

5/26/2009

Dear Chairman Evans and members of the House Appropriations Committee;

As Executive Director of the Theatre Alliance of Greater Philadelphia, I represent over 120 theatre institutions, and more than 300 individual theatre artists throughout the five county region of Southeastern Pennsylvania. On their behalf, I write to testify in support of keeping arts and cultural funding intact in the State's Fiscal Year 2010 Operating Budget and to encourage you to reject Senate Bill 850.

Like all industries in the current economy, the arts are experiencing difficult times. But the factors controlling the degree to which the arts are suffering are much out of their control. Currently, as with other disciplines, our theatres are reporting declines in corporate support (one third of organizations), 38% already report declines in government support (before SB850), just over half of organizations report declines in investments and other earned income, and about 30% of performing arts organizations are seeing declines in foundation support.

Despite the declines from businesses, government and foundations, public support for the arts remains high. Single ticket sales have remained level or even *increased* at 4 out of 5 organizations and almost three quarters of organizations report stable or increasing Individual Giving. This is incredible public interest considering that this is a time when people don't have as much money to spend. It is a clear message that, for the residents in Southeastern Pennsylvania at least, the arts are vitally important to them. In fact, 83% of the population in the area attends arts and cultural activities at least once a year, and of those 88% voted in 2004 and 60% would pay more in taxes to support the arts.

It is a time of difficult decisions, and we appreciate that the State government has a challenge to balance the budget. However, I urge you to consider the negative economic impact that will result from a choice to cut state arts funding. The arts generate jobs and support the economy, both locally and state-wide. In 2007, \$4,018,088.31 was the total state tax revenue generated by the activity of theatres, and the industries that they support. The total state tax revenue generated by the entire arts and culture sector that same year was \$84.4 million dollars. The return on investment on the part of the state is great – according to Arts, Culture and the Creative Economy in Greater Philadelphia, a report by the Greater Philadelphia Cultural Alliance, for every \$1 invested from the state government, \$2.50 is returned in state tax revenue.

According to the Greater Philadelphia Cultural Alliance's 2008 Portfolio report, theatres alone in the Greater Philadelphia region employed a total of 3,467 individuals. If you total up the combined arts institutions in the region, that's a total of 19,366 employees. Many of these people will be at risk of losing their jobs if the elimination to arts funding suggested in SB 850 goes through. But it's not just the people employed at the arts institutions themselves who are at risk of losing their jobs. The arts support many other related industries including hotels, restaurants, and parking garages. The impact of the theatre alone in 2007 amounted to the support of 2,110.95 Full Time Equivalent jobs in those industries. If you account for the entire arts and culture sector in Greater Philadelphia, the number comes to 40,000 jobs.

In addition to the numbers, there are the individual stories from the field:

“We mostly hear from the restaurants in the area of the Avenue of the Arts that our relationship is mutually beneficial. When there is buzz about a play we are producing, we hear about it from our restaurant partners. Clearly, our patrons are attending the restaurants in the area.”

“Marathon Grill, a season sponsor, has seen an increase in visits from our patrons.”

“They [surrounding businesses] cheer when we are lit, cry when we are dark.”

But we all know that the importance of the arts is not just economic. Education is supported by our efforts, as is neighborhood and community development. Many of our companies have education programs that either go into schools, or host school groups at their productions. The ticket prices for young people and seniors are priced at deep discounts in order to increase access for a diverse audience.

One star example of both economic and neighborhood impact is the Arden Theatre Company who tells us, “Arden Theatre Company has produced live theatre for the past thirteen years within its two-theatre complex in Old City, Philadelphia. We have played a pivotal role in the redevelopment and renaissance of our Old City neighborhood. One example is that over 35 restaurants have opened since the Arden’s arrival on 2nd Street. Since 1995 approximately one million people - including students, community groups and artists - have walked through our doors. Pennsylvania Governor Edward Rendell has commented, “When I think of nonprofit organizations that are having a major economic impact on their neighborhoods, none comes to mind sooner than the Arden.” ” Many other companies already have, or are working on their own similar success stories.

As First Lady Michelle Obama said just last week in New York, “...the intersection of creativity and commerce is about more than economic stimulus, it's also about who we are as people. ... The arts are not just a nice thing to have or to do if there is free time or if one can afford it. Rather...they all define who we are as a people and provide an account of our history for the next generation.” I strongly urge you to reject SB850’s elimination of arts funding and support the Pennsylvania Council on the Arts at the level recommended by Governor Rendell’s budget. Support of the arts is an investment in Pennsylvania’s youth, community development, quality of life, and most importantly right now, its economy.

Thank you for allowing me to submit my testimony, and again, I urge you to continue your investment in the arts and culture sector, for the sake of all of Pennsylvanians.

Sincerely,

Margie Salvante
Executive Director
Theatre Alliance of Greater Philadelphia