included \$2,000,000 over three years from The Pew Charitable Trusts for the Campaign for Culture, \$465,000 from the Pennsylvania Council on the Arts for re-granting initiatives, \$401,000 from the William Penn Foundation over 13 months for cultural planning, and \$75,000 over three years from the Independence Foundation in general operating support.

In FY 2005, the Cultural Alliance completed a new five-year strategic plan to guide the organization through 2010. One of its six goals called for the Alliance to “sustain the

Organization so that it is progressive, dynamic, effective, well managed and financially stable.” Furthermore, recognizing the risk of the Alliance’s dependence on contributed support, the Board established a target reserve level equal to three to six months’ operating expenses. We are pleased to report that on June 30, 2005, the Alliance completed the fiscal year with unrestricted net assets of \$875,000 (which represents four-and-a-half months of reserves), thereby meeting the objective set by the Board.



In Memory

We are indebted to the late **Jack Mulroney**, former board member, whose leadership as Finance Chair from 2001-2004 established a firm foundation for the Alliance’s fiscal management. Mr. Mulroney, retired president and CEO of Rohm and Haas Co., and executive director of the Opera Company of Philadelphia, was a champion for Philadelphia’s cultural community and highly regarded for his passion and dedication to the arts. We hope to continue Jack’s legacy and will constantly strive to meet the highest of expectations, which he was able to achieve in his years of selfless dedication to so many of our cultural institutions.

With a solid programmatic track record and stable finances in place, it is now appropriate for the Cultural Alliance to set an ambitious agenda for 2006, particularly given the need for our sector’s impact to be understood and valued. In a complex and volatile age, there are many interests competing for the attention and resources of legislators, leaders and consumers. If the Philadelphia cultural sector is to remain vibrant, the Alliance must provide consistent leadership and advocacy of its interests.

In 2006, the Alliance will continue its long-term objective to establish a new source of regional funding in Harrisburg. We will monitor legislation at all levels of government and utilize the latest web-based advocacy tools to inform and activate our constituents. Our planning work will concentrate on advancing arts and culture as an integral part of regional revitalization. We will do this both at the grassroots level of community redevelopment and on the macro level with policy makers, think tanks and regional leaders. We will use research to inform our decisions and support our arguments, promoting studies by the RAND Corporation, our own State of Arts and Culture in Southeastern Pennsylvania Report, and ongoing individual research.

Having recently launched an updated version of PhillyFunGuide.com and on-line FunSavers’ ticketing, the Alliance will focus in 2006 on the promotion of these programs through expanded advertising, media partnerships, event promotion and direct marketing. We will expand marketing capacity programs for members including

co-op advertising, the list co-op, research roundtables, workshops and the co-mentorship program. The Alliance will also launch a new version of its www.philaculture.org web site to better serve members with a revised format that ties together the Alliance’s many initiatives through improved design and navigation.

Having established a strong package of member services, in 2006 the Alliance will expand its recruitment efforts, seeking to broaden the membership base, and continue a strong trend in membership growth. We will also focus resources on our health insurance program this year, seeking avenues that improve access, contain costs and offer members informed choices.

On the grantmaking front, the Alliance will continue to be one of the PA Partners in the Arts, offering the 5-County Arts Fund and Program Stream grants in partnership with the Pennsylvania Council on the Arts. At the same time, we will pursue new sources of funding.

“The last few decades have belonged to a certain kind of person with a certain kind of mind—computer programmers who could crank code, lawyers who could craft contracts, MBA’s who could crunch numbers. But the keys to the kingdom are changing hands. The future belongs to a very different kind of person with a very different kind of mind—creators and empathizers, pattern recognizers and meaning makers. These people—artists, inventors, designers, storytellers, caregivers, consolers, big picture thinkers—will now reap society’s richest rewards and share its greatest joys.”

A Whole New Mind, Daniel Pink, 2005

Cover credit, clockwise from center top: Courtesy Atwater Kent Museum; Courtesy University of the Arts; Courtesy University of Pennsylvania Museum of Archaeology and Anthropology; Courtesy Arden Theatre Company; Courtesy University of the Arts; Courtesy Independence Seaport Museum.

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philadelphia
**cultural
alliance**

1616 Walnut Street, Suite 600
Philadelphia, PA 19102

(215) 557-7811
fax (215) 557-7823

www.philaculture.org



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