

## 2009 TECHNOLOGY GUIDE

### GRANT MAKERS SPUR CREATION OF STATEWIDE NONPROFIT DATABASE

By Darlene M. Siska

As a busy nonprofit leader, Bruce Katsiff didn't want to spend hours pouring his group's financial data into a Web site, but he is happy he did. Mr. Katsiff says his organization, the James A. Michener Art Museum, in Doylestown, Pa., now has \$40,000 more toward its capital campaign because he made the effort.

Back in 2004, Mr. Katsiff was told by the Pennsylvania Council on the Arts that he would have to enter financial and organizational information about the museum online at the Pennsylvania Cultural Data Project — or else his group wouldn't be eligible for continued support.

The online project was developed by a group of seven grant-making organizations and art associations in Pennsylvania. The goal was to allow arts groups to apply in a streamlined — nearly one-click — process for grants from the private and government organizations that sponsor the project, and to compile reliable data on Pennsylvania arts groups.

Mr. Katsiff describes the initial process of entering information as "arduous."

"At first we didn't understand the value of the project, and there was resistance from an accounting standpoint," he says. Completing the online entries the first time required about 60 hours of staff effort over approximately a week and a half, he recalls, and the group needed to gather information from staff members who are not usually involved in the grants process, such as those who work on exhibition space.

Afterward, Mr. Katsiff says, his group was pleased it no longer had to fill out application forms from numerous grant makers. "At first, we began to recognize it was a time saver," he says.

And later, as more groups filled in their data, he had reliable information about the economic impact that arts groups exert in southeastern Pennsylvania — such as that they spend \$1.3-billion annually. The data, he says, surprised even people who work for arts groups, and he realized the information was a powerful communications tool.

Mr. Katsiff says the data came in handy last year when commissioners in Bucks County, where the museum is located, were considering setting aside a portion of a hotel tax to create a fund to support local cultural groups.

He was able to use the data to advocate for the new fund and write an opinion article for two local newspapers urging its creation. The county proposal became law. "There's no question data from the project helped to make the argument," Mr. Katsiff says. "Suddenly, I had all this data about jobs and wasn't just blowing smoke. Hard data is always better than a mere philosophical argument."

Last September, the museum was one of 15 groups to receive grants from the hotel-tax fund, and it is using the \$40,000 it won toward its \$11.1-million campaign to expand and renovate the museum.

#### Other States Copy Effort

The Pennsylvania Cultural Data Project was begun in 2004 by groups like the Greater Philadelphia Cultural Alliance, the Greater Pittsburgh Arts Council, the Heinz Endowments, the William Penn Foundation, the Pennsylvania Council on the Arts, the Pew Charitable Trusts, and the Pittsburgh Foundation.

The project, which took three years and \$3-million to create, holds information on approximately 1,000 arts groups and is staffed and administered by the Pew Charitable Trusts, in Philadelphia, which provides training, answers questions from people using the database, and verifies that the information is entered accurately. A similar project was also started in Maryland in 2007 and in California last year, with Illinois, Massachusetts, and New York planning to create their own this year.

*continued*

Now that the Pennsylvania project has been operating for nearly five years, most participating arts and cultural organizations in Pennsylvania fill in organizational and financial information just once a year, and then they can easily place that data in grant proposals to such groups as the Heinz Endowments and the Pennsylvania Council on the Arts.

An organization can also compare items like personnel expenses, concessions sales, and online giving to similar groups and see that information displayed as tables and charts.

Neville Vakharia, project manager for Pew, says that the project's organizers thought if they were going to ask for lots of data from applicants, they would in return provide management tools, such as those that allow groups to create an annual report, to keep track of their financial information, and to follow trends at their organizations.

Nonprofit executives can also write notes online to inform staff members at their organizations how a number was determined, to bolster their charity's institutional memory, Mr. Vakharia says.

It was important for grant makers to require that arts groups use the new online database or lose their support, says Peggy Amsterdam, president of the Greater Philadelphia Cultural Alliance.

"Arts groups are constantly being asked to fill out surveys," she says, "and I said to funders that no one will give you this information until you require it."

Once the project succeeded in Pennsylvania, word spread to other groups, and they realized they could adapt it to fit their own needs, says Nancy Haragan, executive director of the Greater Baltimore Cultural Alliance, which helped bring the project to Maryland.

The cost to start the program has varied for each state, with the price tag determined by the number of cultural organizations and grant makers that participate, Mr. Vakharia says.

For example, he says, "states such as Maryland, with up to 500 organizations and 10 funders participating, have an annual operation cost of less than \$200,000 per year."

Although grantees are appreciative of how the Pennsylvania Cultural Data Project saves them time, many are also realizing its ability to tell the story about arts organizations.

Indeed, Ms. Amsterdam says her group published a report in 2006 that offered a comprehensive view of the region's cultural resources, because of the breadth, depth, and reliability of data available.

Ms. Amsterdam says that her group came out with the report in 2006 because of the mayoral election that year in Philadelphia. "We were able to get a lot of press," she says, and she credits the report with spurring each of the mayoral candidates to create an arts and culture platform. She says the report also helped persuade the race's winner, Michael Nutter, to increase the city's cultural fund by \$2-million.

Mr. Katsiff, of the Michener museum, says interest is high in expanding the project to other types of organizations. "When I have been speaking with folks from other parts of the country, their eyes light up," he says. "But without large funders getting behind this and making the commitment to make a project happen, it won't happen."

Cultural groups "are all so stretched," he notes. But, he says, if a grant maker requires a charity to provide information in a form like the Pennsylvania Cultural Data Project, "just do it, take the medicine. You'll realize, gee whiz, we're very happy we did this."

## **PENNSYLVANIA CULTURAL DATA PROJECT: HOW IT WORKS**

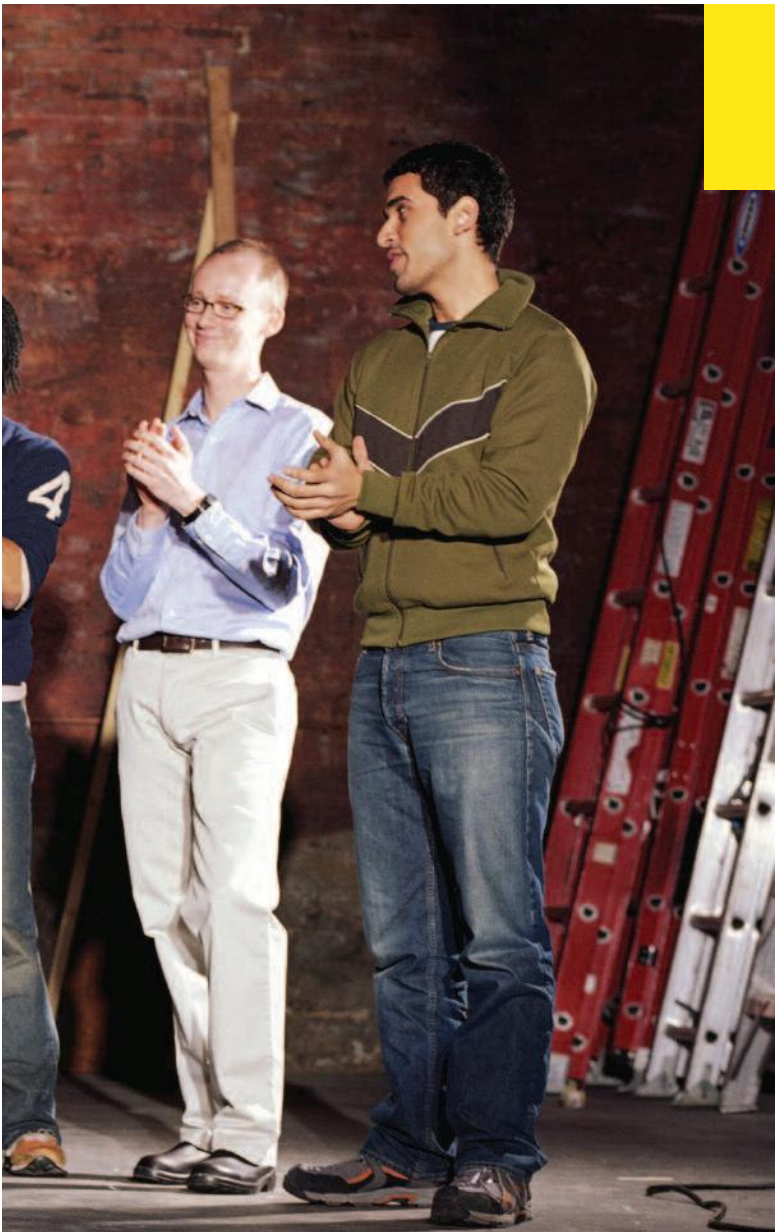
- ▶ Allows grant seekers to apply for money from multiple sources at the same time.
- ▶ Asks arts groups for organizational as well as financial information.
- ▶ Lets nonprofit employees generate tables, charts, and even annual reports based on the data they submit.
- ▶ Allows charities to compare their data with that of similar groups.
- ▶ Lets nonprofit employees write online notes to explain the data they submit, which enhances their group's institutional memory.



# WHERE DATA

*By Carol Towarnicky*





# DANCE

## THE CULTURAL DATA PROJECT HELPS ARTS AND CULTURE GROUPS UNDERSTAND THEMSELVES AND THEIR SECTOR.

“I have no data yet,” lamented Sherlock Holmes in the early short story “A Scandal in Bohemia.” Then he generalized: “It is a capital mistake to theorise before one has data.”

Information was always Holmes’s best weapon as he applied his forensic talents in the interest of justice. And information remains the basis for sound decision-making in virtually any realm. Data—the facts themselves—inform our choices and influence our best decisions.

*This* fact is already a constant in the for-profit world, which runs on the relentless gathering, comparison and analysis of data to determine the success of a product, the response of the consumer and the percentage of business risk. Now, the nonprofit arts community has access to a comparable, knowledge-creating database, thanks to the potent combination of technology, innovation and guidance provided by the Cultural Data Project.

This initiative is a standardized online system that asks cultural organizations, big and small, to enter a wide range of data on topics that include revenue, employment, staffing, attendance and fundraising. In effect, it gives organizations a vast spreadsheet, helping them arrange figures that other-

### The Project's Governing Group

The Cultural Data Project, administered by Pew, is a collaborative initiative of the Greater Philadelphia Cultural Alliance, the Greater Pittsburgh Arts Council, The Heinz Endowments, the Pennsylvania Council on the Arts, Pew, The Pittsburgh Foundation and the William Penn Foundation.

wise might amount only to a bewildering array of operational statistics.

They can use this streamlined system to apply for grants to the funders that agree to accept this single form, thus simplifying the application process to already-lean office staffs. On a



larger scale, it provides an aggregate picture of the cultural sector's assets, impact and needs.

Here are just a few facts that the Greater Philadelphia arts and culture community knows now that it didn't know—couldn't know for sure—before the development of the Pennsylvania Cultural Data Project:

- Every day in the Philadelphia region, there are more than 150 cultural events. That's almost 56,000 a year.
- Cultural spaces in the region fill 8.7 million square feet, equal to Philadelphia's seven largest skyscrapers.
- The region's 218 nonprofit arts and cultural organizations whose data are entered into the project provide 14,000 full- and part-time jobs, second only to food manufacturing, plus 17,000 volunteer positions.

These data add up to an important, impressive dossier because they are accurate and trustworthy and, added together with many more facts and figures, give an unprecedented picture of Southeastern Pennsylvania's nonprofit arts and culture sector.

Business managers and policy makers expect this kind of scope and precision before committing resources. And cultural leaders have hungered for it—because they could assume that the arts are important both socially and economically but, up to now, had difficulty making a fact-based case for the culture scene as a whole.

Last year, the Greater Philadelphia Cultural Alliance released *Portfolio*, a report on the region's cultural resources based on the project's detailed financial and other organizational information; the study was the first of its kind in the nation.

Nancy Haragan, executive director of the Baltimore Cultural Alliance, saw it and recalls: "Really, once I understood what they had done, it was: 'How

fast can we do what we need to do to get this here?' We wanted to be the first to adopt it."

Haragan got her wish. Public and private foundations raised the startup costs, and Maryland rolled out the Maryland Cultural Data Project in June. The California Cultural Data Project, ten times the size of Pennsylvania's with potentially 5,000 nonprofit cultural organizations, should be online in January. Several other states are also interested in the program, which has been and will continue to be administered by Pew in Philadelphia.



Like several other arts funders who saw a presentation of the project last fall, Paul Botts, director of the Chicago program of the Gaylord and Dorothy Donnelley Foundation, ran to the front of the room waving his business card. "It instantly felt to me like a hammer for about four different nails at once," he says.

It took years of planning for the Cultural Data Project to become a success. The initiative began in 2001, in part because some grant makers—Pew among them—realized that the application process had become complicated and time-consuming. Each funder wanted infor-

mation in its own format, requiring organizations to fill out many different forms, each time adapting facts and figures to the specific model, a particular hardship on smaller organizations. Turnover often meant that the person who filled out the previous grant application was no longer around to do it again. There were a lot of wheels being reinvented to push up steep learning curves.

Arts and culture organizations rarely have financial experts on staff, so some information was of questionable reliability. The variety of requirements meant grant-making organizations didn't have an accurate, fair method for comparing applicants.

The limitations of the grant-applications process mirrored problems collecting complete, credible data about the industry: Researchers depended on surveys that in turn had to be filled out by the same overworked, overwhelmed people in the nonprofits. The surveys usually were completed by only a fraction of the organizations.

"You weren't getting apples to apples," says Peggy Amsterdam, president of the Greater Philadelphia Cultural Alliance. "Everybody was accounting for things in different ways. The people who were doing the surveying were frustrated. The arts groups were burned out."

After three years of planning, development and testing and another three years of training, consulting and data input, the application process is rational. It now is possible for hundreds of nonprofit arts and culture organizations in Pennsylvania to fill in organizational and financial information just once a year and, with the click of a computer mouse, use that data as part of their grant application to The Philadelphia Cultural Fund, The Pennsylvania Council on the Arts, The William Penn Foundation, The Heinz Endowments, the Pennsylvania Historical and Museum Commission, The



Pittsburgh Foundation, the Independence Foundation and Pew. The grant-makers get the information they want in the form they want it.

It doesn't end there, though. Individual nonprofit organizations are themselves reaping new benefits from the project, and the arts and culture sector has a powerful new tool to tell its own story.

For the first organizations in Southeastern Pennsylvania to participate, in September 2004, the Pennsylvania Cultural Data Project required, if not a leap of faith, at least the suspension of a few doubts. Much of the information requested is available in most organizations' audits and their IRS Form 990s, the annual tax returns filed by nonprofits, but filling out and checking the 11 sections of the project's form took time.

"We don't have a huge staff, and of course we were doing other work and trying to fit it in," says Julia Rubio, director of development for Astral Artistic Services, a Philadelphia nonprofit that offers customized services for emerging classical music artists. "It felt a little like it was going into an 'information abyss.' We were unsure how this whole project was going to unfold."

It all came together when Rubio saw the final product last spring. The questions she had answered about the money earned under such headings as Admissions, Ticket Sales, Tuitions, Workshops and Lecture Fees were returned as a credible snapshot of her organization, allowing her to track trends and compare

Astral Services to other groups in Philadelphia and around the state, and then print out the information for a board member. "We were truly amazed by the level of sophistication and the user-friendly format," she says.

For example, a theater company can, in just a few clicks of the mouse, call up a Trend Report on how its marketing expenses stand as a percentage of total expenses and program revenue for three consecutive fiscal years. The information is provided in a table as well as in a colorful line graph.

With a few more clicks, the organization can compare its personnel expenses—like the number of full-time-equivalent employees, salaries, even

can be made only to aggregate data for at least three organizations.

The Cultural Data Project also allows an organization to institutionalize memory, providing a repository not only for statistics but also for notations from staff members, who can provide explanations and context to their successors in the organization, says Barbara Lippman, senior officer for Culture at Pew and director of the project.

"It can tell you everything except whether your product's any good or not," observes Thomas Schorgl, president and CEO of the Cleveland-based Community Partnership for Arts and Culture.

### The project amounts to one data-gathering tool with a variety of uses—"like a hammer for about four different nails at once," as one enthusiast notes.

shared health-care costs—to aggregate information from at least three other theaters with similar budgets, or to smaller ones, or to nonprofits in other artistic disciplines—in tables, pie charts and other forms.

Using one of the 77 distinct reports made possible by the project, mid-sized organizations can compare themselves to groups the same size and located around the corner or at the other end of the Pennsylvania Turnpike. A small museum can learn how its ticket prices match up to a museum three times its size. Dance organizations can look up how much outreach is done by community orchestras. To preserve privacy, the comparisons

The standardized data collection can also help arts and culture organizations test the truths of conventional wisdom.

Paul Botts of the Donnelley Foundation was particularly interested in revenue line item No. 8 on the project's Data Profile—Food Sales/Concessions Revenue. As manager of a start-up theater organization, he once created a business plan that assumed the theater would make a significant profit from refreshments at intermission. Theater people and business professionals alike were sure of it, even though they were basing their optimism on anecdotes. Over several seasons, the expected revenue didn't materialize.

Only after Botts made a special trip to the Illinois attorney general's office to look at the annual reports of other theaters did he learn that the assumption was wrong: Concession revenue did not represent the kind of profit everyone had expected. It was a fact the project could have told him in seconds.



The Pennsylvania Cultural Data Project offers the same sophisticated information to the world-class Philadelphia Museum of Art as it provides the locally respected, though

more modest, New Arts Program in Kutztown. The computer is the great equalizer. In addition, says Lippman, the project is designed to level the playing field for different generations of computer users with varying levels

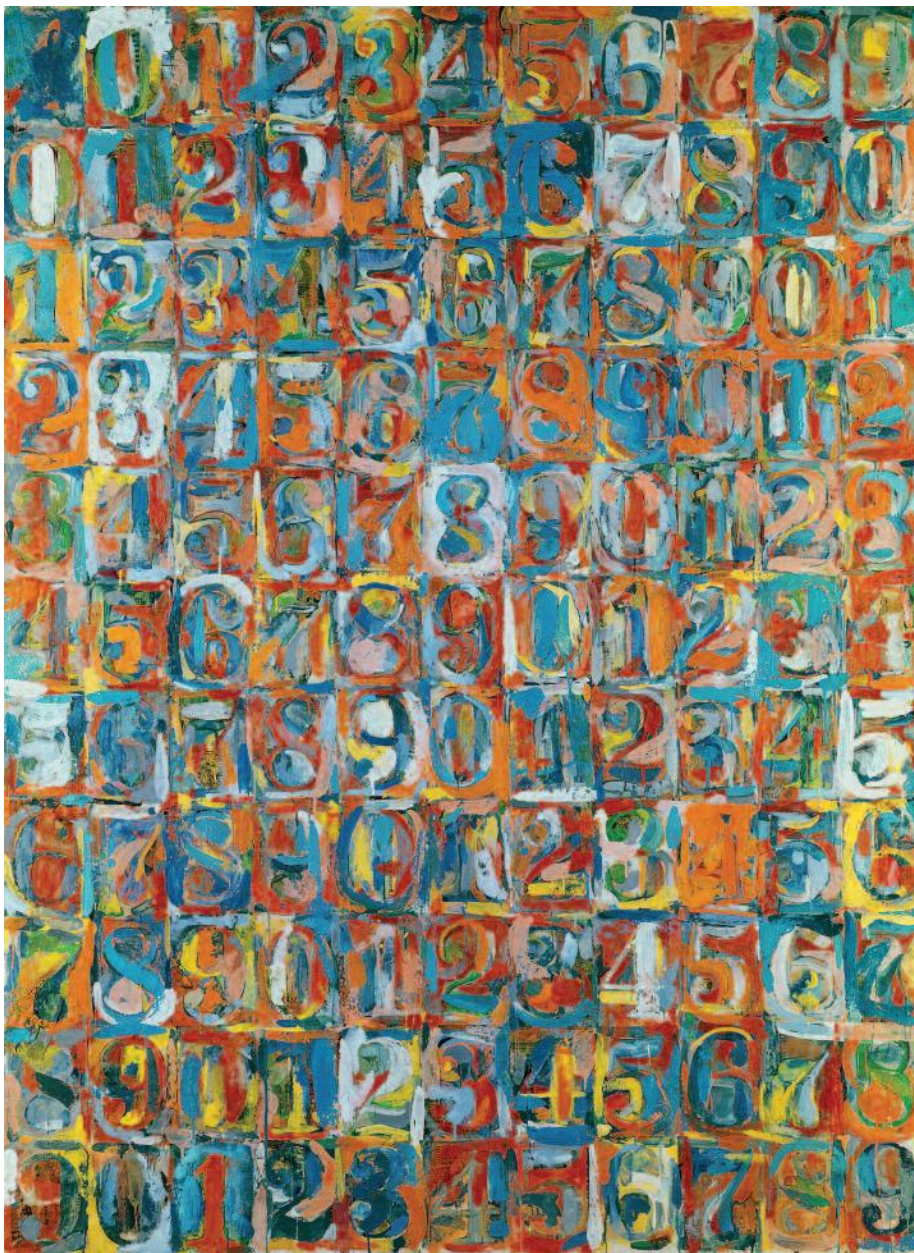
of technological comfort. If an Internet training program can be called “gentle,” the Walk-Through available on the project’s Pennsylvania and Maryland Web sites feels that way. It even gives wary users the express permission to print out the instructions.

All data submitted by the organizations are checked for errors through a rigorous process conducted by the project staff, who search for inconsistencies and then notify the groups of any errors. The project supports its Internet and in-person training workshops with ready access to actual human beings. During business hours, it staffs a call-in Help Desk that can handle questions as simple as “What’s my password?” to the more complicated “How do I translate my part-time staff members into full-time-equivalent employees?” For truly challenging questions, the project has an on-call financial consultant who can be patched into the phone conversation.

The Cultural Data Project represents a way to more fully harness the power of technology in the service of culture, but it also can serve as a check against distortions created by the Internet, including a new trend that at least one project participant considers disturbing: “charity evaluator” Web sites. Robert Neu, executive director of the Kelly-Strayhorn Theater in Pittsburgh, worries about the effect of such sites awarding “star” ratings based on criteria like organizational efficiency and program expenses, without regard to an organization’s mission or history. Neu hopes that, by providing unfiltered, starless facts that have been checked for accuracy, the project will serve as an antidote to the syndrome.

The initiative also takes sharp, clear snapshots of the entire arts and culture sector. To page through *Portfolio* is to see “the next big thing” in that area: hard numbers to back up what previously had been a subjective assertion that the arts are a vital component of civic life.

**The statistics compiled in any one state’s Cultural Data Project yield information that is valuable because it is so specific to a state or region.**



Ablight Knox Art Gallery, Buffalo, New York, USA/The Bridgeman Art Library

Art © Jasper Johns/ licensed by VAGA, New York, NY

*Numbers in Color*, 1958-59 (encaustic and newspaper on canvas), by Jasper Johns.

*Portfolio* showed convincingly that the arts and culture sector in the Philadelphia region is big, that it is well-supported by the community, that it is fragile and, most important, that local government and businesses aren't doing enough to support it.

The study revealed that individuals in the region are generous, but their governments are not. The average contribution to an arts or culture organization from a (non-board) individual was \$300. At the same time,

city and county governments kicked in less than 3 cents on every dollar of arts and culture funding in the region. *Portfolio* helped make support of arts and culture an issue in Philadelphia's mayoral primary this year.

Business leaders in particular were impressed, says Amsterdam. "They said, 'Wow, we knew you ran on a slim margin but it's really slim.' The report gave us good points that people could relate to." Especially, perhaps, when they consider that corporations

in Greater Philadelphia gave only 2 percent of the private contributions to arts and culture.

The impact of *Portfolio* in Greater Philadelphia impressed Nancy Hagan in Baltimore. "I hope to be able to be waving one of those reports around in a year," she says.

The Greater Philadelphia Cultural Alliance plans to produce a second *Portfolio* in 2008 and has used project data for an economic impact study this fall. Carnegie Mellon University and the Center for Arts Management and Technology used the project's data from Southwestern Pennsylvania institutions for a report on the financial and operational status of cultural nonprofits in that part of the state.

As cultural groups in other states enter their own data, the research ought to become exponentially more valuable. For example, when they come on board, other communities will be able to track the effects of expenditures for arts and culture that are particular to a single state or region.

For instance, was there a new tax that earmarked the arts? "I want to be able to say, 'Here's what was happening before they got the tax, and here's what happened after they got this infusion,'" says Amsterdam.

The Cultural Data Project should pay dividends in quality of life far beyond the initial investment of \$3 million from its partners. The wider the participation spreads, the greater benefit it will return to all contributors. As Robert Neu of Pittsburgh's Kelly-Strayhorn Theater says, "We're hoping it becomes a bandwagon onto which everyone hops." ■

**The Cultural Data Project is housed at Pew in Philadelphia and can be found on the Web at [www.pacdp.org](http://www.pacdp.org).**

*Carol Towarnicky, former chief editorial writer at the Philadelphia Daily News, is now a freelancer who often writes about nonprofit organizations.*

## Participating Funders of the Cultural Data Project

### Pennsylvania Cultural Data Project

Allegheny Regional Asset District  
The Heinz Endowments  
Independence Foundation  
Pennsylvania Council on the Arts  
Pennsylvania Historical and Museum Commission  
The Pew Charitable Trusts  
Philadelphia Cultural Fund  
The Pittsburgh Foundation  
William Penn Foundation

### Maryland Cultural Data Project

Alex. Brown & Sons Charitable Foundation  
Baltimore Community Foundation  
Cooper Family Fund at BCF  
Greater Baltimore Cultural Alliance  
Harry L. Gladding Foundation  
Maryland Heritage Areas Authority  
Maryland Historical Trust  
Maryland State Arts Council  
The Morris and Gwendolyn Cafritz Foundation  
T. Rowe Price Associates Fund at BCF  
William G. Baker, Jr. Memorial Fund

### California Cultural Data Project

Committed and Anticipated Supporters

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Fleishhacker Foundation  
The Getty Foundation  
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Los Angeles County Arts Commission  
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Marin Community Foundation  
Pasadena Cultural Affairs Division  
Sacramento Metropolitan Arts Commission  
San Diego Commission for Arts & Culture  
San Diego Foundation  
San Francisco Arts Commission  
San Francisco Foundation  
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San Jose Office of Cultural Affairs  
Santa Monica Cultural Affairs Division  
The Wallace Alexander Gerbode Foundation  
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