Welcome to the inaugural issue of the Cultural Data Project’s newsletter, Data Matters. Thanks to the leadership of our many partners, the CDP has both matured and expanded dramatically since its launch in Pennsylvania in 2004. We have created this biannual update as a way to keep all of you, our current and potential funding, research and advocacy partners, fully informed about the CDP’s progress in strengthening the national nonprofit arts and culture sector. We want you to be as proud as we are of the power and impact of the data and its uses: for effective advocacy that has achieved real policy results; for improved planning and management by cultural organizations; and for thoughtful program planning by grantmakers.

In this issue you will read about the CDP’s national expansion, with the help of robust public-private funding partnerships in eight states, as well as the support of key national funders. We’ll tell you about the ongoing improvements and enhancements to our web sites and user support systems. And you will see selected statistics drawn from the CDP database. This and future issues will also provide news about the expansion to new states and the participation of new funders, as well as spotlights on some of our partners. We hope you enjoy receiving and reading these newsletters, and we hope you will let us know what you think—about the CDP itself, and about the information we are providing. Thank you again for your visionary support on behalf of our nation’s arts and culture, and happy reading.

MARIAN GODFREY
Senior Director, Culture Initiatives
The Pew Charitable Trusts

A Pennsylvania Project Goes National: The Cultural Data Project Expands

In 2001, when a group of Pennsylvania funders set out to create the Cultural Data Project (CDP), they envisioned it as a means of streamlining the grant application process for their 400 applicants and building a database of reliable information on the arts and cultural sector. They hoped the data could be used by funders and researchers throughout the state—as well as by the arts organizations themselves. After a three-year planning process, the Pennsylvania CDP launched in 2004.

“It was clear from the outset that gathering data once from applicants and sharing this among arts funders made good sense for everyone,” notes Philip Horn, executive director of the Pennsylvania Council on the Arts, who was one of the founding Pennsylvania funders. “Years ago, [the Pennsylvania Council on the Arts] made radical changes in our grants process to focus applicants exclusively on past performance, because we believed we should encourage the nonprofit arts sector to deal with real data rather than developing scenarios for the future to support a larger grant…I believe that none of us realized how beneficial this information could be or how critical it would become to maintaining support for arts.”

The first signs of the project’s full value began to appear in 2006, when the Greater Philadelphia Cultural Alliance published Portfolio, a report that used CDP data to illustrate the health (continued on next page)
and diversity of Southeastern Pennsylvania’s arts and cultural sector. Soon, mayoral candidates, local business leaders and board members alike were citing Portfolio’s findings when talking about the local impact of arts and culture. City Council members in Philadelphia used CDP data on the number of active capital campaigns underway at local cultural organizations, and the amount raised so far, to support the passage of $72 million in support of closing the gap in these campaigns.

It didn’t take long for other states to inquire how they too could harness the power of the CDP. Nancy Haragan, then executive director of the Greater Baltimore Cultural Alliance, was convinced that the CDP was exactly what Maryland needed; due to her fundraising and coalition-building efforts, Maryland became the first additional state to implement the CDP, in 2007. California was next to launch, in early 2008—and its vast cultural sector quickly doubled the number of funders and cultural organizations participating in the CDP.

With three states already on board and many more expressing interest, the CDP’s Governing Group commissioned a detailed business plan in 2008 to guide the project’s national expansion. The CDP is now operating in eight states, and by 2014, a full decade after the launch in Pennsylvania, the CDP anticipates operating in up to 22 states, and engaging up to 70 percent of all arts and cultural organizations nationwide that apply for private or public funding.

If you’re interested in bringing the CDP to your state, please contact CDP Director Neville Vakharia, at (215) 575-4873 or nvakharia@pewtrusts.org.

To learn more about the CDP and read about the latest developments, visit our national Web site at www.culturaldata.org.

Nationwide, 170 grant programs accept CDP data as part of the application process. (See www.culturaldata.org/partners)

In FY2008, participating organizations altogether reported $1.8 billion in revenue. $1.3 billion was contributed; $263.5 million was contributed by foundations.

In FY2008, participating organizations represented more than 278,600 full-time and part-time employees.

CDP’s Expansion Gets Boost from National Funders

In addition to the more than 90 funders that have provided support for the CDP in participating states, the project is benefiting from national leadership support. The Doris Duke Charitable Foundation became the CDP’s first national funder in 2008. In 2009, the Kresge Foundation joined Duke to become the CDP’s second national funder. Their support is facilitating the CDP’s ongoing expansion and enabling CDP staff to convene interested parties and invest the time and energy needed to bring the project to new states. In addition, with support from Kresge, the CDP will hire a new research staffer later this year. We hope to facilitate increased access to and use of CDP data and provide new opportunities for arts and cultural organizations, funders and researchers throughout the country to learn from the project’s vast source of reliable, fact-based information on the arts and cultural sector.

“For far too long, arts organizations have been hampered, both individually and collectively, by the absence of aggregated, comparative data, and this absence has put the industry at a significant disadvantage in its advocacy and public outreach. The CDP promises to correct this. Having seen it work in Pennsylvania, we believe that the CDP will improve the operations of individual organizations throughout the nation, providing them with both a new sophisticated level of self awareness and an ability to galvanize advocacy efforts.”

—Ben Cameron, Program Director for the Arts, Doris Duke Charitable Foundation
Michigan Becomes CDP State Number Eight

On May 3, 2010, Michigan became the eighth state to adopt the CDP. The effort to bring the CDP to the state is led by a coalition consisting of the Michigan Council for Arts and Cultural Affairs, three community foundations, three private foundations, one corporate foundation, the Council of Michigan Foundations and ArtServe Michigan, a statewide advocacy organization. The project aims to engage up to 400 arts and cultural organizations during the first year and 800 by the third year, but the true goal is to have as many organizations and funders as possible take advantage of this powerful new resource.

“We need every nonprofit arts and cultural organization to be counted in the CDP—it’s essential for us to make the most compelling case for the contributions of the arts and culture in Michigan,” said Jennifer Goulet, president of ArtServe Michigan, in a recent member e-newsletter.

For more information about the Michigan CDP, please visit the web site at www.miculturaldata.org.

“This is a vitally important initiative...and we all realize bringing CDP to Michigan is an important key to saving our arts and cultural organizations.”

—Melonie Colaianne, President and CEO of MASCO Corporation Foundation, quoted in Council of Michigan Foundations Newswire, May 10, 2010

CDP Gaining Recognition as a Best Practice

• FSG Social Impact Advisors devoted a section of its 2009 report, Breakthroughs in Shared Measurement and Social Impact, to a case study of the CDP as an example of a successful Comparative Performance System. On March 24, 2010, the CDP’s Marian Godfrey and Neville Vakharia joined an FSG webinar to present on the topic of the CDP and what lessons it might have as a model of a shared measurement system.

• Grantmakers for Effective Organizations’ 2009 report, On the Money: The Key Financial Challenges Facing Nonprofits Today—and How Grantmakers Can Help, spotlighted the CDP as an example of how grantmakers can work together to streamline the application process.

• Project Streamline’s 2008 report, Drowning in Paperwork, Distracted from Purpose cited the CDP as a tool to help grantmakers collect data more efficiently and reduce the burden of their application processes.

NEWSROOM

➤ CDP data helps Cultural Alliance defeat arts tax

In September 2009, as the long-overdue Pennsylvania state budget process ground toward an end, lawmakers proposed closing a revenue gap by lifting nonprofit arts and cultural organizations’ tax exemption and, for the first time, taxing their ticket sales and memberships. Lawmakers projected that this new “arts tax” would generate $100-$120 million—but arts and cultural organizations feared heavy administrative and financial fallout.

“It was a predicament that needed facts—credible, correct, and quickly acquired facts—to illustrate to a group of decision-makers why their budget deal assumption was incorrect,” according to the Greater Philadelphia Cultural Alliance. Using the Pennsylvania CDP’s reliable data, the Cultural Alliance was able to illustrate that lifting the tax exemption on tickets to arts events would not bring in nearly the projected amount, and their advocacy successfully defeated the arts tax initiative.

➤ NEA Chairman cites CDP data before Congress

Rocco Landesman, Chairman of the National Endowment for the Arts, cited Pennsylvania CDP data in a statement he delivered on April 13 to the Appropriation Subcommittee on Interior, Environment and Related Agencies. “I was in Pennsylvania last week, and the Governor cited the Pennsylvania Cultural Data Project, which reports that in Pennsylvania alone, nonprofit cultural organizations and their audiences had direct expenditures of $1.99 billion, which supports over 48,000 full-time equivalent jobs and means over $900,000,000 in resident household income,” Mr. Landesman testified, as an illustration of his larger point that “arts workers have real jobs that are a vital part of this country’s economy.” These statistics were originally used in Americans for the Arts’ Arts & Economic Prosperity III report, which relied heavily on CDP data.
Grantmaker Spotlight: Arts Council Silicon Valley

When the Arts Council Silicon Valley, a private, nonprofit arts funder in Santa Clara County, decided to participate in the California CDP program staff there anticipated some trepidation from their applicants—particularly those small, volunteer-run organizations for which the CDP would mean a significant shift in their way of doing business. The Arts Council was among the first funders in California to adopt the CDP. With the leadership of Deputy Director Diem Jones and Grants Program Manager Audrey Wong, the Arts Council has incorporated the CDP into the application process for two initiatives, which support more than 140 local arts grantees.

Participation in the CDP has brought much-valued standardization to the Arts Council’s grantmaking process—but more importantly, Jones and Wong say, the CDP has become an integral tool for their grantees, improving operations and recordkeeping as well as facilitating advocacy efforts. And those small, volunteer-run organizations? Wong reports that “smaller groups in particular are discovering that the CDP helps them understand what a good business plan looks like, so that they can effectively implement one.”

For the Arts Council, incorporating the CDP meant replacing a budget spreadsheet, which was often altered by applicants, with standardized CDP funder reports. As Jones notes, this standardization has meant that “panelists have a cleaner, clearer, more in-depth review of organizations’ activities.”

The CDP is also proving useful for advocacy. “Using the CDP has really allowed us to collect more information on our grantees and their impact,” says Wong. “Not just their economic impact, but everything from the number of audience members to the amount of space our grantees occupy. We now keep this information on hand, and we’ve added our own breakdown of supervisory districts so that we can paint a clear picture of how broad the impact is throughout the county.”

In sum, Jones says that although funders are often the engine that brings the CDP to a region, using the CDP is ultimately to the greatest advantage of the arts and cultural organizations. He notes that the free access to management tools and availability of on-call assistance from financial consultants and members of the cultural community set the CDP apart from other tools available to the field. Jones and Wong are receiving good feedback from their grantees, and they’re receiving good data as well, which is proving invaluable in supporting the Arts Council Silicon Valley’s ongoing efforts to foster the growth of arts and culture in their region.

“Arts is business,” says Jones. “And everyone in the arts business needs to be thinking that way, especially in these challenging times. We’re happy to be giving our applicants a tool that raises the bar and helps elevate the professionalism and infrastructure of these groups.”
Recent Improvements to the CDP

Continuous improvement is one of the key tenets of the CDP: built into the project’s business plan are a number of ongoing upgrades and additions to the project’s resources for arts organizations and funders over the coming years.

One recent improvement rolled out in March with the CDP’s comprehensive upgrade to the automated error check that organizations must pass in order to submit a Data Profile (the 11-section online form that arts and cultural organizations complete annually). Although the new error check will be invisible to most users, this systemic change has already increased the consistency and reliability of the data organizations can use in grant applications and in reports to their boards.

Another addition on deck for late summer/early fall is a new tool that will allow participating funders (those that accept the CDP as part of their grant application process) to examine and evaluate their applicants’ CDP information online in a variety of ways. Whether comparing one applicant to the entire pool, or juxtaposing their pool of grantees against a subset of the region or the state, funders will soon have the ability to generate complex diagnostic reports at will.

Stay tuned for more additions, improvements and upgrades—and for the latest information on the CDP, visit www.culturaldata.org.

“I am thankful every day for the Pennsylvania CDP. It has quite truly saved me from losing my mind trying to do financial reporting to funders for every grant using a different standard of reporting every time. While it can be a struggle to gather and enter the data each year, it gets easier every time and I know that it will save me countless hours of work over the year, leaving more time to focus on programming. It is THE BEST!!!” —Pennsylvania CDP user, Philadelphia, PA

CDP Data Informs Research

To download these and other reports that have used CDP data, visit www.culturaldata.org/research.

• Arts and Culture: A Competitive and Creative Edge for San Diego
  An economic and community impact report on San Diego’s nonprofit arts and cultural sector, compiled by the City of San Diego Commission for Arts and Culture and the San Diego Regional Arts and Culture Coalition.

• Getting Beyond Breakeven: A Review of Capitalization Needs and Challenges of Philadelphia-Area Arts and Culture Organizations
  A joint study on the capitalization status, needs, and challenges faced by nonprofit arts and culture organizations in the five-county Philadelphia region, commissioned by The Pew Charitable Trusts and the William Penn Foundation.

• California Cultural Data Project Analysis 2009: Los Angeles County Municipal Arts Funders
  An overview of the economic impact of arts and cultural organizations in the greater Los Angeles area, by the Los Angeles County Municipal Arts Funders.