



State of the Arts and Cultural Sector—FY10

THE BIG PICTURE in numbers—a statistical snapshot

1. The aggregate FY09 operational budgets (or GROSS CULTURAL PRODUCT) of the non-profit cultural community in central Florida was about \$41.4 million. That is about one-fourth the size of Charlotte and about one-fifth the size of Atlanta, Seattle, and Kansas City. Our economic impact study reveals we are about the size of the cultural sector in the Black Hills region of South Dakota.
2. On average, this is comprised of 51% earned income and 30% contributed income. The rest is attributable to government, endowment earnings, etc. We estimate that corporate/business support (both earned and contributed) is about 5%, double the national average of 2.5%.
3. We are solvent but struggling. On the good news front, 10 of the 13 cultural cornerstone groups reported being "in the black" for FY09. Losses for the 3 ranged from (\$56,378) to (\$175,147). Last year's economic meltdown took the field by surprise; only six kept their economic heads above water. By and large, the sector has shown itself to be populated by pragmatic business people who did what they needed to do to stay afloat. Being "in the black," though not a VISION, is essential to getting through the next few years.
4. Having said that, the losses were not without deep pain. United Arts calculates that of the 300 full-time and 300 part-time sector employees, the equivalent of 50 full-time-equivalent employees were lost through a combination of lay-offs, business dissolutions, reduced hours, and unpaid leave.
5. Also on the good, if only temporary, news front, everyone pulled together on behalf of government support. We took our major hits from local government in FY09 (nearly 15%). The Tourist Development Tax supplement for operating support and project grants and flat funding by most of our other government partners kept us about even. (\$2,285,615 in FY08 to \$1,954,821 in FY09 to \$1,952,456 in FY10).
6. About 1/3 of the \$12.3M in aggregate contributed income was provided via the United Arts campaign (includes designations). Campaign 2009, including designated gifts, provided 36% of the contributed income of the 14 (this includes Orlando Opera which was still part of the mix in FY09) cornerstone cultural organizations in the region. The campaign is CRITICAL to the stability of the cultural sector and community we serve.

7. For the second year in a row, organizations funded in FY10 anticipate negative growth, e.g. projected budgets for FY10 are LESS THAN FY09 with aggregate budgets projected to be \$36.6M. The total 2-year loss to the sector is \$5.8 million, a loss of 14%, including the loss of Orlando Opera. Without Orlando Opera, the loss is approximately \$4M or 9.8%. Projections for FY11 will be available in early March.
8. Of the \$4M loss to the sector (controlling for the Opera), the loss is split between earned and contributed revenues (\$805,000 in earned and \$2.6M in contributed). The remaining \$600K is government, endowment earnings, etc.
9. The largest projected loss is in the area of contributed income—from FY09 to FY10, cultural organizations project a \$2.6M or 24% drop in contributed income. The cornerstone 13 alone are projecting a drop in contributed income from \$9,155,546 to \$6,843,930, a 25% drop, including potential loss of Opera donations.
10. United Arts' FY09 grants, designations, contracts and other assistance provided approximately 11.1% of the total budgets of the 52 cultural organizations we funded.
11. 2,012,745 experiences were provided in the 4-county region in FY08, including 608,967 K-12 student experiences. This represents a one-year LOSS of 443,249 or 18%. Or, more starkly, a loss 12,144 experiences a day, one-quarter of which are experiences for children. This is a combination of ticket sales and reductions in educational programs.
12. 115,648 K-12 public school children have **curriculum-based** experiences with 15 different cultural organizations through United Arts' contracts with Orange and Seminole County Public Schools representing a loss of 24,809 experiences due to a 7% reduction in OCPS contract in FY09. For FY10, contracts were reduced by an additional 10% (OCPS) and 72% (SCPS)—numbers of children served will go down.
13. United Arts Campaign FY09 private sector goal of \$3,160,118 (85% of previous year's actuals) was slightly exceeded (\$3,188,179) due to hard work by everyone! Campaign 11's private sector goal is \$2.97M, 97% of last year's goal.
14. UA grants, originally projected to be reduced by 30%, were reduced by 20% with individual grants ranging from 51% to 96% of last year's. In FY08 and FY09 United Arts pulled \$100K each year from reserves to fund grants—we couldn't do this for FY10.
15. State funding for cultural organizations in central Florida via the Division of Cultural Affairs was reduced by another 32% or \$150,911. (\$992,606 in FY08 to \$473,615 in FY09 to \$322,704 for FY10). The state arts council is no longer a significant source of funding for operations, endowment for capital for cultural organizations.

Background and Context

1. We will continue to work to assert the value of the sector to the economy, to education and to our quality of life. We will work to NOT be cut disproportionately to other community investments.
2. Business people anticipate another 18 months of economic difficulty. Nationally, we understand the philanthropic coffers for culture may be the last to recover.
3. Our governments warn that next year may be worse than this year as the state deficit may balloon to \$6 or 7B. The end of stimulus funding combined with the revenue lag related to property assessments means local governments will be stretched even further.
4. The recently announced, 2-hall, revised plans for Dr. P. Phillips Orlando Performing Arts Center (scheduled to open in 2013) will be a factor for the philanthropic and arts communities. The good news is that moving forward with the Center will likely spur more giving to DPAC's capital campaign, enabling its completion. Efforts will continue to raise the money necessary to build the acoustical hall (planned to be the home of the Orlando Philharmonic and Orlando Ballet). To date, capital fundraising has had a minimal impact on operational funding for the locally owned and operated cultural organizations.
5. DPAC will be a presenter, with much of its operational income to be earned; recent estimates suggest that the annual operational fundraising necessary after opening will be \$2-2.7M, further challenging the region's philanthropic resources.
6. With the exception of Orlando Science Center, the cultural community in central Florida has not yet received any federal or state stimulus funding.
7. United Arts has reduced its operations budget by 21% from \$858,639 in 2008 to \$749,674 in 2009 to \$676,880 for FY10 (which includes the loss of 1 FTE and two weeks unpaid leave for all employees).
8. United Arts has lost a total of 6 Trustee-level (\$100K+) donors in the past two years. We believe that some will come back while others are likely gone forever depending on the industries associated with their philanthropy. On the good news front, we welcome Lockheed Martin back as a Trustee.

Margot H. Knight, 2/17/10

PLEASE NOTE—these figures are shifting daily so ANY use of them after TODAY should be confirmed with Margot H. Knight - 407-628-0333 x25.

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