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Cultural Alliance releases 1st salary and benefits report in over 10 years for regional cultural sector.

New report gauges business outlook of cultural leaders and provides comprehensive salary overview for the field. Cultural groups are cautiously optimistic about the future.

December 12, 2013 -- The Greater Philadelphia Cultural Alliance and Gallagher Benefit Services, Inc. have released the first comprehensive salary and benefits survey for the Greater Philadelphia cultural sector in over a decade.

Sponsored by Independence Blue Cross, the leading health insurer in Southeastern Pennsylvania, the report documents a wide range of salaries in the industry. Overall, the median Executive Director salary for the field is \$100,000. However, salaries vary widely based on organizational size, particularly for senior executives. At smaller organizations (budgets under \$250,000), the median Executive Director salary is \$49,000. At the largest organizations (budgets greater than \$10,000,000), the median Executive Director salary is \$288,000.

Survey responses also indicated that benefits provided by cultural nonprofits are competitive and that healthcare coverage exceeded national averages. Sixty-nine percent of the respondents reported they provide healthcare coverage to full-time employees vs. 57% of corporations that provide healthcare nationally (Kaiser Foundation). However, while coverage was provided at 100% of the organizations with budgets over \$1,000,000, for small organizations (budgets under \$250,000) those that provided healthcare coverage fell to only 10%.

Cultural leaders also voiced their opinion on the sector's business outlook. Overall, they are cautiously optimistic about the future. Forty three percent believe their business outlook will improve in the next 12 months vs. only 7% that feel that things are likely to get worse. Seventy two percent said they haven't reduced staff size or hours in the last 12 months and don't expect to do so in the immediate future. However, respondents see providing employees with financial security as one of their two biggest organizational challenges, along with supporting organizational initiatives.

"This study reinforces how resilient and focused cultural groups must be in these challenging times," says Michael Norris, Cultural Alliance Interim Executive Director. "Throughout the recession and into the recovery, attendance and individual giving increased, while ticket prices remained stable. At the same time, benefits costs increased over 40% for our members. Despite that, groups have largely retained staff and maintained benefits, a testament to the commitment of cultural groups to their staff and mission."

The *Greater Philadelphia Cultural Alliance 2013 Salary and Benefits Study* is based on a survey of 152 cultural organizations from across the region in every discipline and budget category, providing a comprehensive snapshot of the current compensation and benefits structure for regional arts and cultural nonprofits.

The study provides tables on 46 separate job titles and their compensation structure, broken down by organization size, discipline and geographic location. The survey also covers non-salary compensation including healthcare, dental, vacation packages, sick days and retirement plans, and gauges general economic outlook from respondents through a series of attitudinal survey questions.

“Gallagher is delighted to work with the Greater Philadelphia Cultural Alliance, and honored to provide a ‘snapshot’ for its membership of how regional cultural institutions are positioning compensation and benefits to stay competitive in the increasingly challenging and complex talent market,” says Tamra Walton, Team Leader and Senior Consultant for Gallagher Benefit Services. “The response to the study was exceptional and demonstrated how committed these institutions are to their mission, to their staff, and to the citizens and visitors that participate in the cultural richness found throughout the greater Philadelphia area.”

The full report is available for purchase online at www.philaculture.org. Organizations that participated in the survey received the report for free.

Key findings from the report:

- Executive Directors had the widest range of salaries of all positions surveyed, with an average salary of \$135,000 (\$100,000 median salary). Small sized organizations (<\$250K) had a median Executive Director salary of \$49,000 compared to \$288,000 at the largest cultural organizations. Salaries are dramatically higher for executive positions at larger organizations, reflecting their larger budgets and the additional competition for top candidates.
- Sixty nine percent (69%) of survey participants provide healthcare coverage to staff, while 63% provide dental coverage and 67% provide a prescription plan.
- Of the cultural organizations that provide healthcare coverage to staff, 90% extend coverage to domestic partners.
- Blue Cross is the most common provider, with three out of four groups reporting the highest enrollment in BC/BS followed by Aetna at 22%.
- Survey respondents within the cultural sector tended to more often provide the most generous PTO packages to their employees. After five years of service, BLS reports that 6% of firms provide more than 24 days of PTO annually. Within our survey that percentage rose to 13%, or over double the industry average.
- Forty-two percent (42%) of surveyed organizations offer a retirement plan to their employees. The size of the organization is a primary factor, with 85% of Very Large organizations and 80% of Large organizations offering a plan, respectively. Twenty three percent (23%) of Medium organizations and 3% of Small organizations offer retirement plans.

About the Greater Philadelphia Cultural Alliance

Established in 1972, the Greater Philadelphia Cultural Alliance is the region's premier leadership, research and advocacy organization for arts and culture. 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."

Today, 411 member organizations — which range from museums and dance companies to community art centers, historic sites, music ensembles, and zoos — and the region's cultural community as a whole — count on the Alliance for research; marketing and audience development; policy and community engagement; and membership services. For more information on the cultural alliance please visit

www.philaculture.org

About Gallagher Benefit Services, Inc.

Gallagher Benefit Services, Inc., a subsidiary of Arthur J. Gallagher & Co. (NYSE: AJG), is one of the leading employee benefits brokers and consultants in the U.S. It delivers a full range of employee benefits services, including benefits strategy, plan design and management, financial planning, actuarial, data analysis and benchmarking, retirement brokerage and consulting, and human resource services. To learn more, visit www.gallagherbenefits.com.

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