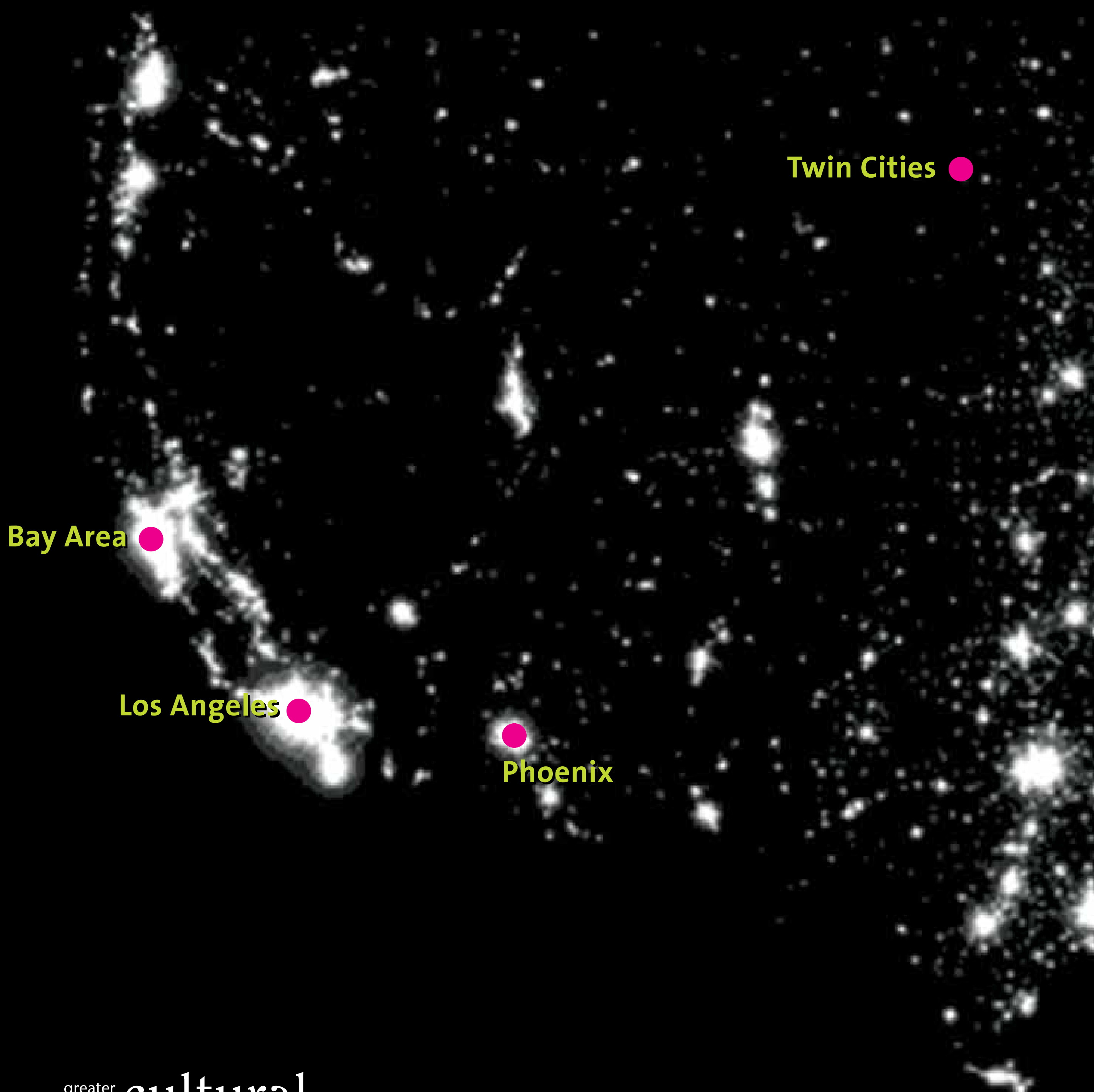
2015 pôrtfō'liō

Culture Across Communities

AN ELEVEN-CITY SNAPSHOT

greater philadelphia cultural ALLIANCE



greater philadelphia cultural ALLIANCE

This report takes a look at the cultural ecology of 11 metro regions. It is our most expansive study to date, examining the recent financial, programmatic, audience, and administrative data from 5,502 cultural nonprofit organizations. Building on the 2014 ***Portfolio***, which examined the health and scope of Greater Philadelphia's cultural sector since the Great Recession, this report expands analysis to the nonprofit cultural sectors in the Bay Area, Boston, Chicago, Cleveland, Los Angeles, New York City, Phoenix, Pittsburgh, the Twin Cities, and Washington DC.

We hope this report provides valuable and reliable data for funders, advocates, and civic leaders who are committed to supporting a vibrant cultural life.

President's Letter

Maud Lyon

In my travels across the country, it is abundantly clear to me that arts and culture are the lifeblood of our communities, and an important part of our civic identities. Creative energy fuels neighborhood revitalization efforts, empowers our students, draws tourism, and provides significant economic impact.

The Cultural Alliance's ***Portfolio*** research series has long been renowned for its analysis of the health of Philadelphia's arts and culture sector, and used as a research model and point of reference for other regions. With this latest edition of ***Portfolio***, we wanted to extend this resource to benefit other communities by looking at the national picture. ***2015 Portfolio: Culture Across Communities*** investigates the health and scope of nonprofit cultural sectors in 10 additional major metropolitan areas, examining them not just individually, but also in relation to each other.

This cross-regional analysis would not have been possible without the support of our peers in the Bay Area, Boston, Chicago, Cleveland, Los Angeles, New York, Phoenix, Pittsburgh, Twin Cities, and Washington DC. We're also grateful to our core funder the Doris Duke Charitable Foundation, with additional support provided by The Pew Charitable Trusts and the William Penn Foundation; the Cultural Data Project for providing access to its invaluable national database that formed the core dataset for this report; Metro Metrics; and our designer, Joel Katz Design Associates.

We are proud of our Cultural Alliance staff, who worked so hard to produce *Culture Across Communities*: John McInerney, who wrote and edited the report; Morgan Findley, who along with Metro Metrics, conducted the core research; and Theresa DeAngelis, the project manager who made it all come together. In Development, special thanks to Kelli Paul; in Marketing, Courtney Risch; and in Policy, Michael Norris. Thanks also to Stuart Adair in Finance & Administration, for managing the complex funding that made this report possible.

Please read this report, and share it with funders, advocates and legislators. While there is both encouraging and challenging implications from this research, the underlying impact of our collective work underscores the importance of continued investment in arts and culture. I urge you to spend time thinking about the implications of the trends and conditions reported here, not just for your city, organization or discipline, but for the future of arts and culture in the United States.

Maud Lyon
President
Greater Philadelphia Cultural Alliance

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Executive Summary

The nonprofit cultural sector is one of America's most important and unique assets. This report examines the heart of the nonprofit cultural sector across 11 of the country's major metropolitan regions. Using Cultural Data Project (CDP) information, we examined 5,502 organizations, which collectively have 906,000 paid and volunteer positions and spend $13 billion annually. The communities examined had a collective population of over 75 million residents, 23.7% of the total population of the country.

Our goal was to understand the distinctive and shared attributes of the cultural communities across every metro region and 11 distinct disciplines. What are the underlying trends running across all metro regions and disciplines? Are communities recovering from the Great Recession? Where are the pressure points for the sector? What are the challenges and opportunities for specific disciplines? What trends are impacting the long-term health of all cultural nonprofits?

Total Revenue, Attendance, Net Assets, and Endowments all increased from 2009 to 2012.

Keeping in mind that all data has limitations and that our snapshot represents only a portion of the full scope of creative activity across the country, our analysis nonetheless revealed both expected and surprising findings.

The nonprofit cultural sector is recovering from the Great Recession

Our trend data, measuring change from 2009 to 2012 on almost 3,000 organizations, showed that groups were reversing the declines in both revenue and Net Assets lost from 2007 to 2009.

- Revenue was up 7.0%, the sector increased Net Assets 7.6%, and Endowments rose 13.7%.
- Profit margins in aggregate were positive, with a surplus of 3.2% in the most recent FY.
- Total attendance was also up, increasing 3.0%, hitting 210 million in 2012 across all 11 metro regions.

Clearly, groups are making strides in recovering from the losses in audiences and revenues during the Great Recession.

Earned Income drove the sector's recovery

Earned Income was up 25.4%.

The gains in revenue across the sector came primarily from Earned Income. Strong returns on Investments, coupled with gains in almost every major source of Earned Income, underscored the importance of earning for cultural nonprofits, especially in times of shifting priorities in philanthropy.

- Earned Income was up 25.4% from 2009 to 2012
- Admissions/Tickets/Tuitions continue to be the most important source of Earned Income across all budget sizes and is the single largest source of income across both Earned and Contributed Income.

- Rental Income was up 26.8% and revenue from Memberships, Tickets, Admissions, and Tuitions were all up between 2.6% and 9.1%.
- The only significant decline in Earned Income was from Subscriptions, where revenue dropped 13.1%.

Despite the aggregate health of the cultural sector, many groups struggled

Despite increases in revenue and attendance, almost 1 in 5 organizations reported deficits greater than 10%.

Margins overall were positive, with groups having an aggregate surplus of 3.2% on $13.5 billion in Unrestricted Revenue. There were also surpluses in every budget category and across most disciplines and metro regions. Only Very Large History and Very Large Music organizations saw deficits greater than -1.0%. Across metro regions, only Los Angeles, Phoenix, and Washington DC had deficits in the Most Recent FY.

However, as we have seen in our research in Philadelphia since 2006, those aggregate numbers don't reveal the level of deficits at the organizational level.

- A significant proportion of individual groups, 42.0%, reported deficits in the most recent FY, with 1 in 5 (18.7%) reporting deficits greater than 10%. This finding was consistent across every community and every discipline.
- Additionally, overall spending was flat, with a 1.6% decline in spending overall and 6 of 10 of the metro regions and 7 of 11 disciplines reducing spending.
- While overall paid positions increased slightly, 1.4%, virtually all that growth was in part-time positions. Full-time employment remained virtually flat at 0.1%.

Clearly, despite strong gains in aggregate, many groups struggled to balance budgets, reducing spending and shifting labor to part-time positions.

Despite increases in Board and Foundation Giving, contributed support declined 3.5%.

Contributed Income declined since the recession

All major sources of Contributed Income, other than Foundation and Board Giving, declined from 2009 to 2012.

- Contributed Income, which makes up 46.9% of Total Revenue, declined 3.5% from 2009 to 2012 despite increases in Board giving (+20.3%) and Foundation giving (+9.2%).
- Individual giving declined 9.7% and Corporate funding declined 7.0%
- Only 3 of the 10 Trend metro regions saw increases in Contributed funding (Bay Area, Boston, and Pittsburgh).
- The majority of disciplines reported declines in Contributed Revenue with the exception of significant increases in Contributed Income in three disciplines—Museums, Science & Nature, and Theater.
- While Board giving (+20.3%) and Foundation giving (+9.2%) increased, there were steep declines in government funding (-27.9%) with local, state, and federal funding all declining significantly (see Graph 11, page 24).

Implications for the future

Arts and culture remains at the heart of our civic life. Creativity, community diversity, our collective history, and individual artistic expression are key elements to a rich, open, and inclusive society. Yet the rapidly shifting environment has challenged the nonprofit cultural community like never before. If we are to remain vibrant, relevant, and inclusive, we must focus on how we can positively impact our communities while confronting the many challenges we face in terms of sustainability and audience development.

Given the findings in this report and these challenges, where might we go from here? There are many strategies that can be embraced to ensure we remain viable and vibrant; here are several that we think are particularly important.

Individuals are key

More than any other time in our history, the power of the individual is all encompassing. This is particularly evident in our report. If you combine all donations and transactions, over 45% of total revenue comes directly from individuals. When you add in the impact of volunteers, which fill 7 out of 10 staff positions at cultural organizations, that impact is undeniable. Unfortunately, Individual giving revenue, total Members, and total Subscribers all declined. Engaging the next generation of cultural consumers and donors, and reversing these trends, will be critical.

Yet, the arts and culture sector has opportunities to expand its reach. According to the NEA, while half of all Americans attended a live performing arts or visual arts event in 2012, another 13% of Americans reported they had wanted to attend a cultural event but didn't because of factors like time, pricing, or having no one to go with. Those "interested non-attendees" represent 31 million potential new cultural participants. If cultural organizations can overcome those identified barriers and actively welcome new audiences, we may be able to reverse some of the current trends in arts participation.

We need to build the next generation of donors

The double-digit declines in government and Corporate support documented in this report are trends that we have seen in our cultural studies of Philadelphia since 2006. Those trends seem systemic and may be very difficult to change. However, the almost 10% decline in Individual giving was more troubling, in particular when compared to broader measures of Individual giving such as recent reports from Giving USA and Blackbaud that document increases in overall Individual giving across the country during that same time.

There are some broader societal trends that are impacting Individual giving including the decline in arts education and lack of exposure to the arts, the shift from funding organizations to funding informal projects, and the rising popularity of online crowdfunding platforms. However, nonprofit cultural groups that embrace new strategies can potentially increase Individual giving. Giving Tuesday, the Tuesday after the Thanksgiving holiday, has emerged as an effective online strategy for cultural nonprofits, and giving has increased every year since its launch in 2012, raising over $45 million in 2014 through shared online giving platforms. Embracing programs like Giving Tuesday and having responsive mobile websites and easy steps for online giving will be critical as donor engagement and giving increasingly happens online.

Our messaging is also key. Half of respondents to a recent Nielsen survey said they donate to organizations that are engaged in social or environmental activities. Many donors—even those who attend cultural events—perceive the arts as an amenity, while other causes capture their philanthropy. We must do a better job of conveying the social impact of our sector and our contributions to education, literacy, community development, making communities more inclusive, the environment, and other social issues.

Cultural experiences need to be technically sophisticated and socially relevant

Unfortunately, the ability to effectively engage individuals is more challenging than ever. Attracting participation is not merely a matter of communication—it requires innovation in content and delivery as well. Cultural groups need to compete in a technologically complex service economy where access to commercial entertainment is accessible, often for free, 24 hours a day. Streaming, online social sharing, crowd-sourcing, and other technology applications have upended how cultural content is produced and distributed. People increasingly expect smart technology to know their preferences and interests, and if information is inaccessible or slow they move on. Our core

> In God We Trust, all others must bring data.
> —W. Edwards Deming

nonprofit cultural sector has struggled to respond to these shifts in cultural consumption. Since the majority of cultural organizations are small, it is difficult to reach economies of scale and to raise funds for digitization, information technology systems, and the skilled staff to maximize their use. The cultural sector must think about audience development as a collective issue, collaborating not only on programming but on data systems and marketing.

Arts and culture organizations also need to embrace technological means of sharing content. The MONA museum in Tasmania, for example, uses Radio Frequency ID technology when you visit, then tracks your path through the museum and provides you with a post-visit 3D rotational view of your visit path through the galleries. Not only is that a great way to document your experience, but it is a compelling incentive to share socially. Opera Philadelphia's recent production of *Andy A Popera* included videostreams of the audience, and an invitation to the audience to photograph the performance with their cell phones. However, we should also find ways to both capitalize on and celebrate the authentic, human experience of live artistic performance, or of standing in the presence of an original painting. Authenticity is likely to become more precious as technology brings greater social isolation. We also must remember that cultural events are both artistic and social experiences. We must design programs that enable audiences to connect with each other and with unique content that celebrates creativity, and share humanity across diverse audiences. In a world that is increasingly virtual, we can offer a counterbalance that is real and fully present.

Successful organizations embrace knowledge-centric practices

Underlying many of our recommendations is the assumption that organizations embrace data in their decision-making process. Given the rapid increase in availability of audience and donor data and the ability to carefully segment and target communications through digital marketing, a knowledge-centric approach to decision making will be a key strategy for effective organizations. Drexel University Professor and Research Director Neville Vakharia (an adviser to this study) documented the importance of this issue to cultural organizations in *Grantmakers in the Arts Reader* (Vol. 24, #3): "The key challenge facing arts organizations is that many organizations are not able to gather, collect, or report on even the fundamental data needed to inform their decision making." Better data collection, strong analysis, and information-driven decision making can be instrumental in helping cultural organizations adapt to changes in the environment on every level.

The future of arts and culture nonprofits

Our nonprofit cultural sector is at a critical juncture. Current leaders, primarily Baby Boomers, are slowly transferring leadership to a new generation of arts leaders. Technology and culture itself has fundamentally shifted from traditional patterns and the canon of repertoire. Cultural participation is just as likely to occur online or in an informal setting as it is in traditional venues. Informal and for-profit socially focused organizations have increased in number, and the traditional structure of the nonprofit is no longer the sole model for mission-based cultural activity.

However, if we are to preserve museum collections and live collections in zoos and aquariums; operate concert halls; have orchestras and dance and theater companies that hone their craft over years; and have effective arts education programs for children, we need to have nonprofit organizations to steward these activities. One of the trends we see is that the costs of preserving, presenting, and producing arts and culture continue to rise. While Earned Revenue covers a majority of the cost, contributions must make up the balance. To attract both audiences and support, cultural nonprofits must evolve, become more community focused, and broaden their impact in society.

As our world becomes increasingly divided, with greater wealth but a smaller middle class and larger numbers of people who struggle to get by, arts and culture can play an important role as a unifier and an essential vehicle for learning and dialogue. Arts and culture makes us human. Education levels the playing field. Keeping arts and culture strong is not merely to preserve art forms, it is to nurture the cohesiveness of our communities and our creative spirit.

We hope this report and these findings can inform civic and cultural leaders, and have an impact on the priorities and goals of a sector that, unlike any other, continues to inspire, support, and bring together our rich and diverse communities.

Metro Analysis

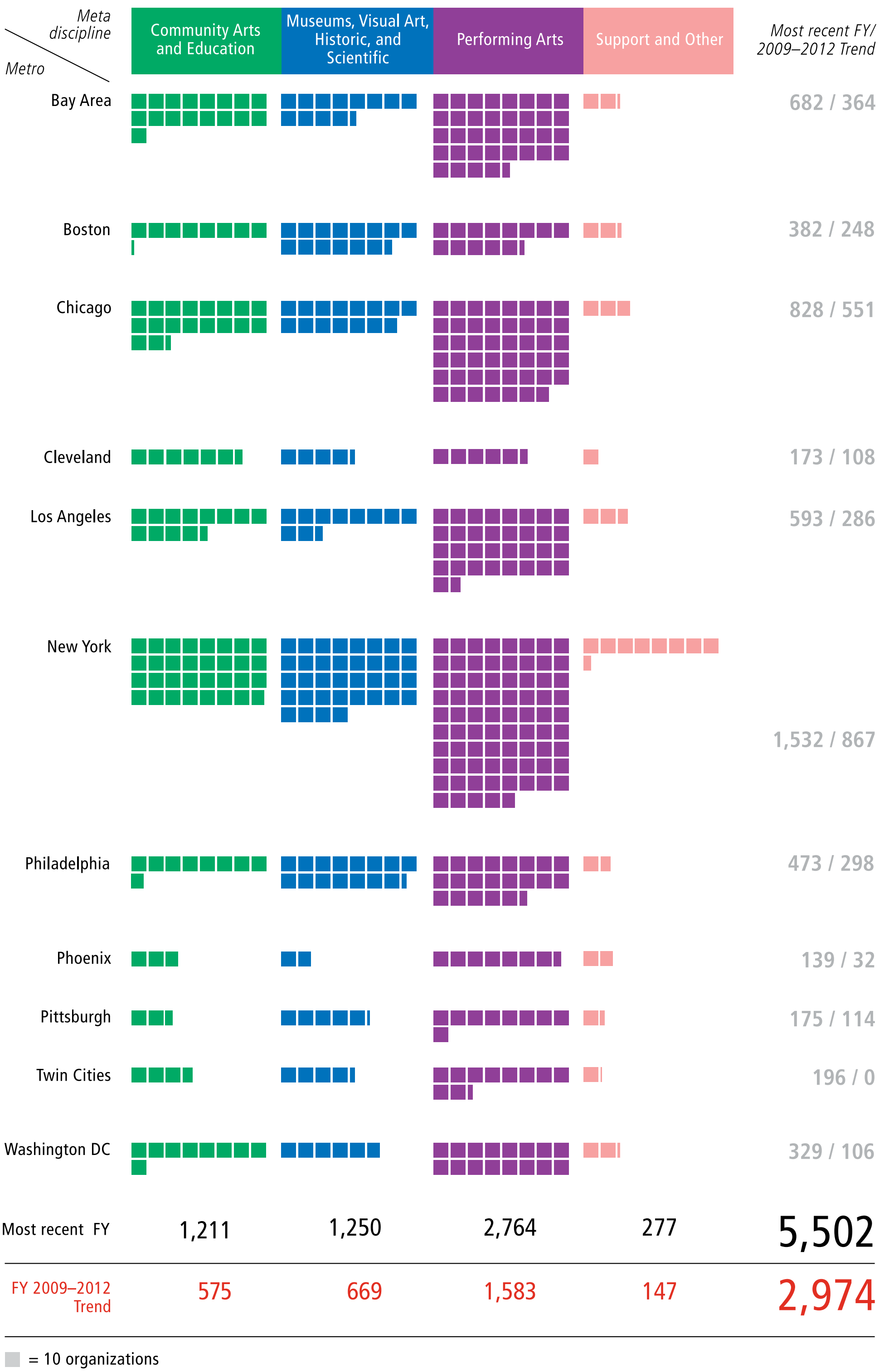
Introduction

In this first chapter, we take a close look at a significant portion of the financial activity of the nonprofit cultural sector across 11 metro regions, using data from the Cultural Data Project (CDP). There are two primary datasets, Most Recent Fiscal Year ("Most Recent FY") and FY2009–FY2012 Trend ("Trend"). For most of our analysis, we look at the larger Most Recent FY dataset, but we also point out significant patterns in the Trend dataset (please note that the Twin Cities metro data is not included in the Trend FY2009–2012 dataset due to a low number of Trend organizations).

Across the 11 metro regions, 5,502 cultural nonprofits are examined, grouped in 4 budget categories and 4 Meta-disciplines (see Graph 1), which are broken into 11 disciplines. These groups collectively generate over $13 billion in spending. We recognize that many smaller organizations, particularly those with less than $25,000 in annual expenditures, do not participate in the CDP and are not included in our analysis. However, we believe these datasets capture a significant and meaningful portion of the economic and programmatic output of the regional nonprofit cultural economy in each metro area, and are a collective, national glimpse of how the arts and culture sector is faring. (For more information about these and the other datasets used in this project, including details on budget categories, metro parameters, and discipline definitions, please read the Methodology section on page 82 and further methodological details at www.philaculture.org/portfolio).

The 11 metro regions vary considerably in terms of size and scope of cultural activity. To compare them, Graph 2 combines three factors: number of organizations, spending (the cumulative expenses of all organizations), and the population of the metro region. New York

1 Number of organizations by metro and meta discipline



Source: Most recent FY and FY 2009–2012 Trend

Culture Across Communities examined 5,502 organizations that spend over $13 billion across 11 metro regions.

City is in a class of its own, containing 27.8% of the organizations in the entire study, 26.3% of the overall population, but 41.5% of the total spending for arts and culture, which reflects its role as a global hub of arts and culture.

One important dynamic of the sector is the high concentration of spending by Very Large organizations. Overall, they only make up 4.1% of total organizations in this report but they generated 71.3% of spending. Conversely the Small organizations, which make up 53.4% of total organizations, generate 1.9% of total spending. While spending is only one measure of cultural activity and it does not capture the impact of factors like volunteer labor (which is significant) and community impact, this is important to note when looking to emphasize the economic impact of the sector.

While there are some notable differences between the various indicators by metro regions, there were more consistencies in data across the regions than there were differences. The notable characteristics of each metro region are highlighted in the Metro Snapshot chapter on pages 62–67.

Budget size categories, based on organization annual expenses

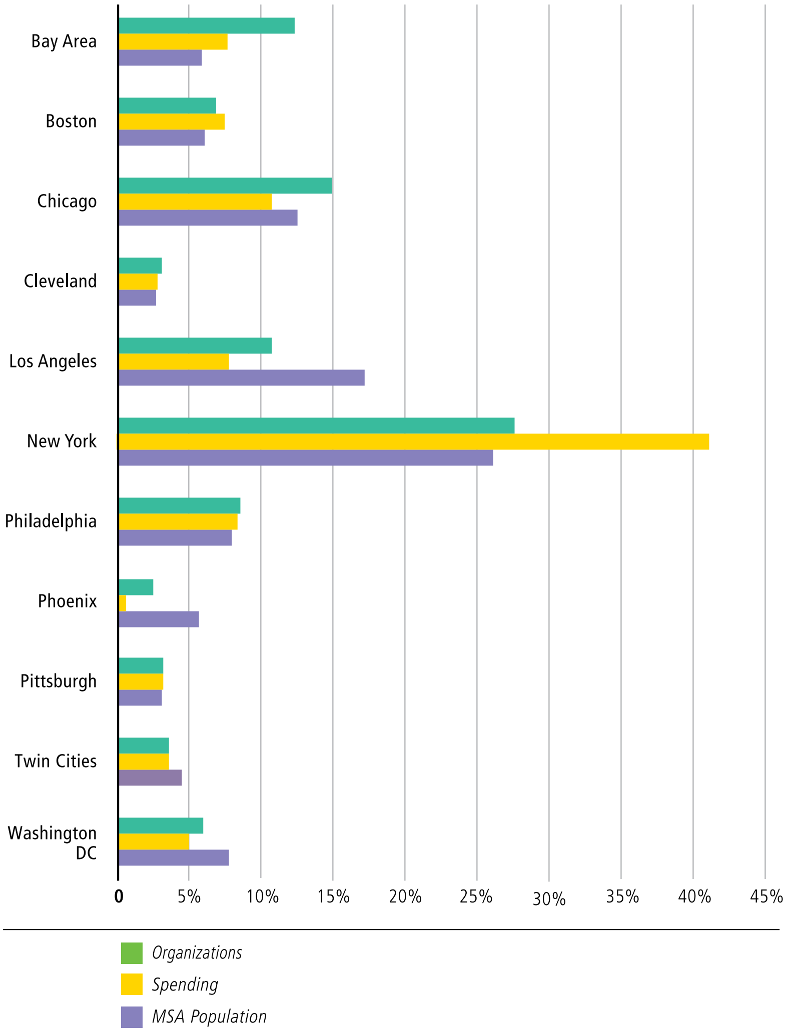
Small, budgets up to $249,999

Medium, budgets from $250,000 up to $999,999

Large, budgets from $1,000,000 up to $9,999,999

Very Large, budgets of $10,000,000 or more

2 **Percent share of total organizations, spending, and MSA population by metro**



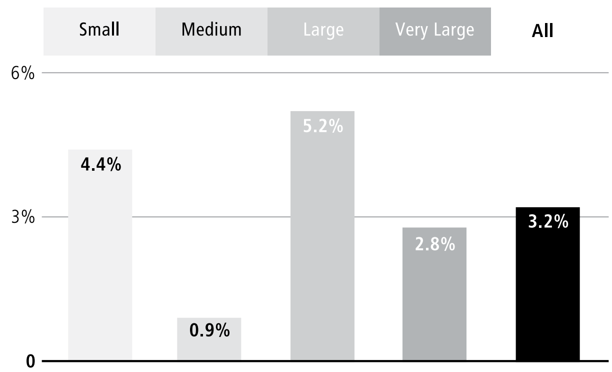
Source: MSA population calculated from U.S. Census Bureau; Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2013, Most Recent FY

Financial Health

Unrestricted Revenue

Across all 11 metro regions, Total Unrestricted Revenue was $13.5 billion and Total Expenses were $13.1 billion, generating a net surplus of 3.2% (see Graph 3). Large organizations had the highest surplus, at 5.2%, while Medium organizations had the lowest margin at 0.9%. Very Large organizations operate at a level of scale that is significantly different than all other organizations and have a disproportionate impact on overall revenue and spending. Therefore, surplus/deficit by metro region (Graph 4) was examined in two groups: organizations with budgets over $10 million and budgets under $10 million.

3 **Surplus/deficit by budget size•**



• All calculations are done after depreciation. Surplus/deficit is determined by subtracting Total Expense from Unrestricted Total Revenue. Margin is calculated by dividing this figure by the Total Expenses.

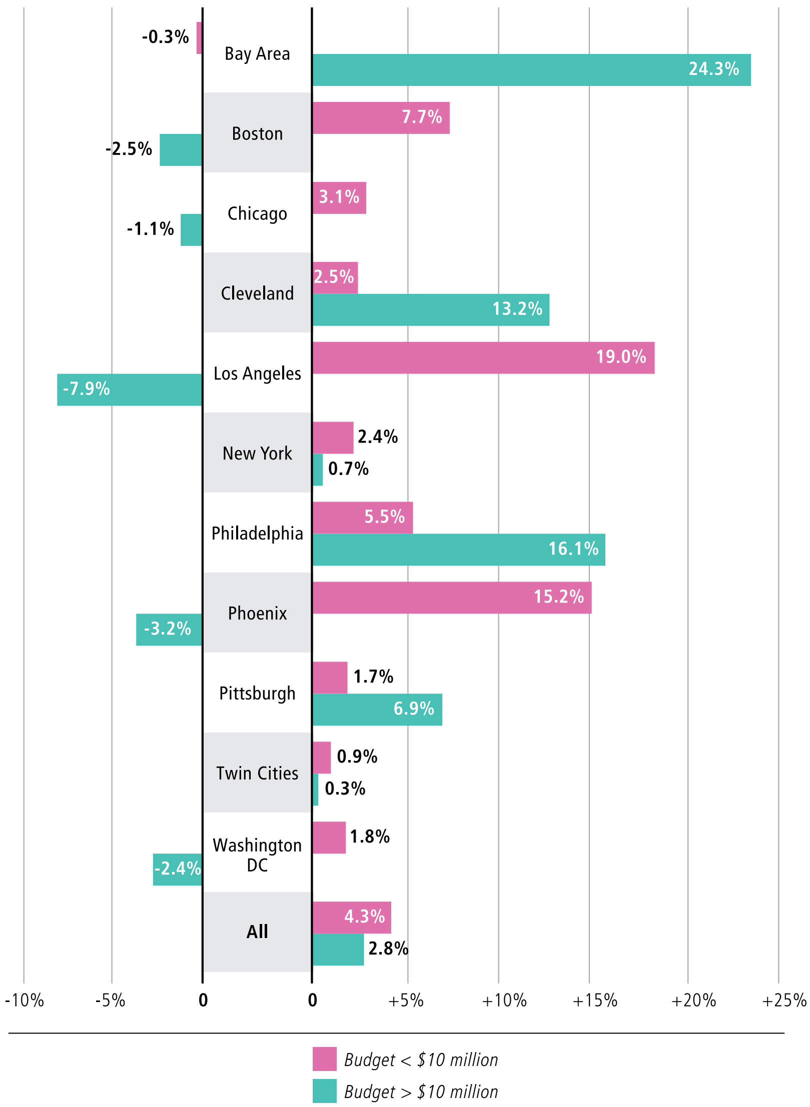
Source: Most Recent FY

Surplus/Deficit

For groups under $10 million (Small, Medium, and Large organizations), margins were generally break-even or better, ranging from -0.3% in the Bay Area to 19.0% in Los Angeles. Large organizations experienced more volatility, ranging from -7.9% in Los Angeles to +24.3% in the Bay Area. Overall, the aggregate surplus for those under $10 million was 4.3% and 2.8% for those over $10 million (see Graph 4).

As with the findings from the last four editions of ***Portfolio*** (2006, 2008, 2011, and 2014, each examining Greater Philadelphia), deficits remain an ongoing challenge for a significant portion of organizations in this national study. Over 2 in 5 organizations across the 11 metro regions reported deficits in the most recent fiscal year of the study, and 18.7% had deficits greater than 10%. This pattern was consistent across all 11 metro areas (see Graph 5).

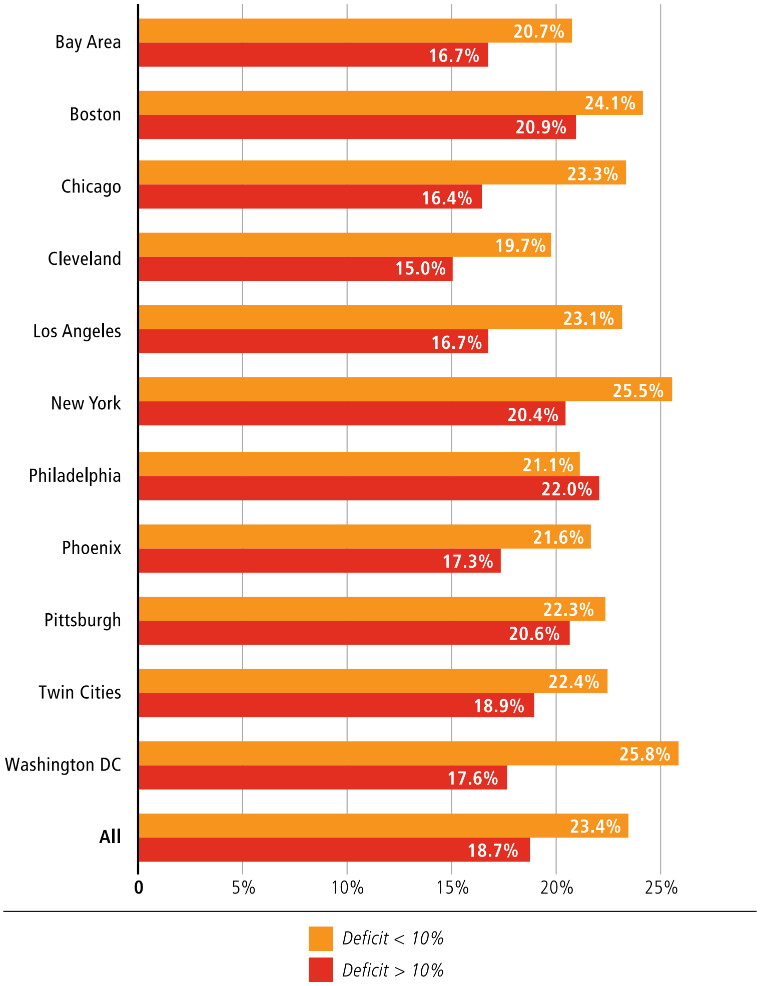
4 **Surplus/deficit by metro•**



• All calculations are done after depreciation. Surplus/deficit is determined by subtracting Total Expense from Unrestricted Total Revenue. Margin is calculated by dividing this figure by Total Expenses.

Source: Most Recent FY

5 **Number of organizations in deficit by metro**•



•*Deficit is determined here by subtracting Total Expense from Unrestricted Total Revenue. All calculations are done after depreciation.*

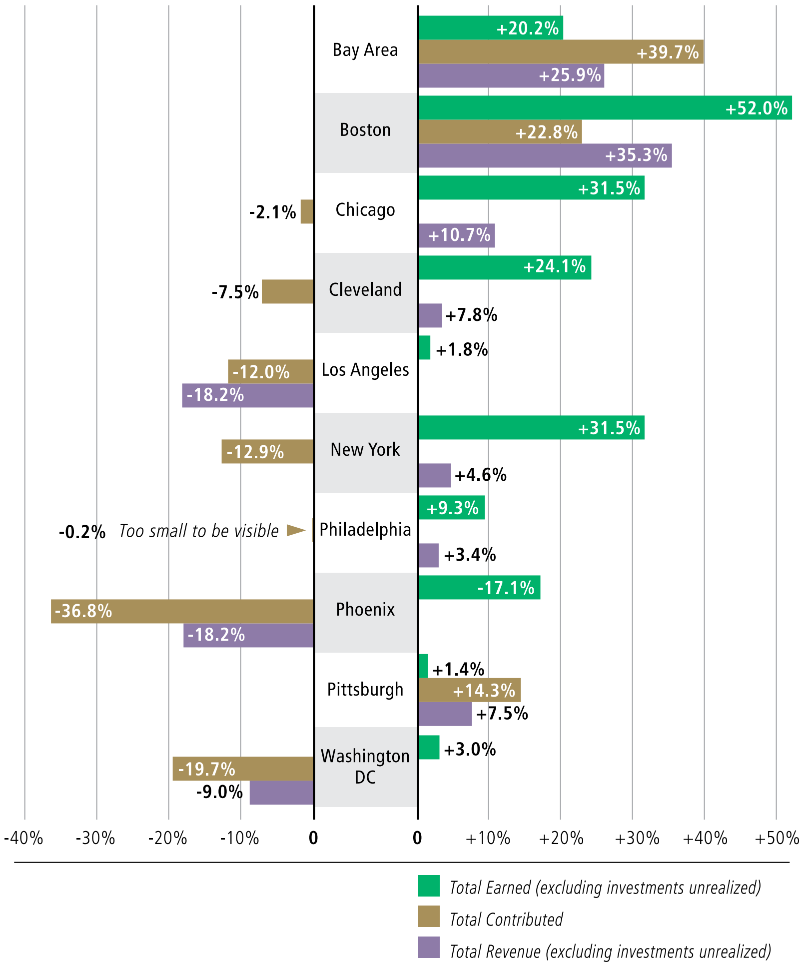
Source: Most Recent FY

Despite an aggregate 3.5% surplus, 1 in 5 organizations reported a deficit greater than 10%.

Total Revenue

Total Revenue across all organizations, including restricted and unrestricted sources, was $14.8 billion. Within the Trend data, revenue rose 7.0% from 2009 to 2012 (excluding unrealized gains from investments). This was driven primarily by Earned Income, which increased in every metro region. Increases in Earned Income ranged from a modest 1.4% in Pittsburgh to an impressive 52.0% increase in Boston, with an overall increase of 25.4%. Contributed Income was much more volatile by metro region, with the change in Contributed Revenue being the defining factor for whether a metro region had a net increase or decrease in Total Revenue. While there was a net decrease of 3.5% in Contrbuted Income, changes in Contributed Revenue ranged from -36.8% in Phoenix to +39.7% in the Bay Area. Both Boston and the Bay Area had the largest overall gains in revenue, driven by double-digit increases in both Earned and Contributed Revenue (see Graphs 6 and 7).

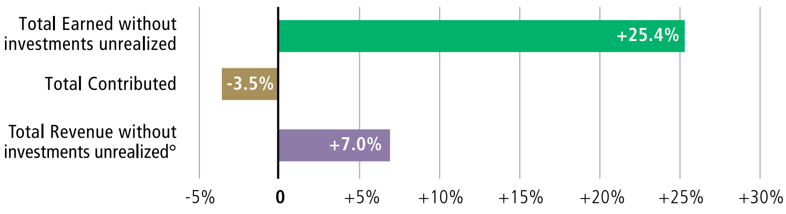
6 Change in revenue by metro•



• *% change 2009–2012 (adjusted for inflation)*
° *Total Revenue includes Transfers & Reclassifications*
Source: FY 2009–2012 Trend

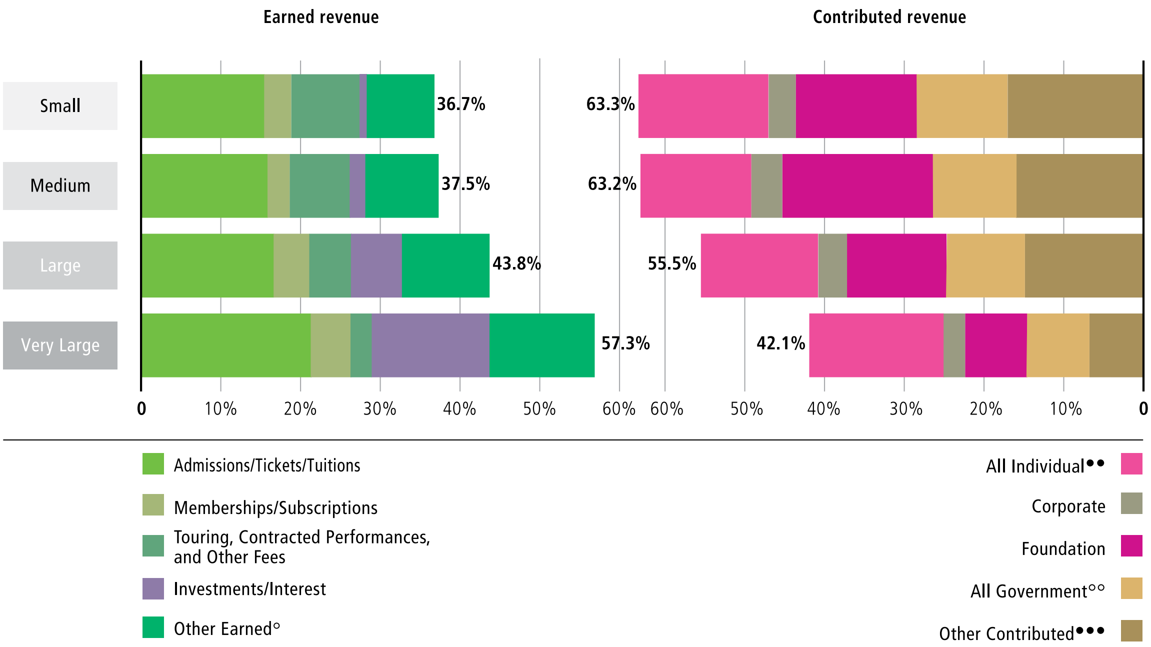
Total Revenue, without Unrealized Investments, increased 7%.

7 Change in earned revenue–all metros aggregated•



• *% change 2009–2012 (adjusted for inflation)*
° *Total Revenue includes Transfers & Reclassifications*
Source: FY 2009–2012 Trend

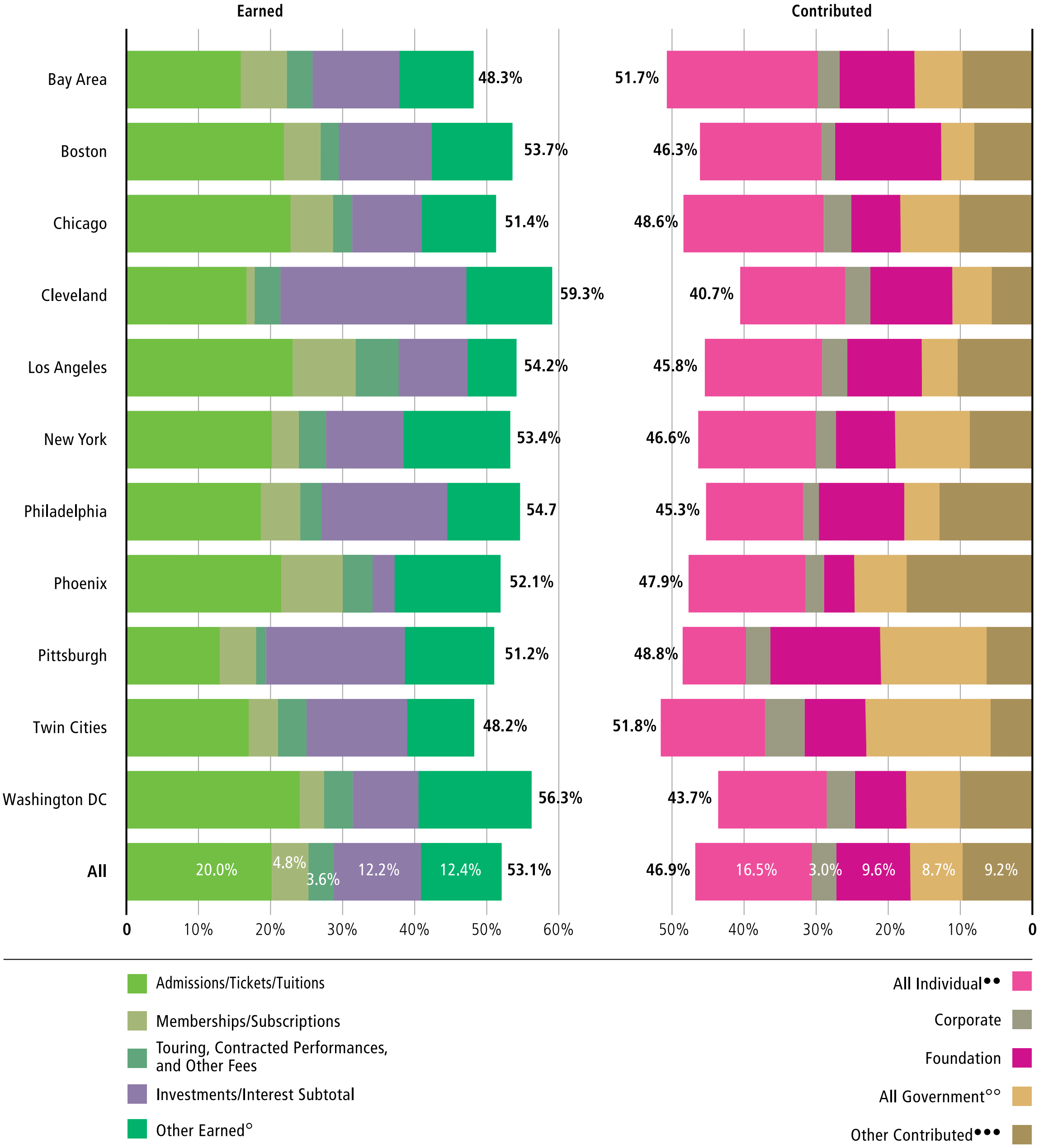
8 **Total revenue by budget size•**



• *Percentages are calculated using Total Earned and Contributed Revenue.*
° *Other Earned: Special Events & Others; Sales & Concessions; Rental Income; and Advertising & Sponsorship*
•• *All Individual: Board and Individual*
°° *All Government: City Government; County Government; State Government; Federal Government; and Tribal Contribution*
••• *Other contributed: Parent Organizations; In-Kind Contributions from Events; and Other*
Source: Most Recent FY

The contributed-to-earned ratio was 47/53 overall, but the ratio ranged from 63/37 at Small organizations (much more dependent on Contributed Revenue) to 42/57 at the Very Large organizations (see Graph 8). The main drivers of revenue were Admissions/Tickets/Tuitions (20.2%), Individuals and Board (16.2%), and Foundations (10.4%; see Graph 9). Only the Bay Area and the Twin Cities had Contributed Income higher than 50%.

9 **Total revenue by metro•**



• *Percentages are calculated using Total Earned and Contributed Revenue.*

° *Other Earned: Special Events & Others; Sales & Concessions; Rental Income; and Advertising & Sponsorship*

•• *All Individual: Board and Individual*

°° *All Government: City Government; County Government; State Government; Federal Government; and Tribal Contribution*

••• *Other contributed: Parent Organizations; In-Kind Contributions from Events; and Other*

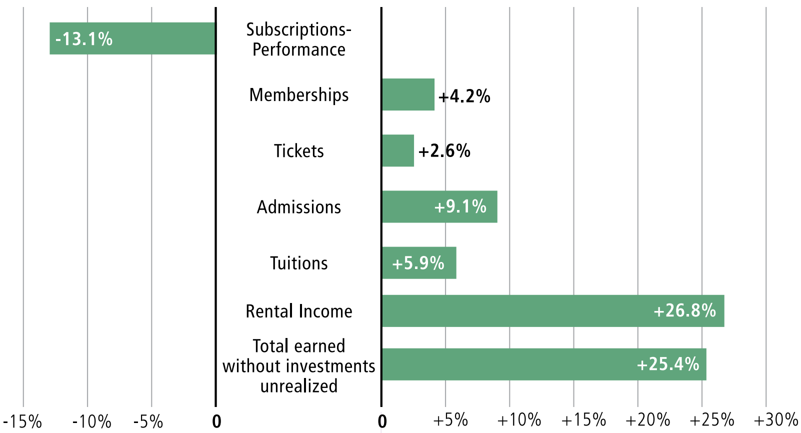
Source: Most Recent FY

Earned Income

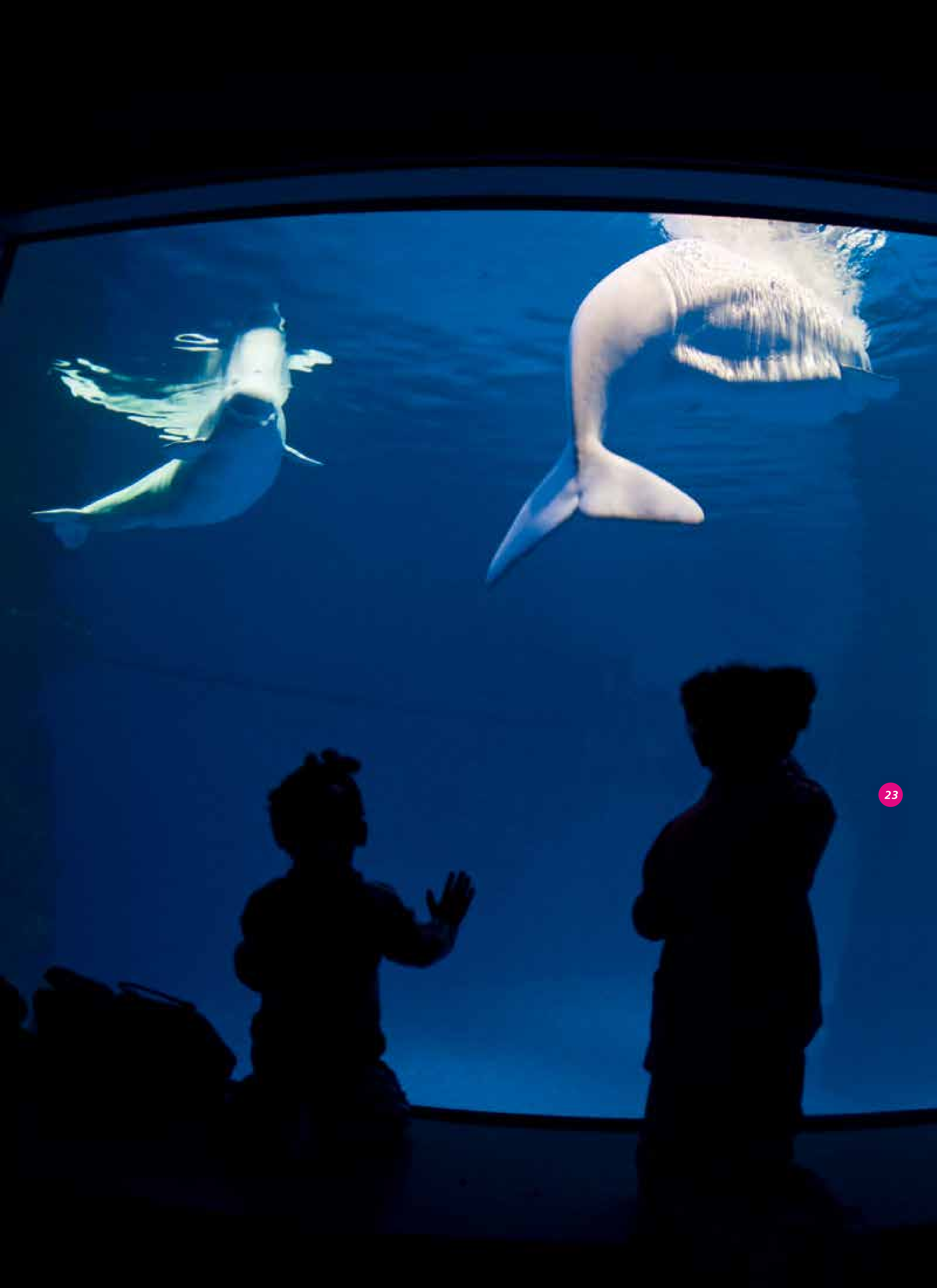
Earned income increased 25.4%.

A key positive factor was Earned Income, which increased 25.4% overall in the Trend data (excluding Unrealized Investments). While most of those gains were driven by Realized Investments (up 172.6% and not displayed graphically), most operating lines of revenue from operating income were up, notably Memberships, Tickets, Admissions, Tuitions, and Rental Income (see Graph 10). The only significant decline in Earned Income from operating sources was Subscriptions, which declined 13.1%, continuing a trend seen in earlier editions of ***Portfolio*** in Philadelphia.

10 **Change in earned revenue all metros aggregated•**



• *% change 2009–2012 (adjusted for inflation)*
Source: FY 2009–2012 Trend



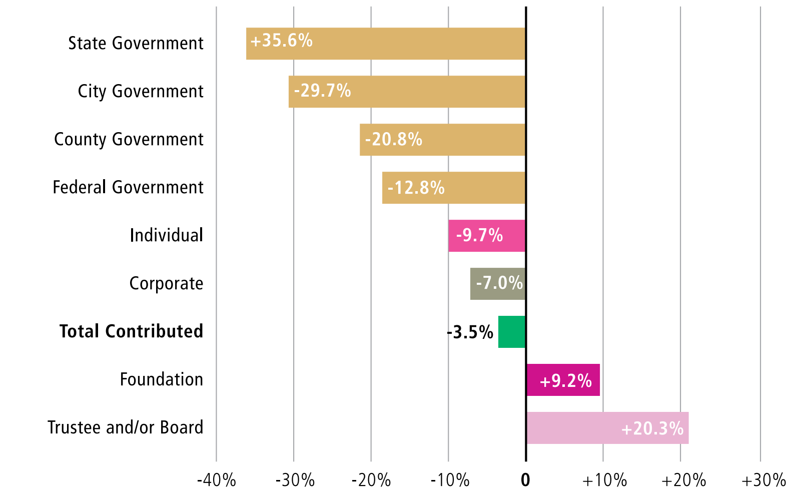
Contributed Income

The positive increases in Earned Income were offset by an overall decline in Contributed Income of 3.5%. All major sources of Contributed Income other than Foundation and Board giving declined (see Graph 11). Government funding, which makes up 8.7% of total funding, declined from every source (city, county, state, and federal) and continues to shrink as a proportion of overall revenue for cultural organizations. The 9.7% decline in Individual giving is particularly significant since Individual giving makes up 10.0% of the combined Earned and Contributed Revenue in the Most Recent FY. Unfortunately, the increases in Foundation and Trustee/Board giving were not enough to offset the decreases in these other contributed funding sources.

The overall 3.5% decline in contributed support documented in *Culture Across Communities* differs from recent national reports on charitable giving. Giving USA reported a 12.2% increase in charitable giving to all nonprofits across the country from 2009 to 2012, and a 13.1% increase in giving to Arts, Culture, and Humanities. However, those calculations do not include the documented decline in contributions from government sources, and the dataset of organizations examined by Giving USA is based on a different set of Arts, Culture, and Humanities organizations than this report, derived from the National Center for Charitable Statistics. There is also considerable variability in findings from recent national reports. Giving USA documented a 7.4% increase from 2013 to 2014 in giving to Arts, Culture, and Humanities organizations. Blackbaud's Charitable Giving Report, however, documented only a 3.0% increase in giving to the arts and humanities within that same time period. That increase is more closely aligned with the 2.2% increase in combined Individual and Board giving from 2009 to 2012 that we saw in *Culture Across Communities* (see the next section). The datasets in *Culture Across Communities* represent the actual reported financial activity of CDP cultural organizations from 2009 to 2012, while many of these other reports are based on data from funders and/or donors via tax returns. This suggests two possible interpretations; one is that giving to the arts and culture sector has improved significantly since 2012; the other is that while overall giving to arts and culture is up, it is spread between many more organizations and includes many large and in-kind gifts to Very Large organizations in communities not examined in our report.

Contributed income declined 3.5%.

11 **Change in contributed revenue—all metros aggregated**

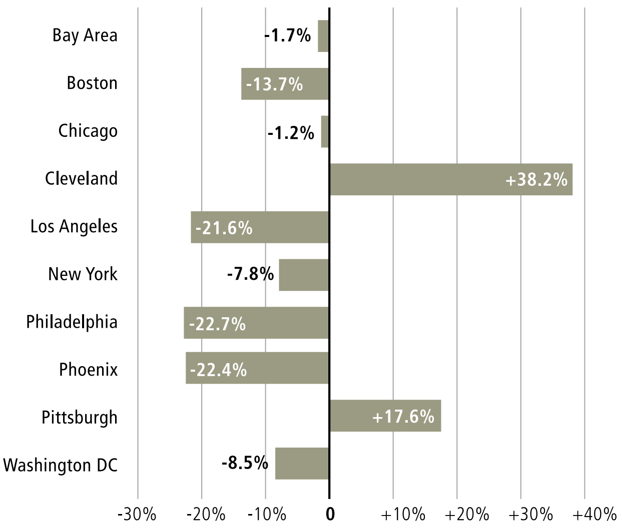


* *% change 2009–2012 (adjusted for inflation)*
Source: FY 2009–2012 Trend

Corporate Funding

Corporate funding remains a challenge for the groups in the study (see Graph 12). Corporate funding in the study is just 3.0% of overall revenues. Additionally, it has increased in Cleveland and Pittsburgh but has declined in all other Trend metro regions. The only metro with a significantly higher percentage of Corporate funding is the Twin Cities, at 5.5%.

12 **Change in revenue by metro–corporate•**



• *% change 2009–2012 (adjusted for inflation)*
Source: FY 2009–2012 Trend

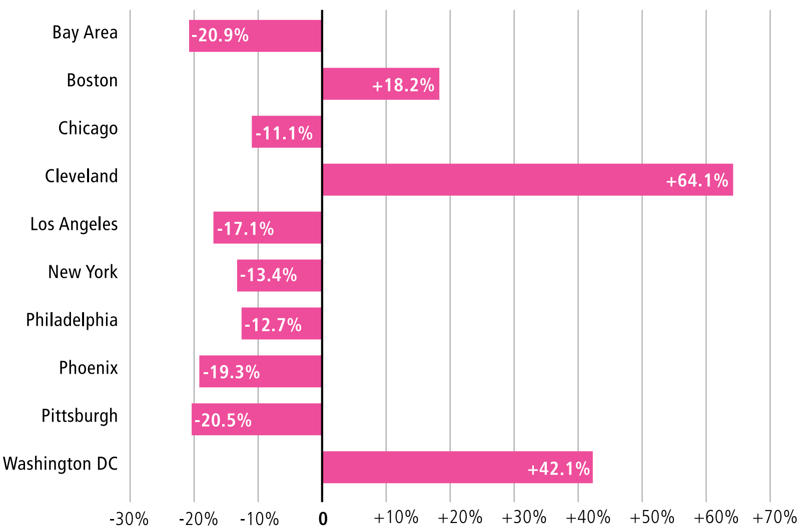
Individual & Board Giving

Individual giving remains a critical funding resource for cultural groups. If the revenue contributed by Individuals and Boards is combined with Earned Revenue that primarily comes from individuals (Admissions, Tickets, Subscriptions, and Memberships), individuals provide 41.3% of the overall revenue in this study. Individual giving from the public (not including board gifts) comprises 10.0% of Earned and Contributed Revenue. On a per capita basis, it is highest in the Bay Area, New York, and Boston (see Graph 14). However, Individual giving declined 9.7% from 2009 to 2012 across all 11 metro regions. Board and Trustee giving, which is tracked separately in CDP (representing 6.4% of Earned and Contributed Revenue) did increase by 20.3%. Collectively, they represent 16.5% of Total Revenue and together increased slightly, 2.2%, from 2009 to 2012.

Looking only at philanthropy, Boston, Cleveland, and Washington DC were the only communities that saw increases in Individual giving (see Graph 13), and only Boston and Washington DC had increases in both Board and Individual giving. Conversely, Chicago, Los Angeles, and Phoenix saw declines in both Board and Individual giving.

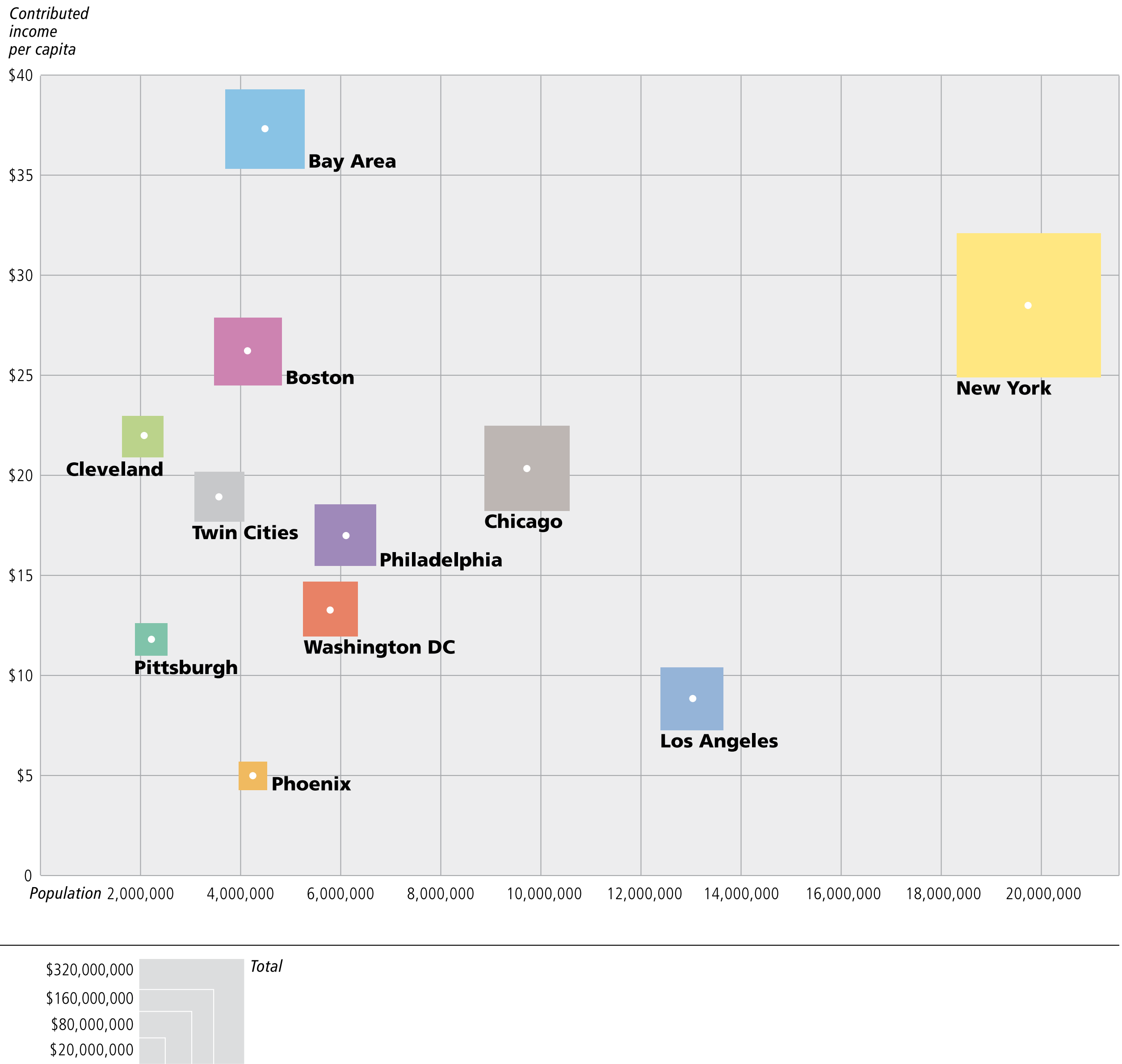
While there are indications that Individual giving is on the upswing across the country (up 12.2% across all charitable organizations from 2009 to 2012, according to Giving USA), the groups in *Culture Across Communities* do not appear to be keeping up with the broader trends in giving. They also appear to generate a smaller proportion of funding from individuals than in the larger arts sector. According to the NEA, Individual giving comprises 20.3% of total funding for performing arts groups and museums in the United States (*How the US Funds the Arts,* NEA 2012), compared to 16.2% in our report.

13 **Change in revenue by metro–individual•**



• % change 2009–2012 (adjusted for inflation)
Does not include Board giving
Source: FY 2009–2012 Trend

14 **Individual contributed income per capita**



Source: MSA population calculated from U.S. Census Bureau; Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2013, Most Recent FY

Does not include Board giving

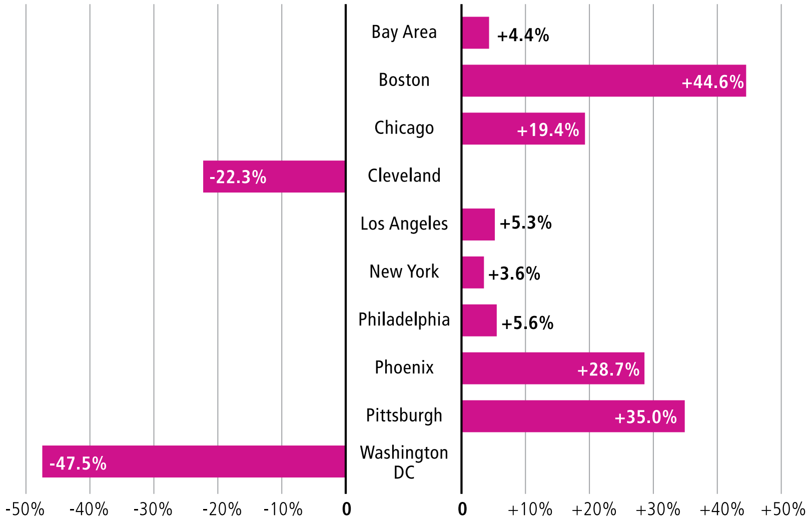

28

Foundation Funding

Foundation funding remains a critical funding source and is the only single CDP classification of contributed funding that matches the scale of Individual giving (10.0% vs. 10.4%). It is also, along with Board giving, one of just two areas of significant contributed support that increased, rising 9.2% from 2009 to 2012. This is the one source of funding for this study that bucked the trends in the Giving USA report, which reported only a 5.4% increase in Foundation giving across all nonprofit sectors from 2009 to 2012. Foundation funding only declined in two metro regions, Cleveland and Washington DC. It does appear that Foundation funding for most of the study regions continues to increase its impact and importance (see Graph 15). It is also important to note that Foundation funding is a higher percentage for mid-sized and smaller organizations, which generally lack investment income and the scale and capacity to generate higher levels of earned income.

Foundation funding increased 9.2%.

15 **Change in revenue by metro–foundation•**

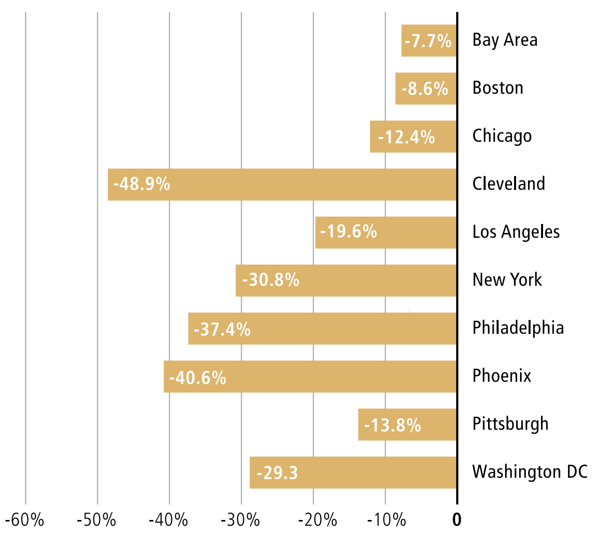


• *% change 2009–2012 (adjusted for inflation)*
Source: FY 2009–2012 Trend

Government Funding

Government funding continues to decline as a funding source for the nonprofit cultural community. Total Government funding from all sources declined 27.9%. Federal funding declined 12.8%, State funding declined 35.6%, and City funding declined 29.7%. Government funding currently represents 8.7% of Contributed and Earned Income, and that percentage is likely to decline. However, it remains notably more important in certain communities, notably the Twin Cities, where it makes up 17.4% of total funding, and Pittsburgh, where it generates 14.8% (both of these regions have a dedicated public funding streams for arts and culture). On a per capita basis, New York, Pittsburgh, and the Twin Cities have the highest per capita funding from government while Phoenix and Los Angeles have the lowest (see Graphs 16 and 17).

16 **Change in revenue by metro–government°**



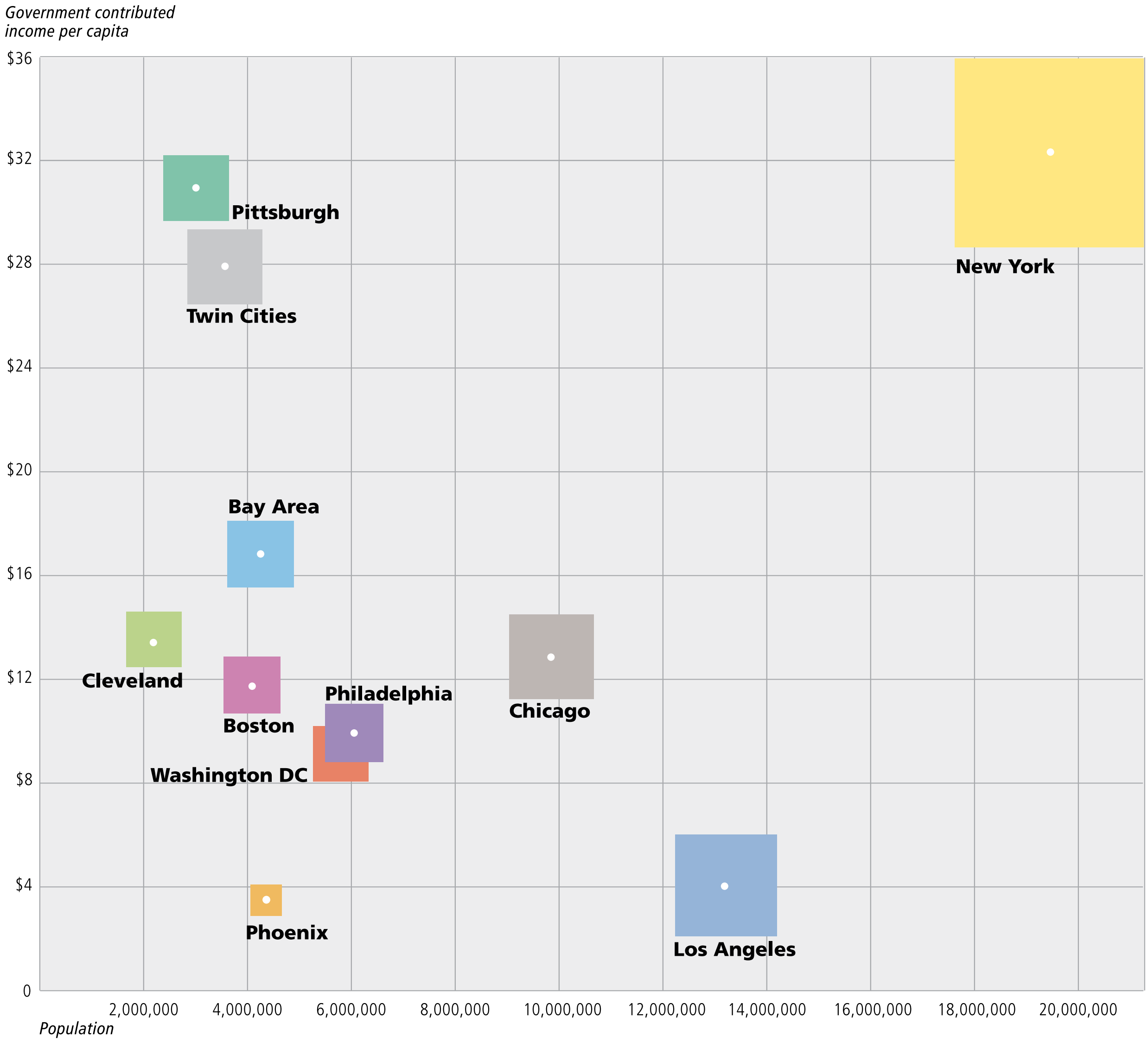
• *% change 2009–2012 (adjusted for inflation)*

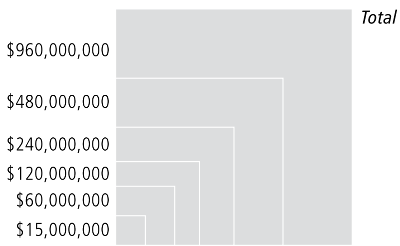
° *All Government: City Government, County Government, State Government, Federal Government, and Tribal Contributions*

Source: FY 2009–2012 Trend

Total government funding declined 27.9%.

17 Government contributed income per capita



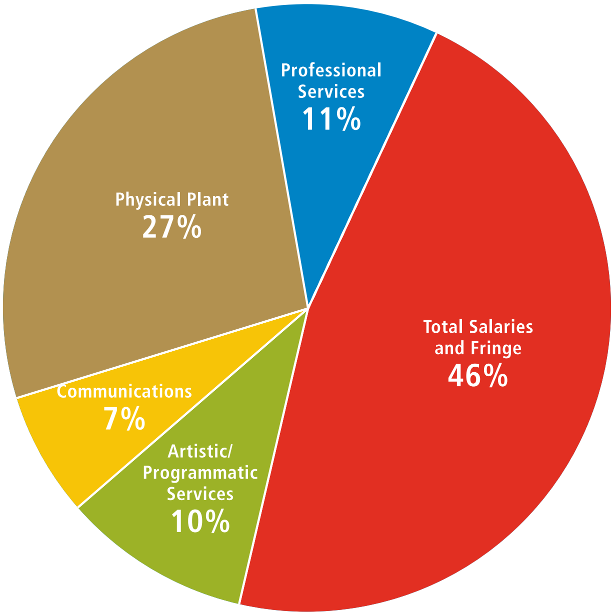


Source: MSA population calculated from U.S. Census Bureau; Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2013, Most Recent FY

Expenses

Total Expenses (or spending) was $13.0 billion. Payroll remains the dominant expense for cultural groups, at 45.7% of Total Expenses, almost half of organizations' annual budgets. The next major cost center is Physical Plant, which is 27.0% of Total Expenses, or about one-quarter of all expenses. Spending declined slightly from 2009 to 2012, dropping 1.6%. Expenses declined in 6 of the 10 trend regions, increasing only in Boston, Philadelphia, Phoenix, and Pittsburgh. The sector appears to be stable, in aggregate, with most metros actually showing a slight decline in spending (adjusted for inflation). On a per capita basis, New York's cultural sector spending was highest, at $274 per capita, followed by the Bay Area ($227), Boston ($211), and Philadelphia ($183). Los Angeles and Phoenix had the lowest per capita spending ($78 and $48, respectively; see Graphs 18, 19, and 20).

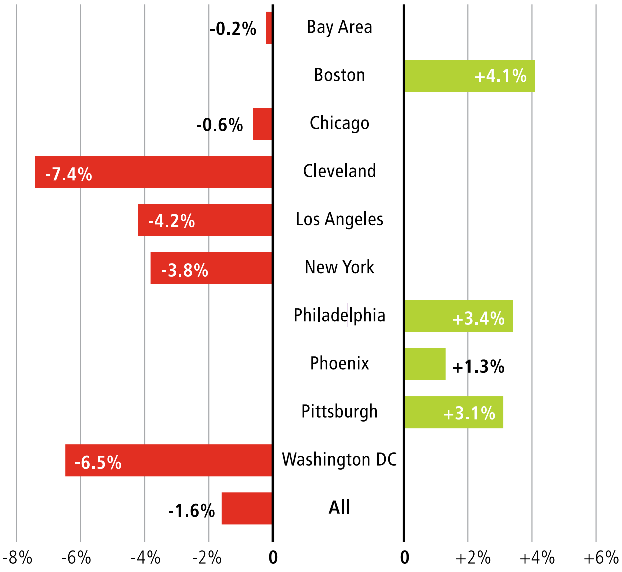
18 **Spending–all metros aggregated**



Total Salaries and Fringe	$5,979,268,000
Artistic/Programmatic Services	1,314,386,000
Communications	866,258,000
Physical Plant	3,531,986,000
Professional Services	1,402,851,000

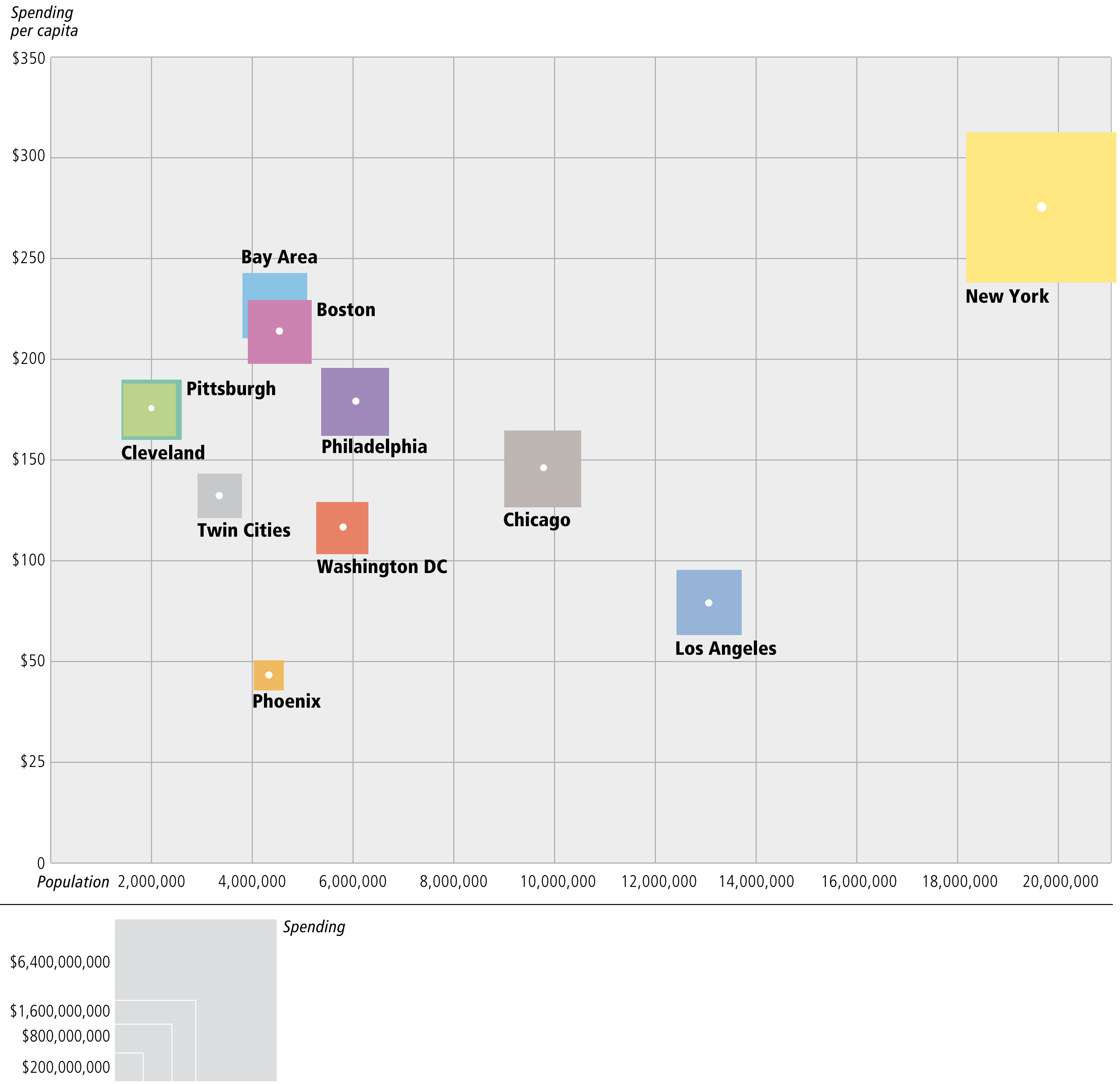
Source: Most Recent FY

19 **Change in spending by metro**



• *% change 2009–2012 (adjusted for inflation)*
Source: FY 2009–2012 Trend

20 **Spending per capita•**

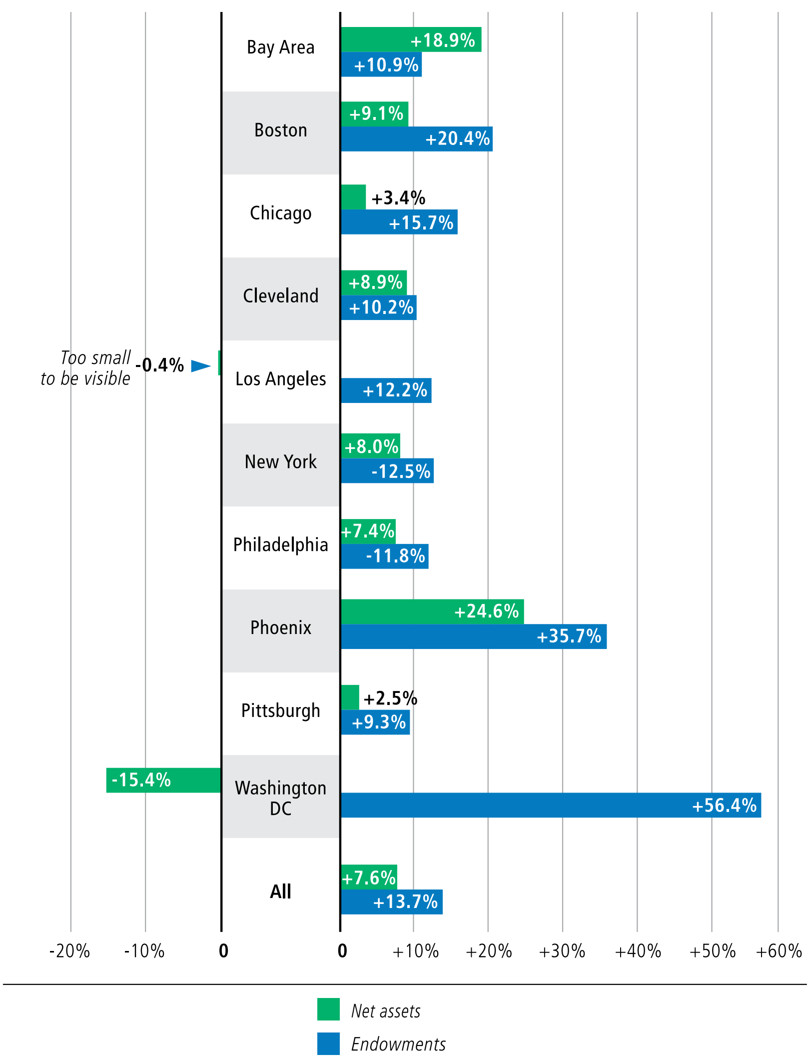


Source: MSA population calculated from U.S. Census Bureau; Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2013, Most Recent FY

Balance Sheet

Despite the challenges confronting the sector (in particular, the slight decline in Contributed support) overall revenue did rise, which had a positive impact on organizations' bottom line. Net Assets and Endowments increased in every metro region with the exception of a decline in Net Assets in Washington DC. Overall, Net Assets increased 7.6%. Working Capital (the difference between Current Assets and Current Liabilities expressed in months of Operating Income) provided, on average, 3 months working capital across the 11 metro areas. It does appear that the groups in the study are slowly building back assets lost in the Great Recession (see Graph 21).

21 **Change in net assets and endowments by metro•**

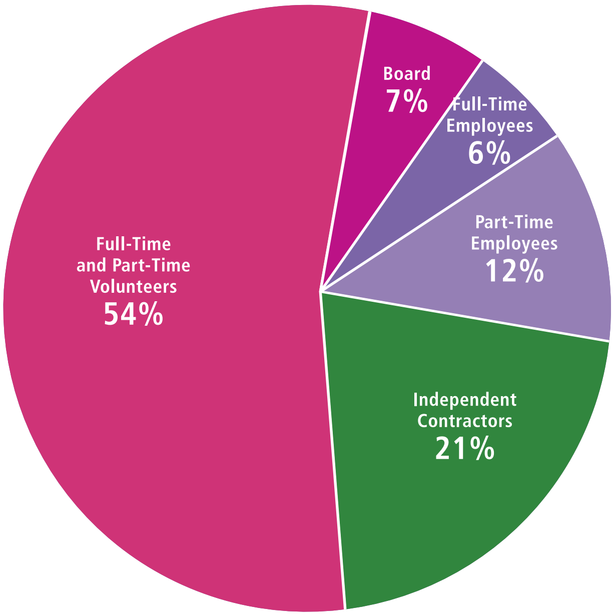


• *% change 2009–2012 (adjusted for inflation)*
• *See Endnote 1*
Source: FY 2009–2012 Trend

Employment, Independent Contractors & Volunteers

The 11 metro regions relied on a wide variety of staff, contractors, and volunteers. There were over 906,000 "positions" across the study (it is impossible to know if these are unique positions, since it is possible that some part-time, volunteer, and contractor positions represent the same persons fulfilling different roles). Over half of these positions were part-time volunteers, the workhorse of the sector, with over 475,000 positions. Conversely, there were 60,000 full-time positions, or 6.6% of all positions. Most metro regions increased their overall paid positions (including independent contractors) from 2009 to 2012, but virtually all the growth was for part-time positions, which increased 4.5% overall (see Graphs 22, 23, and 24).

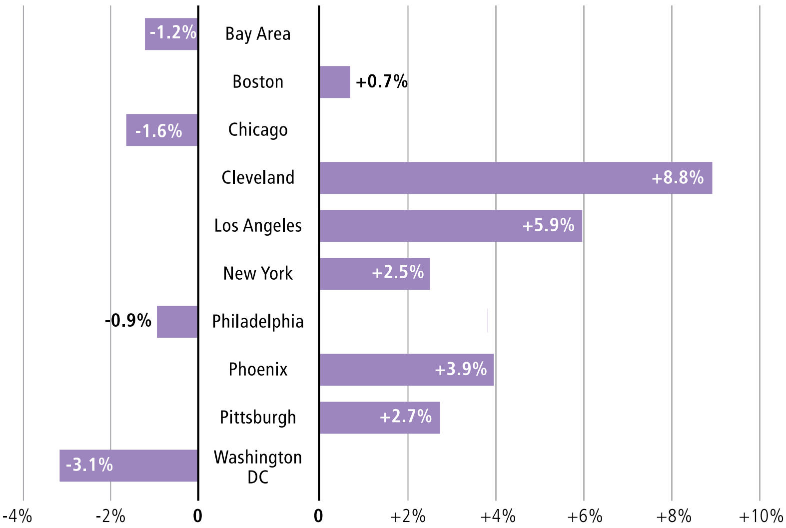
22 **Employment, volunteers/board, independent contractors–all metros aggregated•**



Full-Time and Part-Time Volunteers	486,000
Independent Contractors	188,000
Part-Time Employees	106,000
Full-Time Employees	60,000
Board	67,000
All	906,000

• See Endnote 2
Source: Most Recent FY

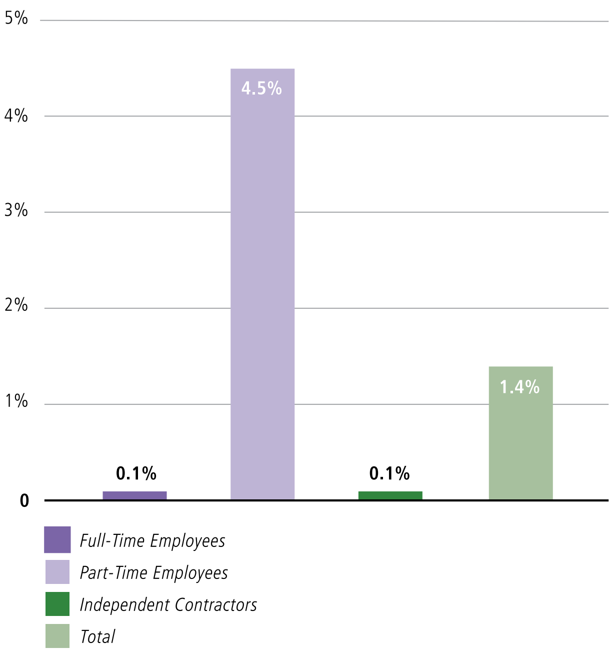
23 Change in paid employment by metro•



• *Paid employment includes full-time employees, part-time employees, and independent contractors.*
See Endnote 2
Source: FY 2009–2012 Trend

Growth in employment was almost exclusively part-time positions.

24 Change in paid employment–all metros aggregated•



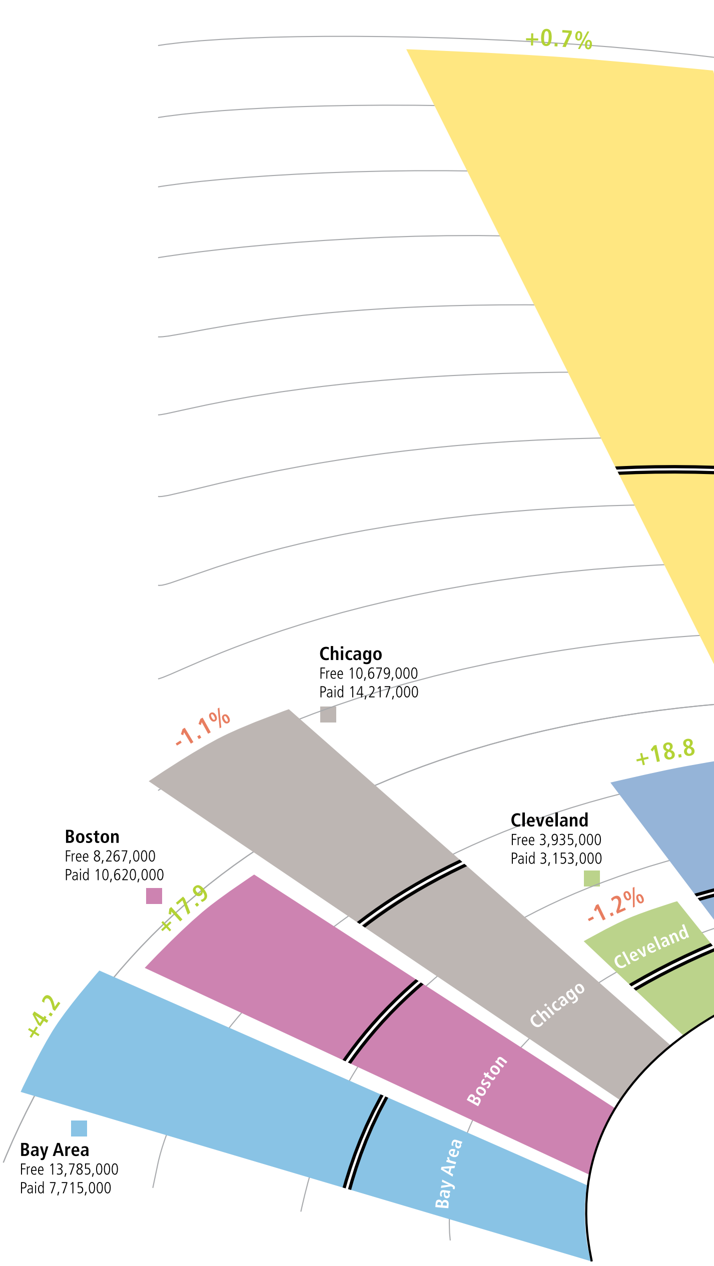
• *See Endnote 2*
Source: FY 2009–2012 Trend

Audiences

Attendance for the cultural sector remains significant, with a total of 210 million annual visits (see Graph 25). The majority (52.1%) were paid attendees. Attendance increased somewhat in the Trend data, up 3.0% overall with an increase of 2.3% for Paid Attendance and 4.0% for Free Attendance. Attendance increased most significantly in Los Angeles (+18.8%) and Boston (+17.9%). Attendance was virtually flat in Phoenix (0.4%) and declined in Cleveland (-1.2%) and Philadelphia (-6.0%). On a per capita basis (see Graph 26), the Bay Area and Boston have the highest amount of per capita visits, with New York City third. (For additional information on children's attendance, please see the Discipline section).

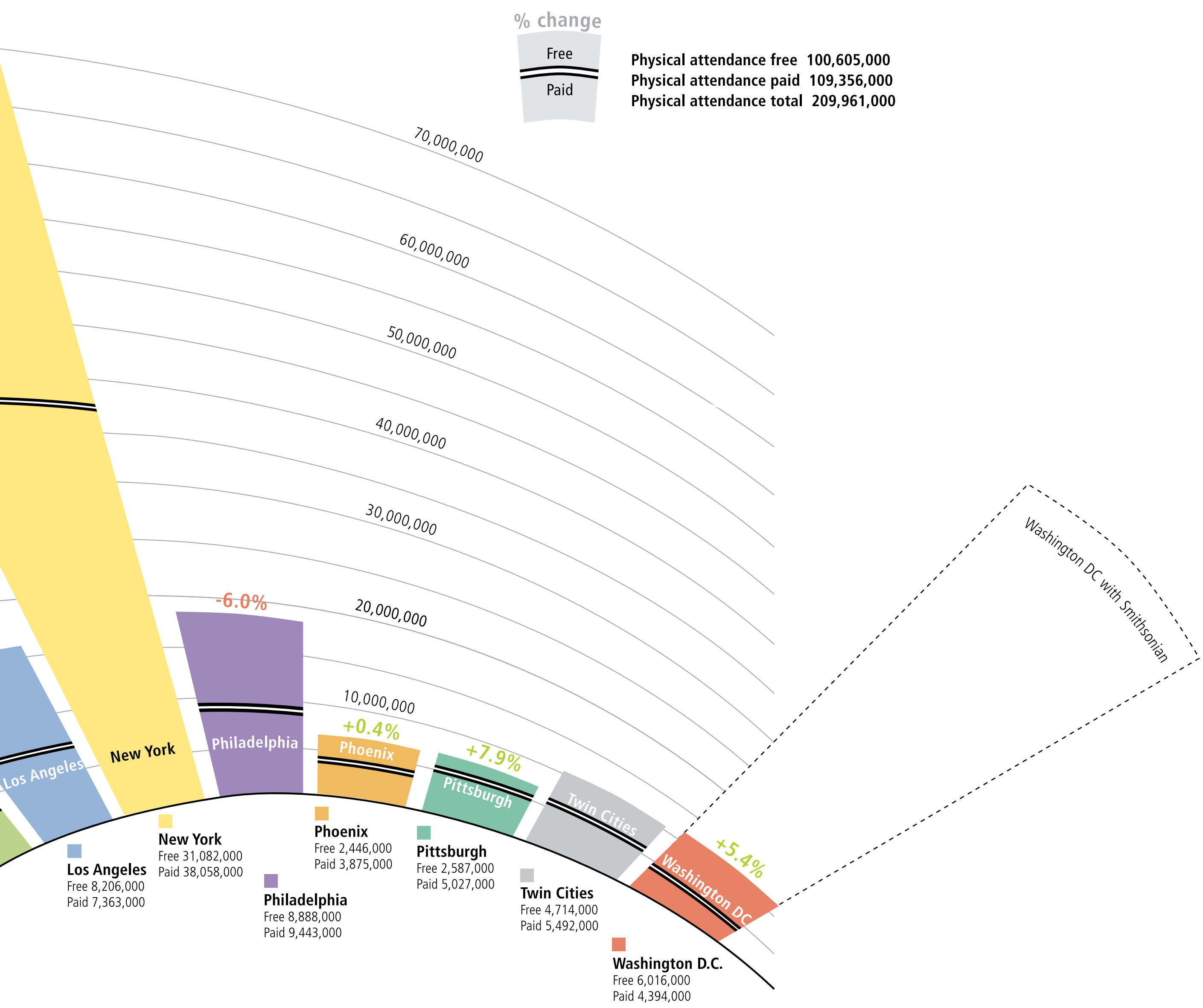
Attendance increased 3.0%.

25 **Total attendance by metro•**



Attendance for Philadelphia is not consistent with our previous ***2014 Portfolio*** because of additional adjustments in free attendance based on updated analysis.

Attendance/ visitation across all 11 metro regions was 210 million.



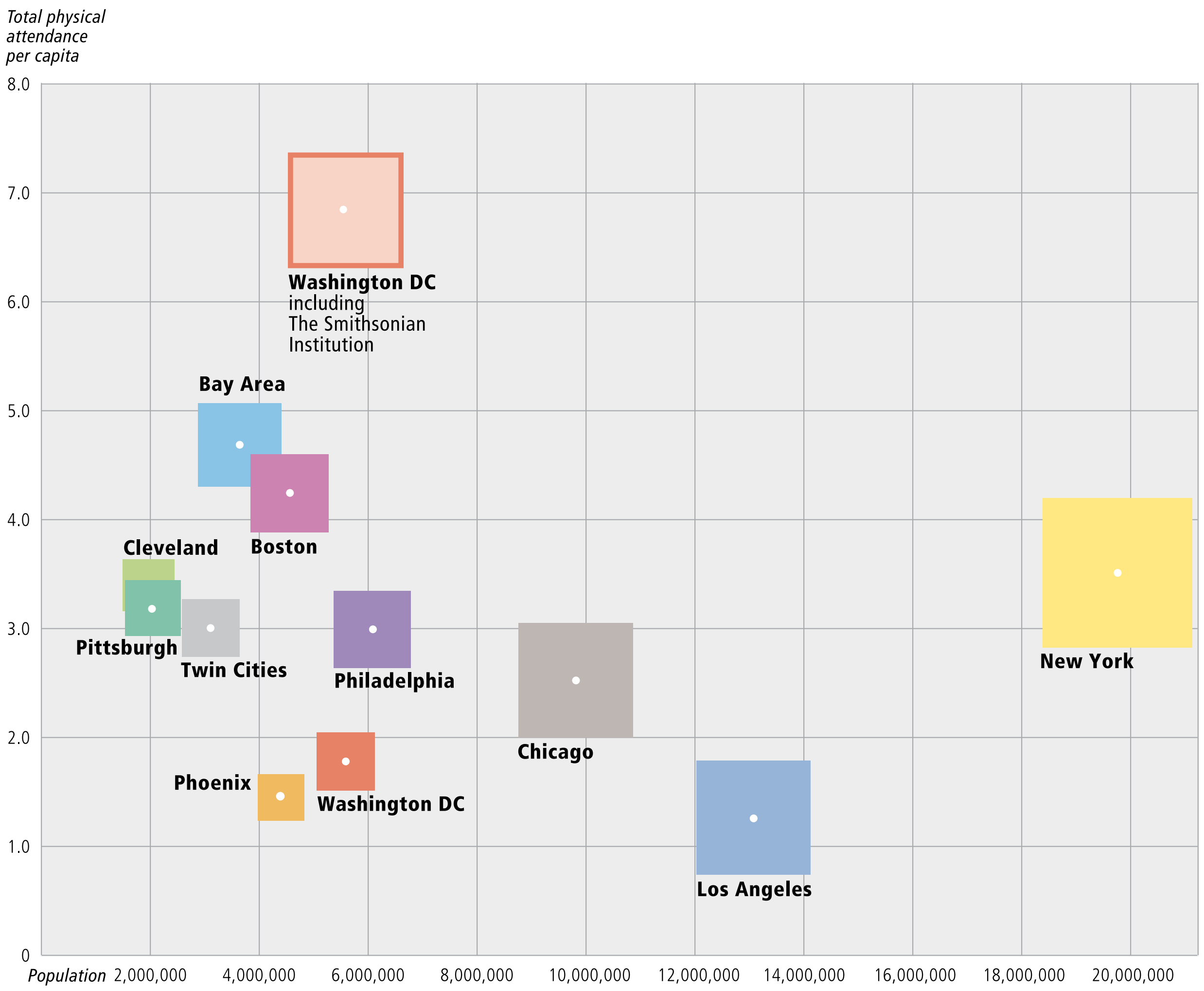
• *Excludes parks (excepting historic and sculpture parks), parade, festival, and library circulation figures.*

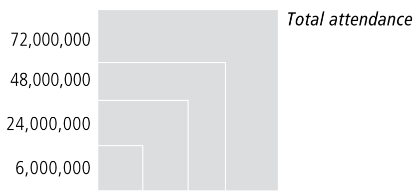
° *See Endnote 3.*

•• *The Smithsonian Institution does not submit to CDP but represents an important source of attendance in the Washington D.C. metro, and has been included here.*

Source: FY 2009–2012 and Most Recent FY

26 **Per capita attendance by metro•**





• *MSA population calculated from U.S. Census Bureau; Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2013*

° *Excludes parks (excepting historic and sculpture parks), parade, festival, and library circulation figures.*

•• *The Smithsonian Institution does not submit to CDP but represents an important source of attendance in the Washington DC metro, and has been included here.*

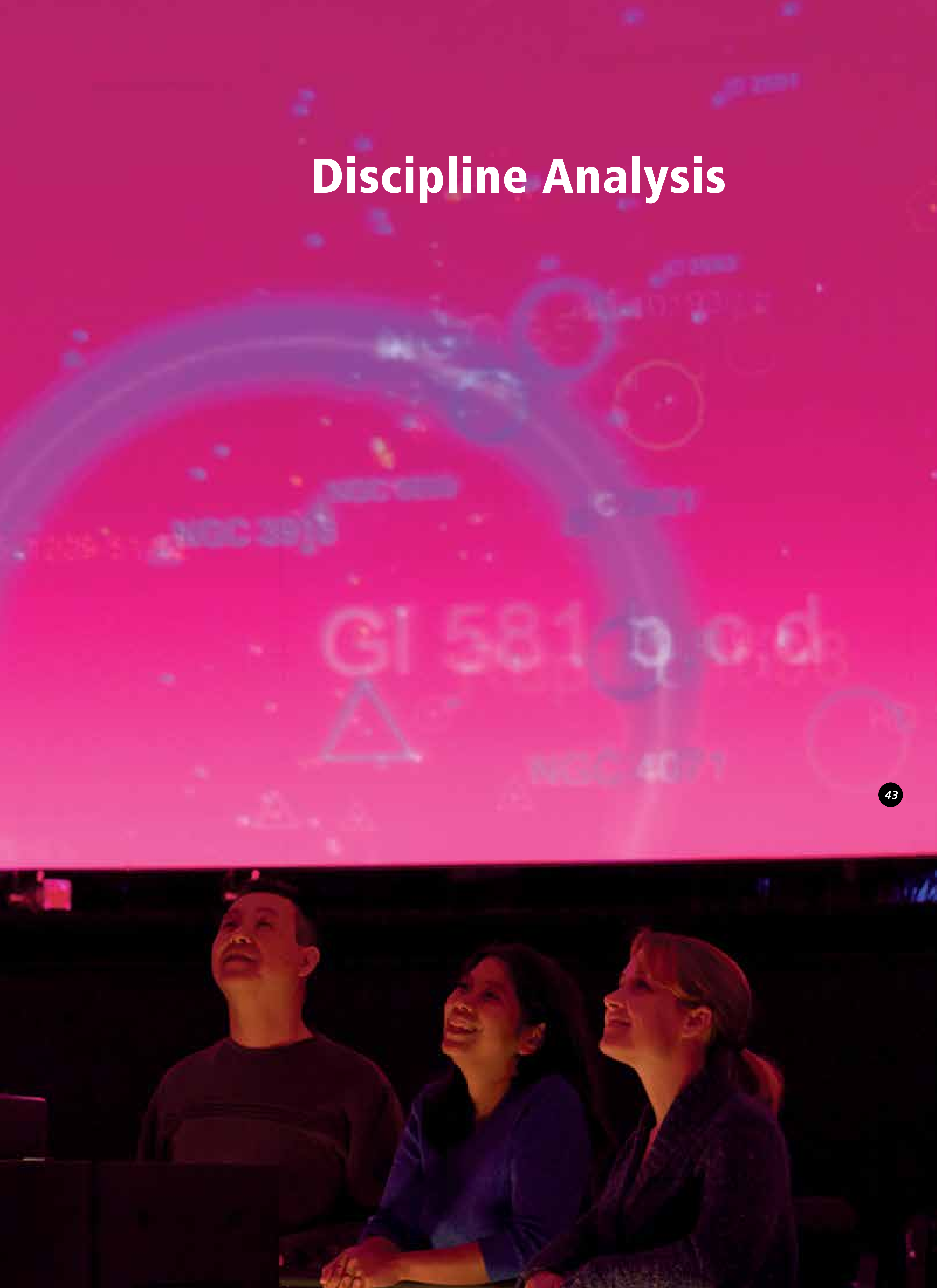
°° *See Endnote 3.*

Summary

While the sector is showing signs of recovery from the Great Recession, with increases in Net Assets and Endowments and gains in attendance, the operating margin for the sector is modest at 3.5% over three years and spending is flat at best. Only the metro regions that were able to significantly increase Contributed Income support (the Bay Area, Boston, and Pittsburgh) saw strong increases in overall revenue. Clearly, increases in Earned Income have been a highlight of the sectors performance. If the sector is to continue its recovery and expand output, however, increases in Contributed support are critical.


ZEISS

Discipline Analysis

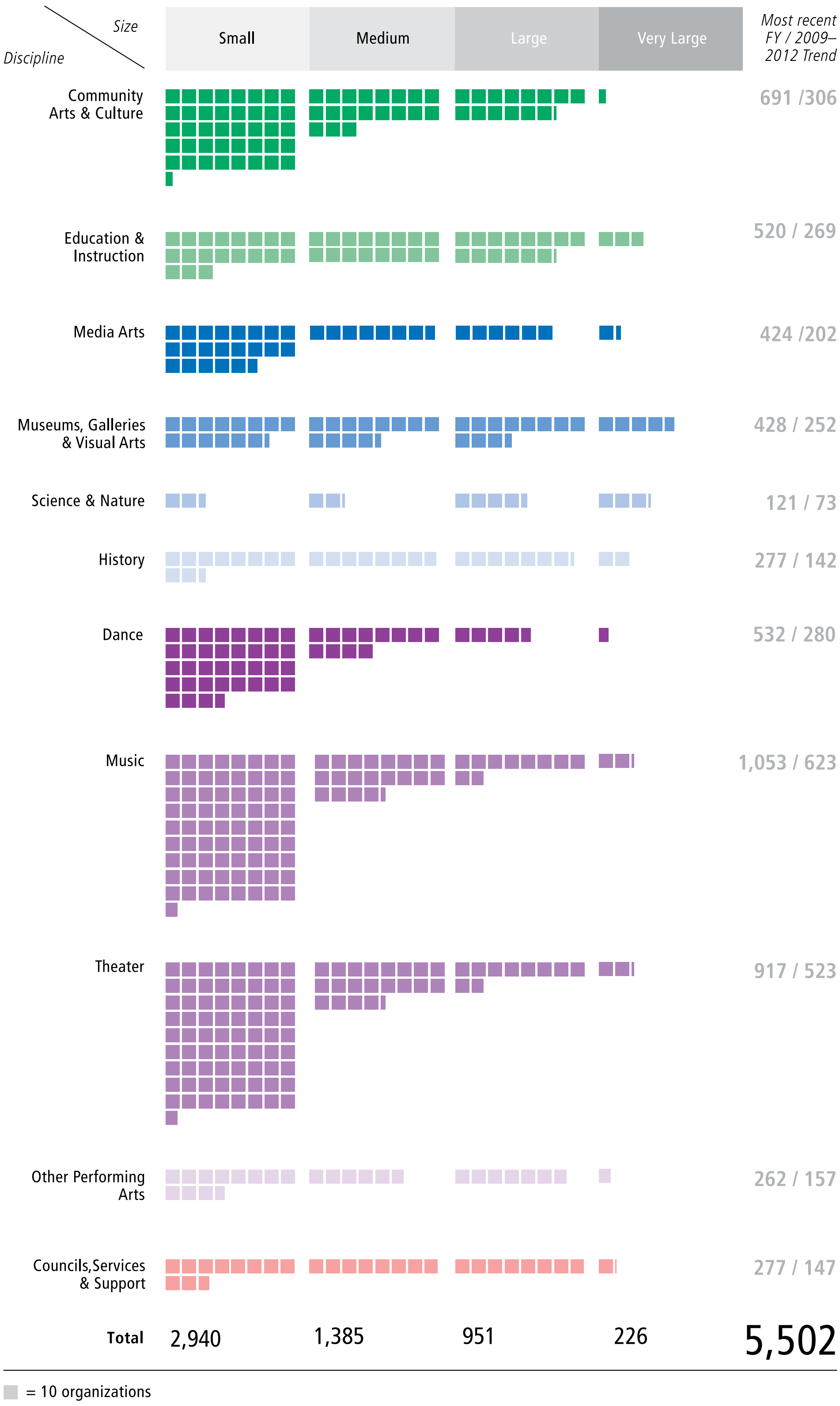


Introduction

In addition to examining 11 metro regions, the data in *Culture Across Communities* is broken out into 11 disciplines (which are sometimes aggregated into four Meta-disciplines). In this chapter, we take a closer look at key indicators in each of the 11 disciplines.

There are some notable differences in size groupings by discipline (see Graph 27). Community Arts, Dance, Media Arts, Music, and Theater all had a majority of their organizations classified as Small, with Dance and Music having the highest proportion of Small organizations across the 11 disciplines. Medium groups were evenly distributed across all disciplines, consistently composing about one-fifth to one-quarter of any discipline. While only 4.1% of organizations are classified as Very Large, within the Science & Nature discipline, 1 out of 4 organizations are Very Large. The only other discipline with a notably large proportion of Very Large organizations was Museums, Galleries & Visual Arts, with 10.9%.

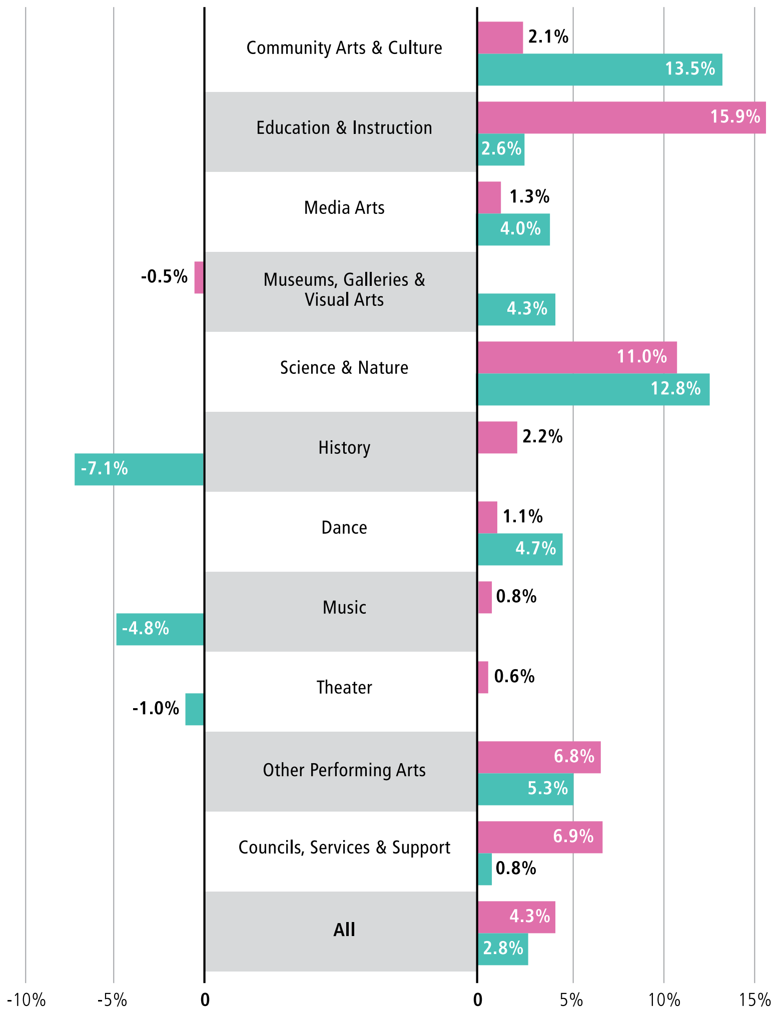
27 Number of organizations by size and discipline



Source: Most recent FY

Financial Health

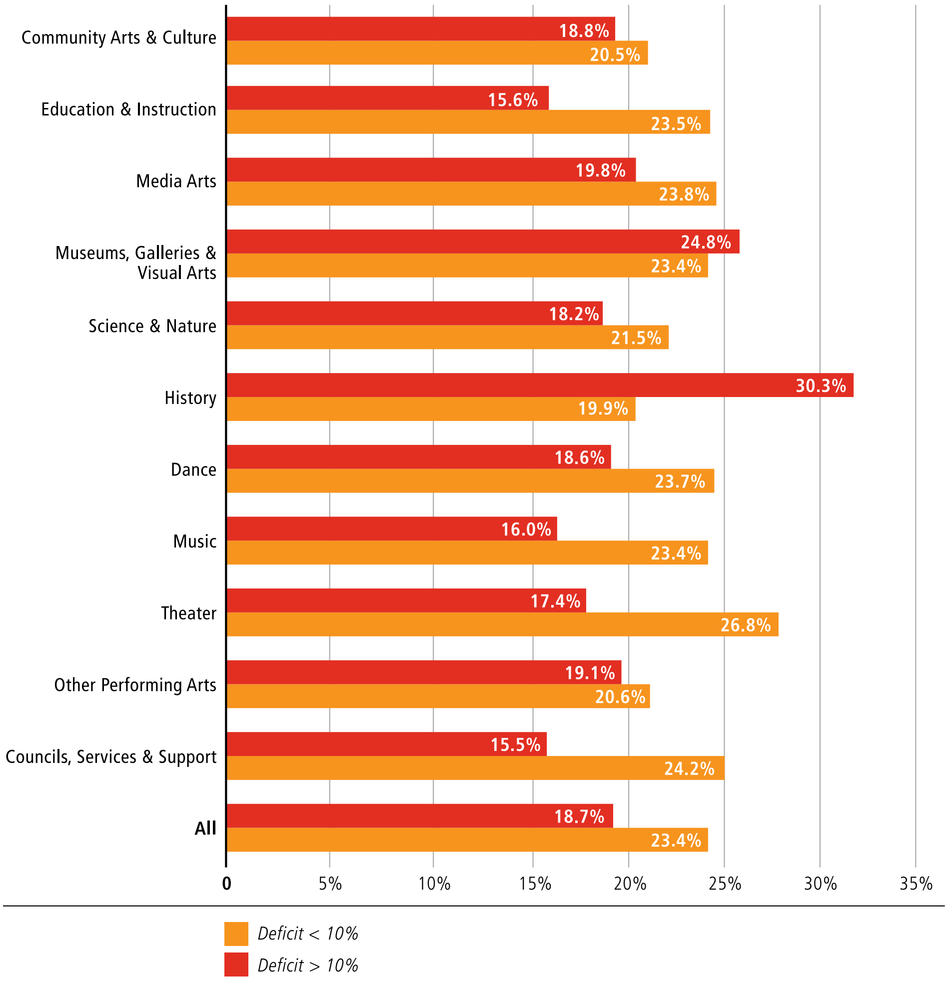
28 Surplus/deficit by discipline•



• *All calculations are done after depreciation. Surplus/deficit is determined by subtracting Total Expense from Unrestricted Total Revenue. Margin is calculated by dividing this figure by Total Expenses.*

Source: Most Recent FY

29 **Number of organizations in deficit by discipline•**



•Deficit is determined here by subtracting Total Expenses from Unrestricted Total Revenue. All calculations are done after depreciation.
Source: Most Recent FY

Surplus/Deficit

Margins were generally positive (see Graph 28). All disciplines had aggregate positive margins for organizations under $10 million except for Museums, Galleries & Visual Arts, which had a -0.5% margin. Very Large organizations experienced more volatility, but only History (-7.1%), Music (-4.8%), and Theater (-1.0%) had deficits for the Very Large organizations. The strongest aggregate margins overall were in Science & Nature, with a +11.0% margin for groups under $10 million and +12.8% for groups over $10 million.

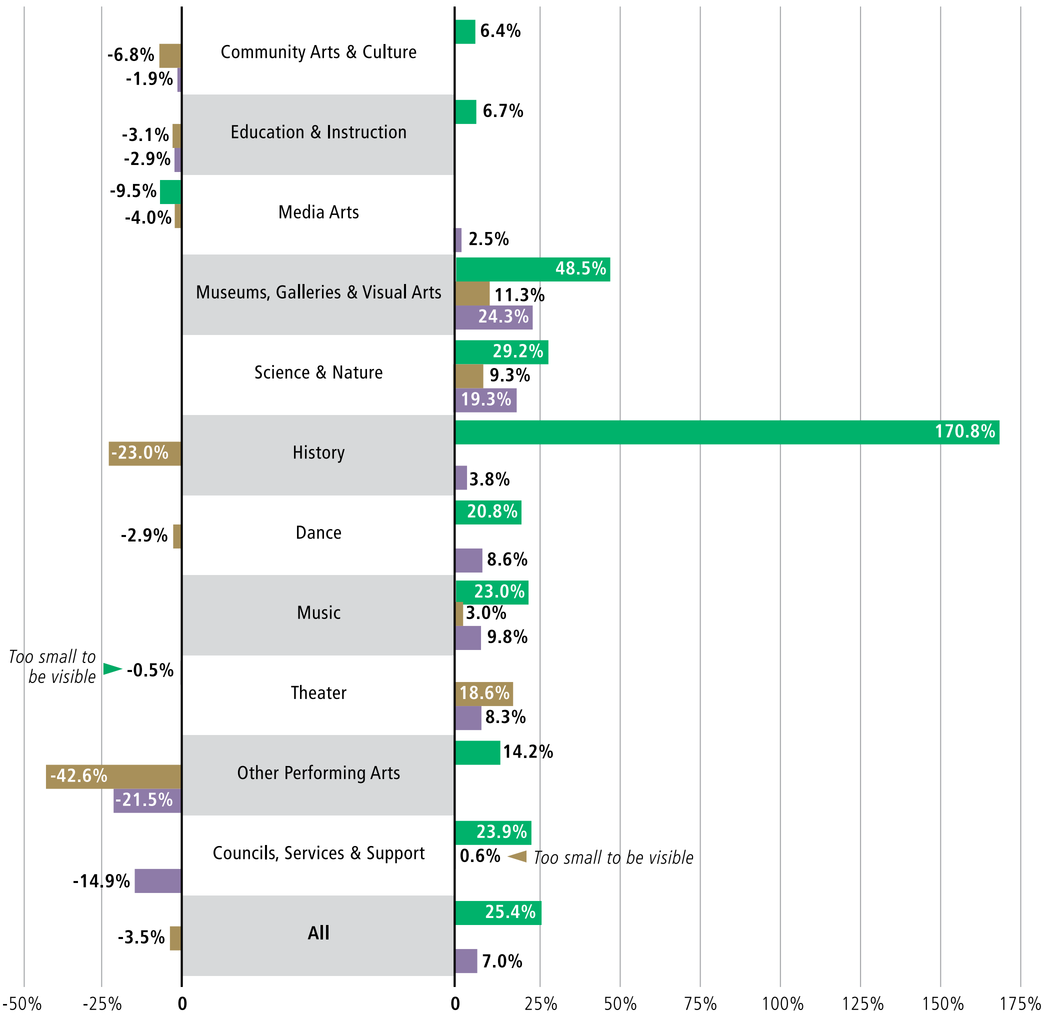
Despite an aggregate surplus, deficits at individual organizations remain an ongoing challenge for all disciplines; 42.0% of organizations reported a deficit (see Graph 29). History organizations are particularly challenged, with 50.2% of History groups reporting a deficit and 30.3% reporting a deficit greater than 10%, the highest levels of any discipline. Education & Instruction has the fewest groups reporting a deficit, at 39.0%, closely followed by Community Arts & Culture (39.4%), Music (39.3%), and Science & Nature (39.7%).

Earned income was up in all but two disciplines.

Earned and Contributed Revenue

Changes in revenue were generally positive (see Graph 30), with the largest increases in Total Revenue in Museums, Galleries & Visual Arts (+24.3%) and Science & Nature (+19.3%). Earned Income was up in every discipline other than Media Arts (-6.6%) and Theater (-0.5%). However, Contributed Income was down in 6 disciplines, notably Other Performing Arts (-42.6%) and History (-23.0%). Other Performing Arts also had the largest overall decrease in Total Revenue (-21.5%). Generally, the strongest margins were seen in the disciplines that saw increases in both Earned and Contributed Income—notably Museums, Galleries & Visual Arts, Science & Nature, and Music. Museums, Galleries & Visual Arts was notable for the highest increase in Total Revenue as well as the second highest increase in Earned and Contributed Revenue.

30 **Change in revenue by discipline•**



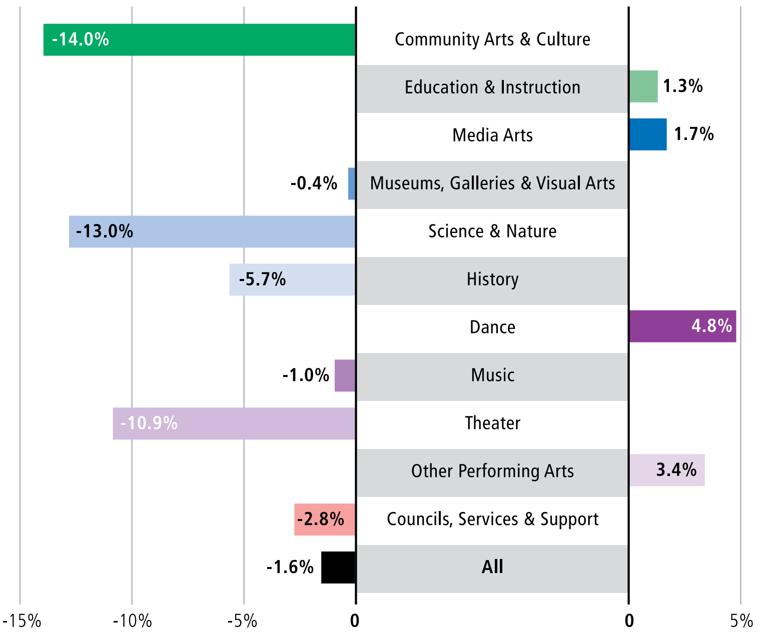
• % change 2009–2012 (adjusted for inflation)

° Total Revenue includes Transfers & Reclassifications

Expenses

Overall, there were more decreases in spending than increases. Community Arts & Culture, Science & Nature, and Theater all had significant drops in spending from 2009 to 2012 (see Graph 31). While Community Arts & Culture and Theater both also saw declines in attendance, Science & Nature groups, in aggregate, were able to increase attendance (+12%; see Graph 37) at the same time that they were cutting spending. Overall, 7 of the 11 disciplines saw spending decrease. Only Dance and Councils, Service & Support saw significant increases in spending.

31 **Change in spending by discipline**



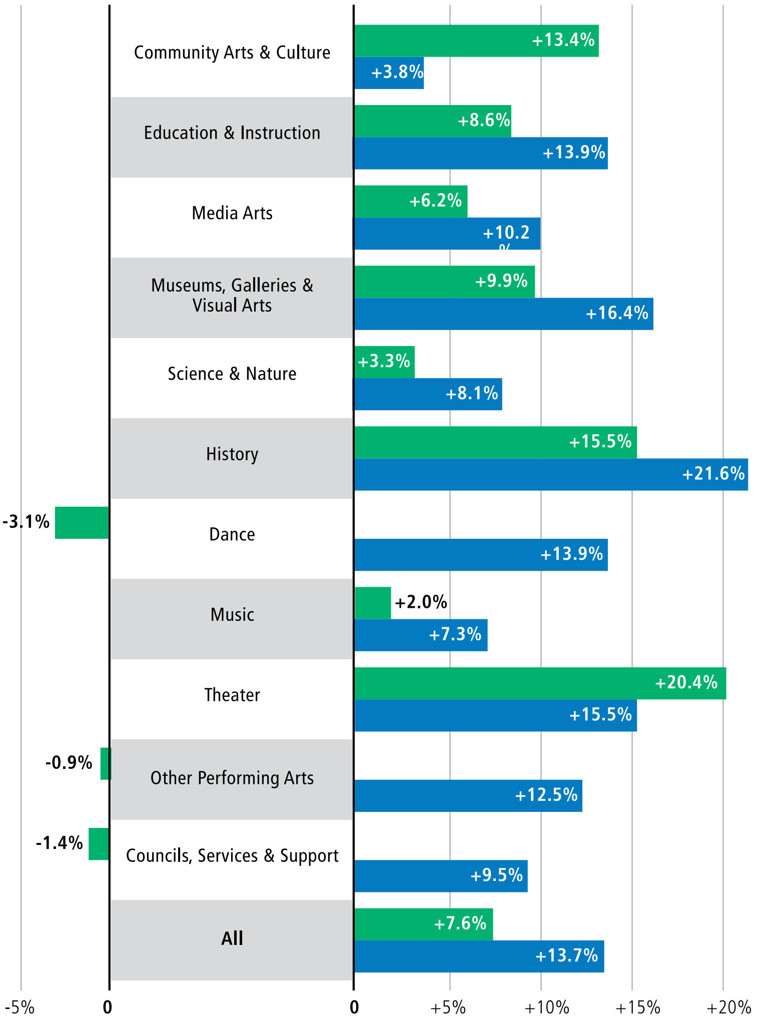
• *% change 2009–2012 (adjusted for inflation)*
Source: FY 2009–2012 Trend

Balance Sheet

Theater and History had the largest increases in Net Assets.

Generally, disciplines saw gains in Endowments and Net Assets, with only Dance, Other Performing Arts, and Councils, Services, & Support seeing modest declines in Net Assets (see Graph 32). Theater (+20.4%) and History (+15.5%) saw the largest increases in Net Assets. Overall, Net Assets increased 7.6% and Endowments increased 13.7%, strong signs that the sector is recovering from the Great Recession.

32 **Change in net assets and endowments by discipline**



• *% change 2009–2012 (adjusted for inflation)*

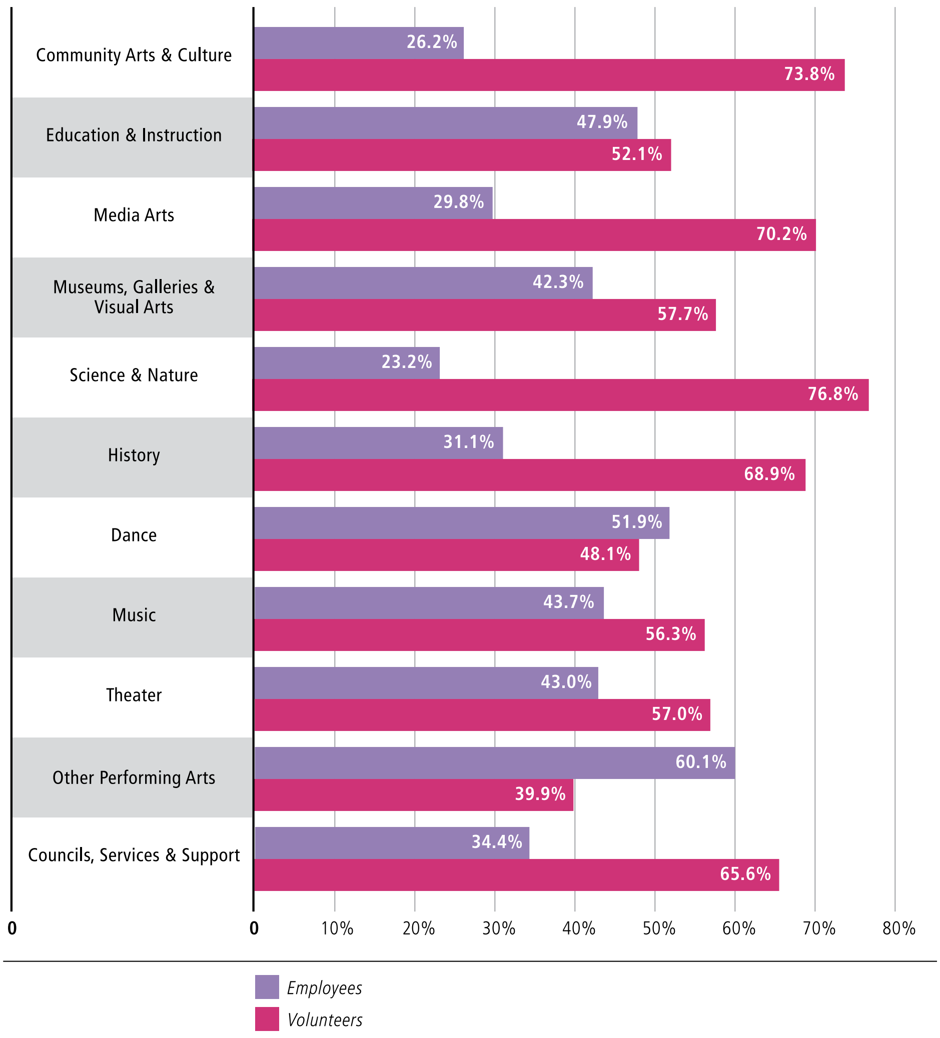
See Endnote 1

Source: FY 2009–2012 Trend

Employment, Independent Contractors, & Volunteers

Volunteers are the primary labor source for cultural nonprofits (see Graph 33). However, the proportion of staff to volunteers does vary by discipline, with Science & Nature, Community Arts & Culture, Media Arts, History, and Councils, Service & Support most reliant on volunteer staff. Other Performing Arts, Dance, and Education & Instruction had the highest proportion of paid positions relative to volunteers. In terms of Full-Time employment, Museums, Galleries & Visual Arts (16%), History (13%), and Education & Instruction (11%) had the highest proportion of full-time paid positions.

33 **Employment and volunteers by discipline**•

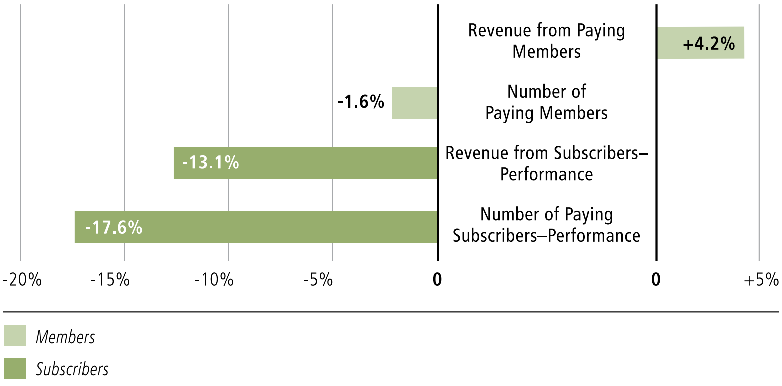


• *See Endnote 2*
Source: Most Recent FY

Audiences

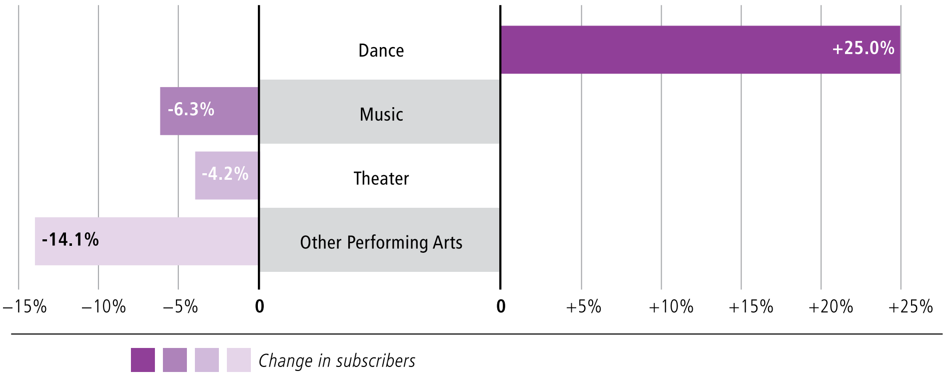
Attendance/ visitation across all 11 metro regions was 210 million.

34 **Change in subscribers and members–all metros aggregated•**



• *Individuals are not unique and may be involved with more than one organization.*
Source: FY 2009–2012 Trend

35 **Subscribers by discipline•**

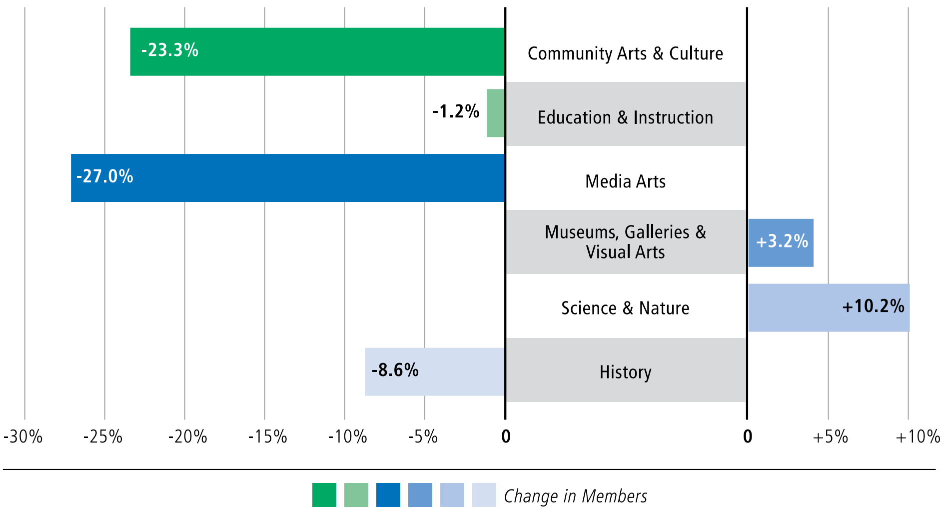


Source: FY 2009–2012 Trend

Subscribers and Members

The Trend data showed a -17.6% decrease in total Paying Subscribers and a -1.6% decrease in total Paying Members (see Graph 34). However, there were some notable outliers. On the performing side, Dance, which has the smallest subscriber base of any Performing Arts discipline, saw the largest increase in total Subscribers, +25% (see Graph 35). In the non-performing arts, both Science & Nature (+10.2%) and Museums, Galleries & Visual Arts (+3.2%) increased total Members (see Graph 36). Despite the modest -1.6% decline in Members, member revenue actually increased 4.2%, as opposed to the combined double-digit decline in both total Subscribers (-17.6% across all disciplines) and subscriber revenue (-13.1%) (see Graph 34).

36 **Members by discipline**



Source: FY 2009–2012 Trend

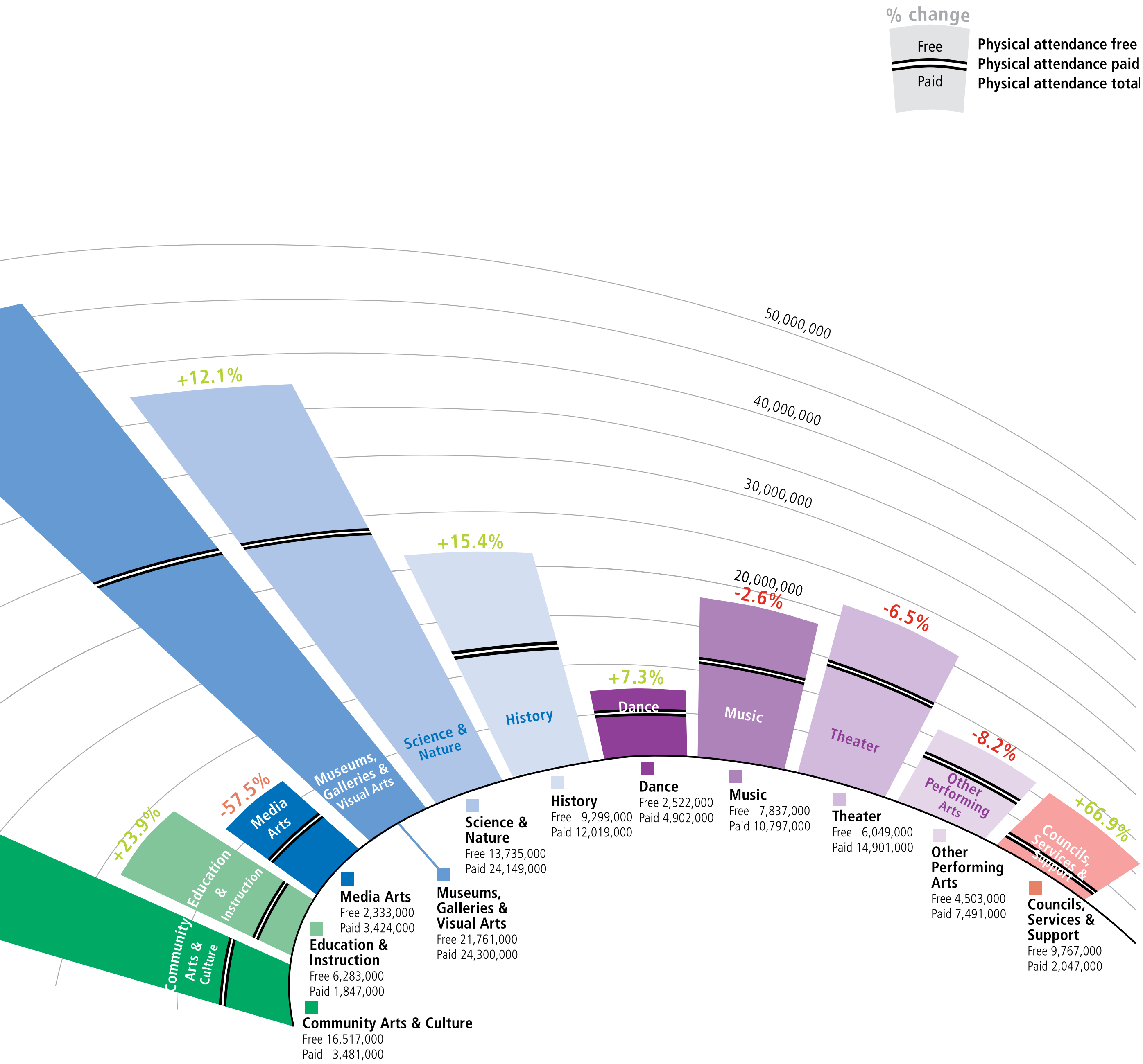
Attendance

Museums, Galleries & Visual Arts and Science & Nature are the two disciplines with the highest proportion of attendance, representing 40.0% of total attendance. They also saw significant increases, with both having double-digit increases in total attendees. Conversely, the three top Performing Arts disciplines—Theater, Music, and Other Performing Arts—all saw decreases in attendance (see Graph 37).

Museums, Galleries & Visual Arts, Community Arts & Science, and Science & Nature had the highest amount of Free Attendance. Paid Attendance was highest in Museums, Galleries & Visual Arts, Science & Nature, and Theater. Paid Attendance declined in every discipline but History, Museums, Galleries & Visual Arts, and Dance.

Children's attendance is a significant portion of total attendance, and is particularly important for the Education & Instruction, Theater, History, and Dance disciplines (see Graph 38).

37 Attendance by discipline

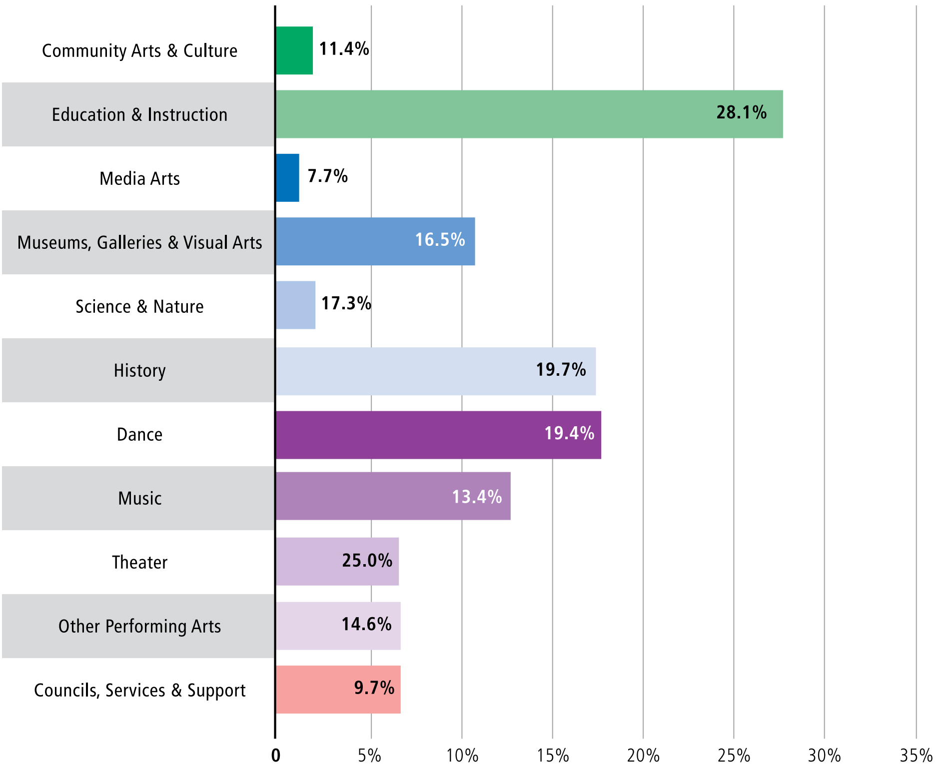


• *See Endnote 3*

Source: Most Recent FY and FY 2009–2012 Trend

Excludes parks (excepting historic and sculpture parks), parade, festival, and library circulation figures.

38 **Child attendance by discipline•**



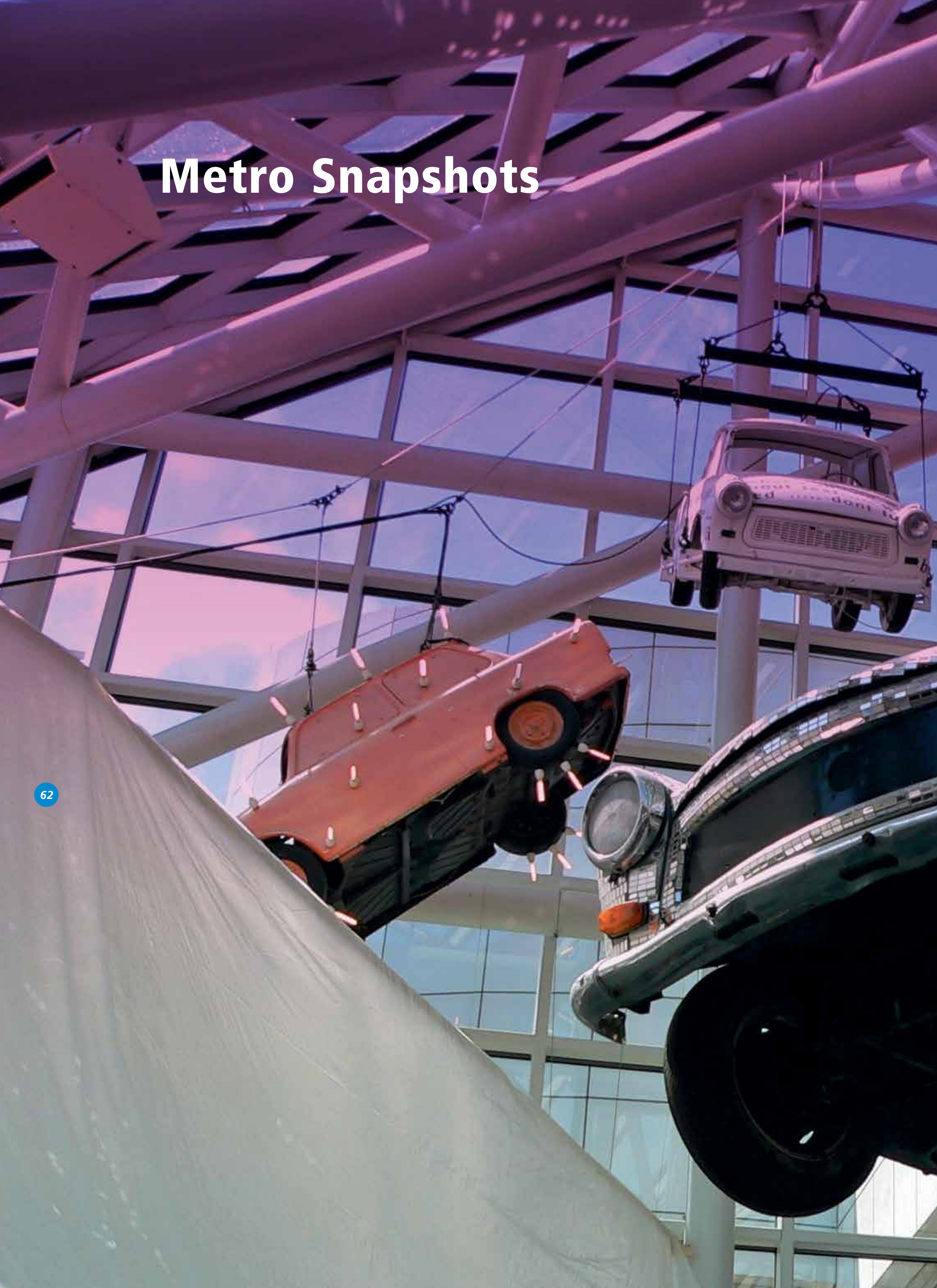
• *Excludes parks (excepting historic and sculpture parks), parade, festival, and library circulation figures.*
See Endnote 3.
Source: FY 2009–2012

Summary

Performance indicators by discipline varied widely. The Museums Meta-category (Museums, Science & Nature, and History) demonstrated some of the strongest gains in attendance and revenue. The Science & Nature category, in particular, had strong indicators of health with double-digit surpluses and almost a 20% increase in Total Revenue. Other disciplines saw strong performances as well, with a 24% increase in Attendance/Admissions/Tuitions for Education & Instruction and strong gains in attendance and Subscribers for Dance.

Performing Arts fared less well: 3 out of 4 disciplines saw drops in attendance (Music, Theater, and Other Performing Arts) as well as drops in revenue from subscribers. Community Arts & Instruction and Media Arts also saw drops in attendance and membership revenue.

Metro Snapshots




FAME

	Bay Area	Boston	Chicago	Cleveland
Organizations in Most Recent FY (in Trend)	682 (364)	382 (248)	828 (551)	173 (108)
Surplus / Deficit[b]	14.5%	1.1%	0.0%	9.7%
Total Revenue[d]	$1,331,581,000	$1,192,696,000	$1,456,140,000	$510,996,000
Total Spending[d]	$1,009,647,000	$978,130,000	$1,416,795,000	$363,372,000
Change in Total Spending (FY 2009–2012)[a]	-0.2%	4.1%	-0.6%	-7.4%
Change in Net Assets[a]	18.9%	9.1%	3.4%	8.9%
Organizations in deficit under 10%[c]	20.7%	24.1%	23.3%	19.7%
Organizations in deficit over 10%[c]	16.7%	20.9%	16.4%	15.0%
Earned / Contributed[e]	48.3% / 51.7%	53.7% / 46.3%	51.4% / 48.6%	59.3% / 40.7%
Change in total Earned[a] (Excluding Investments Unrealized)	20.2%	52.0%	31.5%	24.1%
Change in total Contributed[a]	39.7%	22.8%	-2.1%%	-7.5%
Change in Total Revenue[a,d] (Excluding Investments Unrealized)	25.9%	35.3%	10.7%	7.8%
Largest source of revenue	All Individual (including Board) (22%)	Admissions & Tickets & Tuitions (22%)	Admissions & Tickets & Tuitions (23%)	Investments & Interests Subtotal (26%)
2nd largest source of revenue	Transfers & Reclassifications (18%)	All Individual (including Board) (17%)	All Individual (including Board) (19%)	Admissions & Tickets & Tuitions (17%)
Total Paying Members[h]	530,000	457,000	460,000	88,000
Total Paying Subscribers—Performance[h]	243,000	86,000	218,000	33,000
Total Attendance[g]	21,500,000	18,887,000	24,896,000	7,088,000
Paid / Free	35.9% / 64.1%	56.2% / 43.8%	57.1% / 42.9%	44.5% / 55.5%
Change in Total Attendance	4.2%	17.9%	-1.1%	-1.2%
School Children Attendance	2,709,000	3,271,000	5,208,000	1,622,000
Average Weighted Ticket Price[f]	$24.27	$17.69	$18.16	$18.96
Paid employment	38,000	27,000	44,000	12,000
Volunteers	55,000	66,000	57,000	21,000
Largest discipline	Music (22%)	Music (19%)	Theater (23%)	Community, Arts & Culture (21%)
2nd largest discipline	Community, Arts & Culture (18%)	History (16%)	Music (20%)	Education & Instruction (17%)

a % change 2009–2012 (adjusted for inflation)
b All calculations are done after depreciation. Surplus/deficit is determined by subtracting Total Expense from Unrestricted Total Revenue. Margin is calculated by dividing this figure by Total Expenses.
c Deficit is determined here by subtracting Total Expense from Unrestricted Total Revenue. Margin is calculated by dividing this figure by Total Expenses. All calculations are done after depreciation.
d Total Revenue includes Transfers & Reclassifications.
e Percentages are calculated using Total Earned and Contributed Revenue
f Average Weighted Ticket Price is calculated by dividing Total Revenue From Admissions, Tickets, Membership, and Subscriptions Performance by Physical Attendance Paid.
g The Smithsonian Institution does not submit to CDP but represents an important source of attendance in the Washington D.C. metro. Including the Smithsonian's free attendence, Washington D.C.'s total attendance would increase to 40,410,000.
h Individuals are not unique and may be involved with more than one organization.

	Los Angeles	New York	Philadelphia	Phoenix
Organizations in Most Recent FY (in Trend)	593 (286)	1,532 (867)	473 (298)	139 (32)
Surplus / Deficit[b]	-0.6%	1.1%	13.0%	4.1%
Total Revenue[d]	$1,025,921,000	$6,136,787,000	$1,225,324,000	$216,370,000
Total Spending[d]	$1,022,652,000	$5,440,317,000	$1,103,675,000	$207,348,000
Change in Total Spending (FY 2009–2012)[a]	-4.2%	-3.8%	3.4%	1.3%
Change in Net Assets[a]	-0.4%	8.0%	7.4%	24.6%
Organizations in deficit under 10%[c]	23.1%	25.5%	21.1%	21.6%
Organizations in deficit over 10%[c]	16.7%	20.4%	22.0%	17.3%
Earned / Contributed[e]	54.2% / 45.8%	53.4% / 46.6%	54.7% / 45.3%	52.1% / 47.9%
Change in total Earned[a] (Excluding Investments Unrealized)	1.8%	31.5%	9.3%	17.1%
Change in total Contributed[a]	-12.0%	-12.9%	-0.2%%	-36.8%
Change in Total Revenue[a,d] (Excluding Investments Unrealized)	-18.2%	4.6%	3.4%	-18.2%
Largest source of revenue	Admissions & Tickets & Tuitions (23%)	Admissions & Tickets & Tuitions (20%)	Admissions & Tickets & Tuition (19%)	Admissions & Tickets & Tuition (21%)
2nd largest source of revenue	All Individual (including Board) (16%)	All Individual (including Board) (16%)	Investments & Interests Subtotal (18%)	Other Contributed Subtotal (18%)
Total Paying Members[h]	244,000	1,368,000	529,000	120,000
Total Paying Subscribers—Performance[h]	128,000	244,000	131,000	53,000
Total Attendance[g]	15,569,000	69,140,000	18,331,000	6,321,000
Paid / Free	47.3% / 52.7%	55.0% / 45.0%	51.5% / 48.5%	61.3% / 38.7%
Change in Total Attendance	18.8%	0.7%	-6.0%	0.4%
School Children Attendance	2,837,000	9,684,000	3,167,000	1,143,000
Average Weighted Ticket Price[f]	$29.40	$20.44	$17.31	$15.46
Paid employment	34,000	121,000	24,000	7,000
Volunteers	48,000	89,000	35,000	19,000
Largest discipline	Music (22%)	Theater (18%)	Music (15%)	Music (27%)
2nd largest discipline	Theater (21%)	Music (17%)	History (14%)	Theater (19%)

a *% change 2009–2012 (adjusted for inflation)*
b *All calculations are done after depreciation. Surplus/deficit is determined by subtracting Total Expense from Unrestricted Total Revenue. Margin is calculated by dividing this figure by Total Expenses.*
c *Deficit is determined here by subtracting Total Expense from Unrestricted Total Revenue. Margin is calculated by dividing this figure by Total Expenses. All calculations are done after depreciation.*
d *Total Revenue includes Transfers & Reclassifications.*
e *Percentages are calculated using Total Earned and Contributed Revenue*
f *Average Weighted Ticket Price is calculated by dividing Total Revenue From Admissions, Tickets, Membership, and Subscriptions Performance by Physical Attendance Paid.*
g *The Smithsonian Institution does not submit to CDP but represents an important source of attendance in the Washington D.C. metro. Including the Smithsonian's free attendence, Washington D.C.'s total attendance would increase to 40,410,000.*
h *Individuals are not unique and may be involved with more than one organization.*

	Pittsburgh	Twin Cities	Washington DC	All
Organizations in Most Recent FY (in Trend)	175 (114)	196	329 (106)	5,502 (2,974)
Surplus / Deficit[b]	5.1%	0.5%	-0.6%	3.2%
Total Revenue[d]	$497,349,000	$559,307,000	$$660,884,000	$14,813,346,000
Total Spending[d]	$418,652,000	477,921,000	$656,240,000	$13,094,748,000
Change in Total Spending (FY 2009–2012)[a]	3.1%		-6.5%	-1.6%
Change in Net Assets[a]	2.5%		-15.4%	7.6%
Organizations in deficit under 10%[c]	22.3%	22.4%	25.8%	23.4%
Organizations in deficit over 10%[c]	20.6%	18.9%	17.6%	18.7%
Earned / Contributed[e]	51.2% / 48.8%	48.2% / 51.8%	56.3% / 43.7%	53.1% / 46.9%
Change in total Earned[e] (Excluding Investments Unrealized)	1.4%		3.0%	25.4%
Change in total Contributed[a]	14.3%		-19.7%	-3.5%
Change in Total Revenue[a,d] (Excluding Investments Unrealized)	7.5%		-9.0%	7.0%
Largest source of revenue	Investments & Interests Subtotal (19%)	Government Subtotal (17%)	Admissions & Tickets & Tuition (24%)	Admissions & Tickets & Tuition (20%)
2nd largest source of revenue	Foundation (15%)	Admissions & Tickets & Tuitions (17%)	All Individual (including Board) (15%)	All Individual (including Board) (16%)
Total Paying Members[h]	507,000	146,000	135,000	4,585,000
Total Paying Subscribers—Performance[h]	85,000	173,000	88,000	1,482,000
Total Attendance[g]	7,614,000	10,206,000	10,410,000	209,961,000
Paid / Free	66.0% / 34.0%	53.8% / 46.2%	42.2% / 57.8%	52.1% / 47.9%
Change in Total Attendance	7.9%		-5.4%	3.0%
School Children Attendance	1,447,000	2,544,000	1,812,000	35,444,000
Average Weighted Ticket Price[f]	$15.97	$15.74	$32.97	$20.32
Paid employment	11,000	19,000	17,000	353,000
Volunteers	25,000	27,000	44,000	486,000
Largest discipline	Music (25%)	Theater (19%)	Music (21%)	Music (19%)
2nd largest discipline	Theater (15%)	Music (18%)	Education & Instruction (17%)	Theater (17%)

a *% change 2009–2012 (adjusted for inflation)*
b *All calculations are done after depreciation. Surplus/deficit is determined by subtracting Total Expense from Unrestricted Total Revenue. Margin is calculated by dividing this figure by Total Expenses.*
c *Deficit is determined here by subtracting Total Expense from Unrestricted Total Revenue. Margin is calculated by dividing this figure by Total Expenses. All calculations are done after depreciation.*
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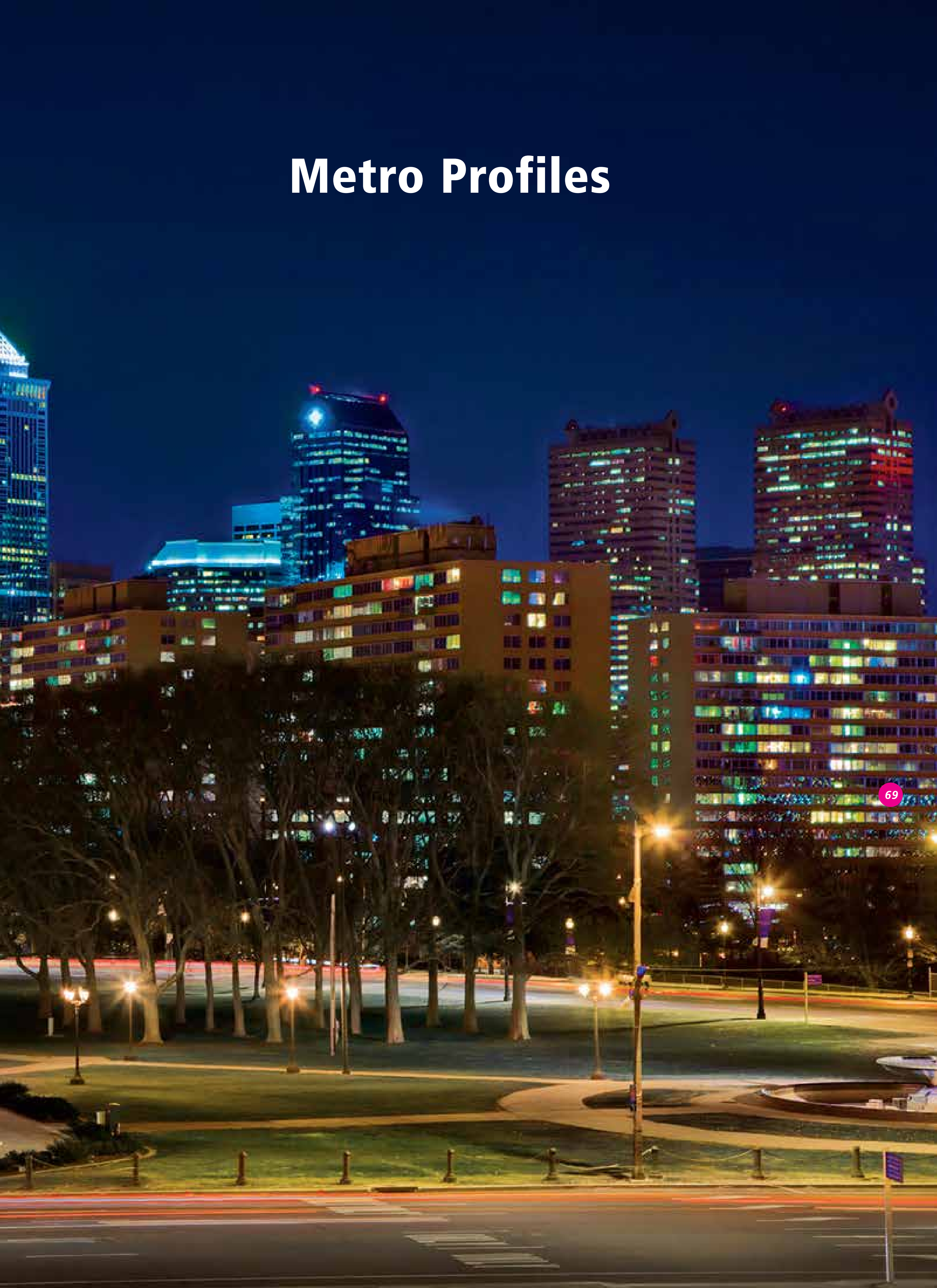
h *Individuals are not unique and may be involved with more than one organization.*


PSFS

Metro Profiles



In this report, we focused on the underlying trends that were consistent across disciplines and metro regions, particularly trends related to the breakdown in revenue sources and the trends in Earned and Contributed Income. But there were also distinctive attributes for each region, which we note in this profiles section. Every region is influenced by its own particular set of support and underlying infrastructure that has influenced the overall makeup of the regional nonprofit cultural ecologies. While there are more similarities than differences, it is helpful to note the distinctive attributes that help define each metro region.

Bay Area

The Bay Area is noted for its strong Individual Giving and overall Contributed Income gains.

The Bay Area includes both San Francisco and the San Jose area. San Francisco has a strong and vibrant arts community, as well as a long history of dedicated funding to support the arts, notably the Grants for the Arts Fund, which has used a portion of the city's hotel tax to support the arts since 1961. San Jose also has strong municipal funding, with significant annual Operating Grants for cultural organizations that are disbursed by the city. The Bay Area has both the highest proportion of Dance (13%, tied with Philadelphia) and Other Performing Arts organizations (7%) of any metro region in the study.

The Bay Area is noted in our study for its strong gains in Total Revenue, second only to Boston and up 25.9%. It had strong Earned Income gains, up 20.2%, and Contributed Income gains were the strongest in the study, up 39.7%. It is one of only two metro regions that had a majority of revenue coming from Contributed sources. Individual giving (including Board giving) was the Bay Area's cultural community's major single source of revenue at 21.9%, although it is important to note that non-Board Individual giving actually declined 20.9% and gains in this category were driven by very strong Board giving. Attendance increased in the Bay Area 4.2%, and at 64.1% it had the highest percentage of Free Attendance. On a per capita basis, the Bay Area had the highest Individual giving and attendance rates and the third highest per capita spending.

Boston

Boston is currently embarking on a major new Cultural Plan under Mayor Marty Walsh, expected to be completed in June 2016. It has a rich and diverse cultural community, particularly strong in the Museums, Visual Arts, Historic and Scientific Community Meta-discipline, with more organizations in that Meta-discipline (38%) than any other metro region. For disciplines within that Meta-discipline, Boston had the highest proportion of History (16%) and Science & Nature (8%) organizations.

Boston had the strongest overall gain in revenue and a 17.9% increase in attendance.

Boston had strong gains in revenue, with the highest increase in Earned Revenue of any metro region, up 52.0%. Boston is also noted for its very supportive Foundation community, with the second highest proportion of revenue coming from Foundations at 14.8% and the highest gain in Foundation funding, which increased 44.6%. That helped drive a 22.8% gain in Contributed Revenue and the highest overall gains in Total Revenue, an increase of 35.3%. This was despite having the second highest amount of organizations reporting a deficit at 45%.

Attendance also increased significantly, 17.9%, second only to Los Angeles. On a per capita basis, Boston also had the third highest number for per capita attendance and spending as well as the strongest increase in spending of any metro region, at 4.1%.

Chicago

Chicago is second only to New York in Total Revenue and spending.

Chicago first created a Cultural Plan in 1986 and updated that plan in 2012 under Mayor Rahm Emanuel. Currently, the city government is focused on three elements of that plan: Arts Education, Creative Industries, and Cultural Districts and Tourism. Chicago has a diverse cultural sector that is second only to New York in Total Revenue and total spending. It has the highest proportion of Theaters of any metro region, representing almost 1 in 4 of the total organizations in the Chicago dataset (23%). Music is Chicago's second most prevalent discipline, at 20% of organizations.

Chicago had a strong increase in Earned Income, at 31.5% (driven primarily by increases in Investments Realized), second only to Boston and tied with New York. Individual giving is also particularly strong in Chicago (12.9%), second only to the Bay Area as a proportion of total Earned and Contributed Income. However, like 7 of the 10 Trend metro regions, Individual giving declined in Chicago by 11.1%, and despite a 19.4% increase in Foundation giving, declines in Individual giving and all other significant sources of Contributed giving caused Contributed Income to decline 2.1% overall. This tempered the gains from Earned Income, with an overall 10.7% increase in Total Revenue.

Cleveland

Cleveland's funders and advocates have made significant investments in planning, with the creation of the Northeast Ohio Arts & Cultural Plan in 2000 and the passage of a cigarette tax to support arts and culture in 2006, with funds being distributed through Cuyahoga Arts & Culture. Since then, over $125 million has been invested in the local nonprofit cultural sector by Cuyahoga Arts & Culture.

The Cleveland metro region cultural sector is notable for having the highest proportion of Community Arts & Culture (21%) and Education & Instruction (17%). Conversely, it has relatively fewer organizations than other metro areas in the Performing Arts Meta-discipline, with 31.2% of total organizations.

Cleveland has the highest proportion of revenue generated from Earned Income (59.3%), primarily driven by strong Investments. Investments and Interest made up 25.9% of Cleveland's Total Earned and Contributed Revenue, compared to 12.2% across all metros. It is also has the largest increase in paid employment, 8.8%, even though its total spending declined 7.4%, the steepest spending decline of any of the 10 Trend metro regions. Cleveland was also notable for strong gains in Individual giving (+64.1%). Corporate funding (+38.2%) was also up and Cleveland had the fewest organizations in deficit, 34.7%. Overall, Cleveland was able to increase Total Revenue 7.8%.

Cleveland had the lowest proportion of organizations with deficits and the highest proportion of Earned Income of any metro region.

Los Angeles

Los Angeles had the highest increase in attendance, up 18.8%.

Los Angeles is one of the most culturally diverse regions in the country and a creative powerhouse, with most spending generated by the entertainment, fashion and publishing industries (according to the *2014 Otis Report on the Creative Economy*). The nonprofit cultural sector is an important component of that creative economy, attracting over 15 million visits annually and seeing strong growth in attendance, up 18.8% from 2009 to 2012, the highest increase of any metro region. It also had the second highest increase in job growth, 5.9%, despite a decline in overall spending of 4.2%.

Los Angeles saw a slight increase in Earned Income (+1.8%). It had the highest proportions of revenue for any metro region for Subscriptions and Touring, and the second highest percentage of revenue from Admissions/Tickets/Tuitions. However, like most other metro regions, LA saw a 12% decline in Contributed support, driven by declines in Individual, Corporate and Government giving, despite a 5.3% increase in Foundation giving. Smaller organizations performed well in aggregate, with budgets under $10 million having an aggregate surplus of 19.0%, the second highest of any region, but organizations with budgets over $10 million had the largest aggregate deficit of any metro region, at -7.9%, resulting in an overall margin of -0.6%.

New York

New York had the highest per capita government funding and total spending on any metro region.

New York announced in early 2015 that the city would complete a Cultural Plan by 2017. The goal of the plan is to assess cultural needs in each of the five boroughs and find new ways to support existing groups, especially in underserved communities. As a global cultural center, New York's nonprofit cultural sector is significantly larger than all other metros, generating 41.5% of the study's total spending and representing 27.8% of the total organizations in the report. Despite its disproportionate size, it exhibited several characteristics shared by most other metro regions—a typical ratio of Contributed to Earned Income (53.4%/46.6%); strong gains in Earned Income (+31.5%); and a decline in Contributed support (-12.9%). This resulted in a Total Revenue increase of 4.6%. However, New York also had the highest percentage of organizations reporting a deficit, at 45.9%.

Attendance was extremely robust in New York—at 69 million, it had the highest of any metro region—but it was not the highest on a per capita basis and attendance was flat at 0.7%. Spending per capita and Government Contributed Income per capita were both the highest in the study. New York had the highest portion of Media Arts organizations at 10% and, like 6 other metro regions, Theater and Music were the dominant disciplines in terms of total organizations.

Philadelphia

Revenue from Membership growth in Philadelphia (+23.4%) was 2.5 times the increase of any other metro region.

Attendance for Philadelphia is not consistent with our previous ***2014 Portfolio*** because of additional adjustments in free attendance based on updated analysis.

Philadelphia is the home of the Cultural Data Project (CDP); the Alliance has been using the CDP to report the health and scope of the nonprofit cultural sector since 2006. It is a community rich in diverse cultural attractions, with the fourth largest cultural sector in terms of revenue. Music (15%) and History (14%) are the most prevalent organizations but Philadelphia, along with the Bay Area, also has the highest proportion of Dance organizations. It had a strong increase in Earned Income, up 9.3%. Revenue growth from Memberships was particularly strong, up 23.4%, two and a half times greater than the next highest increase, in Pittsburgh. However, there was virtually no growth in Contributed Income (-0.2%). In particular, Individual giving decreased 12.7%. Despite those declines, Foundation funding, an important source of funding at 11.9% of Total Revenue, increased 5.6%; that, combined with strong gains in Earned Income, helped Philadelphia's Total Revenue increase 3.4%. Attendance was similar to Boston's at over 18 million, but attendance declined 6.0%. For more detailed information on the Philadelphia metro region's nonprofit cultural community, please read the ***2014 Portfolio*** at www.philaculture.org/portfolio.

Phoenix

Phoenix tuition revenue increased 43.8%, the highest of any metro region.

Phoenix has a rich and diverse cultural sector and, with the smallest dataset in the report, is seen as an emerging arts community reflective of the ongoing growth and younger age of the Phoenix region. It has a high proportion of performing arts organizations, most notably Music. Over 1 in 4 cultural organizations in Phoenix (27%) were Music organizations, the highest proportion in the study. Also strong was the Community Arts & Education Meta-discipline, which made up 1 in 5 organizations (19%), and helped Phoenix achieve the highest increase in Tuition revenue, up 43.8%. Phoenix also had strong overall gains in Earned Income, up 17.1%. But its Contributed Income, as with many other metro regions, dropped significantly, with a 19.3% drop in Individual giving and overall Contributed Revenue down 36.8%, pushing Total Revenue into the negative, dropping 18.2%. However, overall margins were positive at 4.1%, and Phoenix had the strongest gains in Net Assets and Endowments (+24.6% and +35.7%, respectively). Employment was also up 3.9%, and it was one of only four cities where spending increased.

Pittsburgh

Pittsburgh, one of two metro regions in Pennsylvania in this report, has a strong nonprofit cultural sector noted for its high proportion of Performing Arts organizations (49%). As with many metro regions, the Music community is strong, comprising 1 in 4 cultural organizations. It also has the second highest per capita government investment (including dedicated funding through the Allegheny County sales tax). Unlike most communities, Pittsburgh saw a strong increase in total subscribers (+16.0%) and Corporate funding (+17.6%). Increases in Earned Income, unlike many other regions, was modest, at 1.4%, but, again bucking general trends, Contributed

Pittsburgh bucked the trend and had strong gains in subscribers and Corporate funding.

Income was up 14.3%, helping to drive a 7.5% increase in Total Revenue. This was despite the second highest drop in Individual giving revenue (-20.5%). Most of the gains in Contributed Income came from Foundation revenue, which is a higher proportion of community funding in Pittsburgh than any other metro region and had the second highest increase of Foundation revenue, up 35.0%. It was also one of only two metro regions that saw Corporate revenue increase, going up 17.6%, second only to Cleveland.

Twin Cities

The Twin Cities has the highest proportion of funding from both government and Corporate sources.

The Twin cities did not have enough Trend organizations to calculate trend data to document changes in revenue and spending. However, we were able to examine the most recent fiscal data, and noted some distinctive attributes of arts and culture in the region. The Twin Cities had a robust cultural sector and, like many metro regions, Theater (19%) and Music (18%) were the dominant disciplines. It was also the metro region with the highest proportion of Museums, Galleries & Visual Arts, making up 11% of the Twin Cities cultural organizations in our study. The organizations were overall at breakeven margin with a 0.5% aggregate margin. Contributed Revenue was the major source of funding for Twin Cities cultural organizations. The Twin Cities, along with the Bay Area, were the only two metro regions that generated more than 50% of their revenue from Contributed sources (51.8% for the Twin Cities). Notable was the highest proportion of Government funding (17.4% and also the third-highest per capita), driven by strong state funding, which at 12.8%, was dramatically higher than the 1.5% across all metro regions. (In 2008 Minnesota, by public referendum, passed the Clean Water, Land, and Legacy Amendment, a small increase in the state sales tax. Of those funds, 19.75% goes to an Arts and Cultural Heritage Fund to support arts, arts education, and arts access. In 2016, the Arts and Cultural Heritage Fund distributed $64 million in funds across the state). The Twin Cities also has the highest proportion of Corporate funding, at 5.5%, which was also the highest on a per capita basis. For additional information on the cultural sector in Minnesota, we recommend the recently released study, *Creative Minnesota: The Impact and Health of the Nonprofit Arts and Culture Sector, available at www.creativemn.org.*

Washington DC

Washington DC had strong gains in ticketing revenue and member growth.

As the nation's capital, Washington DC has a strong nonprofit cultural sector, but it also has the country's largest federally run cultural sector, which is not included in this analysis. The Smithsonian Institution—a complex of 19 museums, the National Zoo, and 9 research centers—had, in FY2012, a budget of $810 million, compared to $660 million in revenue that same year generated by the 329 nonprofit cultural organizations examined in this report. (Only 1 organization from the Smithsonian submits to the CDP). As such, unlike most other metro regions, there is an important aspect of the cultural sector in Washington DC that was outside the scope of this report. However, examination of the 329 institutions that make up the nonprofit cultural sector dataset for Washington DC is comparable to the cultural organizations in the 10 other metro regions.

This nonprofit cultural sector in Washington DC has the report's highest proportion of Education & Instruction organizations (17%), but the most prevalent discipline is Theater, representing 21% of the D.C. nonprofit cultural sector. While organizations with budgets under $10 million had a slight surplus (+1.8%), those over $10 million had a -2.4% margin. Additionally, the trends in revenue were mostly negative. While Earned Income increased 3.0%, Contributed Income dropped 19.7%, driving overall aggregate revenue down 9.0%. On the Earned side, the increases were supported by the strongest increase in Ticket revenue of any metro region, with a 29.2% increase. This helped Earned Revenue overall comprise the second highest portion of funding of any metro region, 56.3%. On the Contributed side, the declines were driven by the second largest decline in Foundation support, down 47.5%, as well as declines in Government and Corporate support. Despite increases in Individual and Board giving, overall Contributed Income was down significantly. Spending and employment also declined, with a 6.5% decline in spending and a 3.1% drop in paid employment, the largest drop of any region. Overall, these declines drove the only significant decline in Net Assets of any metro region, with a 15.4% decline. However, attendance grew 5.4%, and if Smithsonian attendance, at over 40 million, were included, Washington DC would be second only to New York in total attendance.

Methodology

This is the fifth edition of the Greater Philadelphia Cultural Alliance's ***Portfolio*** series, ***2015 Portfolio: Culture Across Communities*** ("*Culture Across Communities*"). Previous editions examined Greater Philadelphia only and were published in 2006, 2008, 2011, and 2014. This edition expands analysis beyond Philadelphia to cover 10 additional metropolitan areas—the Bay Area (including San Francisco and San Jose), Boston, Chicago, Cleveland, Los Angeles, New York, Phoenix, Pittsburgh, the Twin Cities (Minneapolis/St. Paul), and Washington DC. While the basic methodology used to derive the outputs is the same for all editions of ***Portfolio***, we discourage drawing conclusions from direct comparisons with previous editions, which used different cohorts of organizations. This report examines 5,502 organizations in the Most Recent FY dataset and 2,974 in the Trend FY2009–FY2012 dataset (see the Cultural Data Project section for more details on the datasets).

Each organization is classified in primarily three ways—metro region, budget size, and discipline.

The Greater Philadelphia Cultural Alliance selected metro regions from states that were participating in the Cultural Data Project (CDP). Each region is composed of the counties that make up a city core and the surrounding counties that contain CDP organizations. The Alliance used Metropolitan Statistical Areas (MSAs) to estimate population using the U.S. Census Bureau's Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2013. The Twin Cities metro is not included in the Trend FY2009–FY2012 dataset due to a low number of Trend organizations.

Cultural Data Project Counties by Metro Region

Bay Area: Alameda, Contra Costa, Marin, San Francisco, San Mateo

Boston: Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk, Worchester

Chicago: Cook, DuPage, Kane, Kendall, Lake, McHenry, Will

Cleveland: Cuyahoga, Geauga, Lake, Lorain

Los Angeles: Los Angeles, Orange, Ventura

New York: Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Westchester (New Jersey did not participate in the CDP during the study period and counties in New Jersey were not included)

Philadelphia: Bucks, Chester, Delaware, Montgomery, Philadelphia (New Jersey did not participate in the CDP during the study period and counties in New Jersey were not included)

Phoenix: Maricopa, Pinal

Pittsburgh: Allegheny, Butler, Fayette, Greene, Lawrence, Washington, Westmoreland

Twin Cities: Anoka, Dakota, Hennepin, Ramsey, Scott, Washington

Washington DC: Calvert, Charles, District of Columbia, Frederick, Montgomery, Prince Georges (Virginia did not participate in the CDP during the study period and counties in Virginia were not included)

Budget size categories, based on annual expenses, are:

Small organizations, with budgets of up to $249,999 per year

Medium organizations, with budgets from $250,000 up to $999,999 per year

Large organizations, with budgets from $1,000,000 up to $9,999,999 per year

Very Large organizations, with budgets of $10,000,000 or more per year

The Greater Philadelphia Cultural Alliance uses a 12-Disciplines-into-4-Meta-Discipline Organization Type system of classification for its research and publications. The following Organization Types and Disciplines are used to group organizations based on their mission, self-selected type, and primary activities:

Community Arts and Education

Community Arts & Culture, providing arts and cultural programs to a specific community—including geographic, linguistic, ethnic, or religious communities

Education & Instruction, providing music, visual, and performing arts instruction—including schools, colleges, and universities; using arts as a primary instruction or therapy practice; lecture series

Museums, Visual Arts, Historic, and Scientific

Media Arts, working in print, sound, or visual media—including nonprofit broadcasters; spoken word, publishers, literary or poetry societies, film and video producers, and film theaters

Museums, Galleries & Visual Arts, creating exhibits or displaying visual arts—including painting, drawing, sculpture, public art, or murals; not including science and history museums or film and video organizations

Science & Nature, advancing or presenting science and the natural world—including science museums, horticultural organizations, zoos, aquariums, and parks

History, preserving and presenting history and/or heritage, historical collections, or artifacts—including history museums, historical sites, archives, and libraries

Performing Arts

Dance, performing all types of dance—including ballet and other dance companies

Music, performing instrumental or vocal music—including opera companies, orchestras, bands, and ensembles

Theater, performing theater productions—including theater companies and related organizations

Other Performing Arts, performing or presenting work not described solely by one of the other performing categories—including nonprofit venues and festivals

Support and Other

Councils, Services & Support, supporting the whole sector or organizations in a specific discipline, or artists, generally not directly producing or presenting arts and cultural products

Other, not fitting in any of the other categories

Our goal was to analyze the most recent financial and programmatic data for as many organizations as was possible within the parameters and resources of the study. The CDP was used because it is the most current and complete database for such detailed analysis of nonprofit financial and programmatic activity. The Alliance has estimated that the CDP organizations examined represent 85% of the economic activity of the 11 metro regions, based on a comparison of the report's Most Recent FY dataset to financial data from the National Center for Charitable Statistics (NCCS). While the majority of organizations in *Culture Across Communities* (53%) are Small organizations, participation in the CDP by Small organizations is lower than in other budget categories. As such, we recognize that the smaller nonprofits are most likely to be underrepresented in both the CDP and this report. This study does not purport to capture data from every cultural nonprofit in the 11 metro regions, thus these findings may not be representative of the sector as a whole.

Additional information on the Alliance's data preparation and analysis is available at www.philaculture.org/portfolio.

Cultural Data Project

The Cultural Data Project (CDP)—an independent, nonprofit cultural research organization—collects data through a web-based data collection system. For this report, two CDP datasets were used. The primary and larger dataset, "Most Recent FY," is comprised of the most recent CDP data profile for each organization, primarily FY2012 or FY2013. A smaller dataset, "Trend FY2009–FY2012," is made up of organizations that have CDP profiles from both FY2009 and FY2012. All organizations in the "Trend Data" are also in the "Current Data" dataset. All data on individual organizations are strictly confidential, and no information is presented except in aggregated form.

CDP data are self-reported by organizations using the CDP; neither the CDP nor its Governing Group make any representations or warranties concerning the accuracy, reliability, or completeness of the self-reported data. Any interpretation of the data is solely the view of the Greater Philadelphia Cultural Alliance and does not reflect the views of the CDP or its Governing Group.

All figures contained in this report are ultimately the responsibility of those organizations submitting data to the CDP. The Cultural Alliance, Metro Metrics, and the CDP are not responsible for errors in data submitted by individual cultural organizations whose information is used here.

It is impossible to calculate aggregate numbers of unique persons in certain categories, such as attendance, members, subscribers, school children, volunteers, artists, board members, individual contributors, and employees. In these cases, we refer to the aggregate totals in terms of the number of instances rather than the number of unique individuals involved in those instances.

Cultural Alliance Data

Metro Metrics

Metro Metrics LLC, an independent consulting firm specializing in research and project management services to nonprofit and government organizations, served as research partner to the Cultural Alliance for the development of the *Culture Across Communities* report by conducting data analysis and interpretation services. Notably, Annette Mattei, Principal of Metro Metrics, was lead researcher for the 1998 report on the economic impact of arts and cultural organizations in the region, Greater Philadelphia's Competitive Edge: The Nonprofit Culture Industry and its Economic Value to the Region, which has been cited in previous editions of ***Portfolio***. Metro Metrics conducted the calculations on the datasets downloaded from the CDP and returned raw data results to the Cultural Alliance. Error-checking and testing for statistical outliers was conducted by both Metro Metrics and the Cultural Alliance.

Occasionally, data from a small number of organizations is removed from specific calculations in this report. This occurs in circumstances only when that organization's data was flagged as a potential outlier, and the organization did not respond to multiple requests to verify data. All of those alterations are noted where they occur.

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Endnotes

1 Three organizations were excluded because of invalid or unverifiable data

2 Five organizations were excluded because of invalid or unverifiable data

3 Sixty-three organizations were excluded because of invalid or unverifiable data

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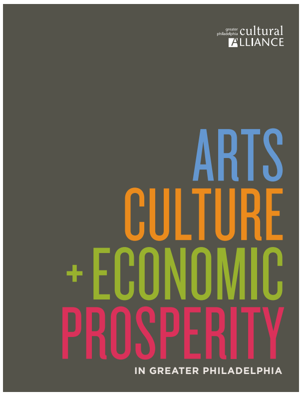
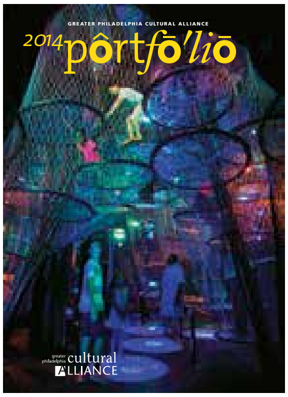
About the Greater Philadelphia Cultural Alliance

Established in 1972, the Greater Philadelphia Cultural Alliance is one of the country's leading arts and cultural advocacy, research, and marketing organizations. Our membership includes over 400 organizations ranging from museums and dance companies to community art centers, historic sites, music ensembles, and zoos. The Alliance produces and commissions research on the health and growth of the sector in Philadelphia and the country as a whole; directs grant-making in partnership with the Pennsylvania Council on the Arts; provides robust professional development and membership services; markets the sector through our signature consumer marketing programs, Phillyfunguide.com and Funsavers; and provides leadership in policy and community engagement through our GroundSwell advocacy initiative and STAMP teen program. For more information on the Cultural Alliance, please visit www.philaculture.org.

Recent research by the Alliance is available at www.philaculture.org/research





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CULTURAL DATA PROJECT

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