Arts for Delaware's Future Consortium

Situation Assessment

Phase 1 Report

August 4, 2008

sloverlinett STRATEGIES

Audience research and planning for the mission-driven world.

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Phase 1 Report Input: This report contains a strategic review of the current arts landscape in Wilmington

I. Situation Assessment May–July 2008

A. Existing research review

- Audience research (2006 DSO Audience Survey; DAM Audience Segmentation)
- DAM marketing plan
- context and themes from national literature

B. Patron data aggregation & mapping

- build aggregate data file
- analysis and data-mining
- reveal crossover patterns, geographic distribution
- maps of audience distribution & penetration

C. Stakeholder interviews

- 14 one-hour interviews with 26 stakeholders
- internal stakeholders
- external influencers
- understand vision for success, hypotheses and assumptions

D. Market assessment

- identify comparable markets
- analyze using Census and third-party sources
- explore commonalities and contrasts

INTEGRATED REPORT

- We also referred to Americans for the Arts' report *"Arts & Economic Prosperity: The Economic Impact of Nonprofit Arts Organizations and Their Audiences in the State of Delaware"* and the Nonprofit Finance Fund's report *"State of the Arts Study in Delaware"*
- A full list of the stakeholder interview participants is included in the Appendix

Phase 1 Report Input: Building the aggregate patron data file

	Total Patrons	Subscribers	Single Ticket Buyers	Donors
Delaware Art Museum	**11,282**	**3,197***	**N/A**	**10,517**
The Grand Opera House	**39,658**	**2,656**	**31,583**	**6,963**
OperaDelaware	**6,546**	**1,137**	**5,113**	**781**
Delaware Symphony Orchestra	**8,237**	**1,437**	**6,533**	**857**
Delaware Theatre Company	**11,122**	**2,036**	**8,915**	**2,708**
TOTAL	**62,914**	**8,952**	**46,085**	**18,550**

- Includes five years of data for each organization
- The same individual can be listed in all three categories, as it is possible to subscribe in one year, but purchase single tickets in another; donors can also be subscribers or single ticket buyers

*Delaware Art Museum (DAM) members are classified as "subscribers" and are included in these figures.

Sixteen Insights into the Current Situation

#1a. Economic and population growth in Wilmington lags behind the rest of the state and the nation as a whole

	Geography			
	City of Wilmington	**New Castle County, DE****	**State of Delaware**	**U.S.**
Population*				
Population	63,752	525,587	853,476	299,398,485
% Change since 2000	*-13%*	*5%*	*9%*	*6%*
Income				
Median HH Income	$35,768	$58,043	$52,833	$48,451
% Change since 2000	*2%*	*10%*	*11%*	*14%*
Age				
% Under 18	22%	24%	24%	25%
% 65 and over	13%	12%	13%	12%
Median Age	38	37	38	36
% Change since 2000	*11%*	*6%*	*4%*	*3%*
Ethnicity				
% Caucasian	40%	73%	72%	74%
% African-American	54%	23%	24%	12%
% Latino	-	7%	13%	15%
Educational Attainment				
% with Bachelor's Degree or higher	23%	32%	27%	27%
% Change since 2000	*9%*	*6%*	*8%*	*12%*

- In population terms, the City of Wilmington shrank substantially between 2000 and 2006, while the surrounding county grew at a moderate pace
  - The city lost 13% of its population, while New Castle County grew at 5%
    - → This is compared to a 9% growth rate for the state and a 6% growth rate for the nation
- Economically, the average Wilmington household has experienced stagnating income since 2000
  - But, the average New Castle County household experienced solid income growth between 2000 and 2006
  - This divergence contributed to a $22,000 gap between the average Wilmington household and the average New Castle County household
- Overall, Wilmington's demographic profile shows that it:
  - Is older and aging faster than the surrounding county
  - Has a different ethnic mix – with a substantially larger African-American population and a much smaller Latino population – than New Castle County
  - Has a slightly smaller college-educated population than the county – but is gaining ground

*All demographic data is from the 2006 American Community Survey. % chance since 2000 computed using the 2000 Decennial Census.
** Includes the City of Wilmington

#1b. Neighboring counties show even stronger growth potential than Wilmington and its immediate suburbs

	Geography					
	New Castle County, DE**	Delaware County, PA	Chester County, PA	Cecil County, MD	Salem County, NJ	Gloucester County, NJ
Population*						
Population	525,587	555,996	482,112	99,506	66,595	282,031
% Change since 2000	*5%*	*1%*	*11%*	*15%*	*4%*	*10%*
Income						
Median HH Income	$58,043	$55,005	$77,570	$56,509	$58,164	$66,759
% Change since 2000	*10%*	*9%*	*17%*	*11%*	*24%*	*21%*
Age						
% Under 18	24%	24%	24%	25%	23%	23%
% 65 and over	12%	14%	12%	11%	14%	12%
Median Age	37	39	38	36	39	38
% Change since 2000	*6%*	*5%*	*3%*	*0%*	*3%*	*5%*
Ethnicity						
% Caucasian	73%	75%	88%	92%	80%	85%
% African-American	23%	18%	6%	5%	15%	10%
% Latino	7%	2%	4%	2%	5%	3%
Educational Attainment						
% with Bachelor's Degree or higher	32%	33%	45%	23%	18%	26%
% Change since 2000	*6%*	*10%*	*5%*	*36%*	*18%*	*17%*

- Chester County (PA), Cecil County (MD), and Gloucester County (NJ) all experienced population and income growth in excess of New Castle County and the nation as a whole
  - Both New Jersey counties also showed rapid income growth, despite much slower population growth in Salem than in Gloucester

*All demographic data is from the 2006 American Community Survey. % chance since 2000 computed using the 2000 Decennial Census.
** Includes the City of Wilmington

#2. Ongoing revitalization efforts are critical to the area's success, and the arts can play a greater role

- In this challenging economic context, Wilmington's civic leaders have made economic revitalization a priority
  - Widespread agreement that concentrated downtown revitalization efforts are critical to Wilmington's future
- These efforts can benefit the Wilmington arts scene in multiple ways
  - Revitalization can help to improve the overall Wilmington "brand"
    - → Several stakeholders feel that Wilmington as a whole suffers from a lack of "caché" and that this attitude extends to the Wilmington arts scene
  - More people living downtown can mean a built-in audience base for Wilmington organizations
  - Rising incomes in Wilmington may increase both demand for the arts and capacity for individual giving
  - Downtown revitalization can address the perception that Wilmington is unsafe
    - → We heard from many stakeholders that this perception is a direct barrier to arts attendance for people in the greater Wilmington region
- However, while civic leaders recognize that the arts will benefit from economic revitalization, many stakeholders were concerned that leaders do not currently think of the arts as a potential *driver* of revitalization, despite growing evidence
  - Americans for the Arts "Arts & Economic Prosperity" study estimates that the direct economic activity generated by nonprofit arts and culture in Delaware is $142.4 million, suggesting that it is a strong driver
  - In other cities, there is strong precedent for making the arts a critical input into growth and revitalization strategies
    - → For example, The Chicago Council on Global Affairs identified arts and cultural amenities as playing a pivotal role in developing the quality of life necessary to attract a high-skill workforce to the area in their study "The Global Edge: An Agenda for Chicago's Future," and acknowledges the importance of governmental support in this area
- Several stakeholders perceive that government resources are lacking, and that both the City of Wilmington and the state government could be doing more to support the arts
  - If the city and state perceive the arts as an economic engine, it will increase the urgency with which they perceive these issues

#3. There is a shared perception that the Wilmington arts scene needs rejuvenating

- Many feel that the quality of the arts offerings in Wilmington is sufficiently high to sustain a vibrant cultural scene
  - Those we talked to are proud of the breadth and quality of arts offerings in Wilmington
- But, a common concern voiced in the stakeholder interviews is that the Wilmington arts landscape simply isn't a well-defined "scene" in the minds of most people in the region
  - Some worry that Wilmington's cultural offerings appeal primarily to a select segment of the population: affluent, highly educated, and largely white
  - As a result, much of the population may have little experience from which to develop a distinct perception of the Wilmington arts scene
  - Agreement that the Wilmington arts scene is thought to be very traditional, and that some potential audiences may feel that Wilmington does not offer a "must-see" experience
  - A critical concern is that perceptions of the Wilmington arts scene are influenced by perceptions of Wilmington as a whole
    - → Efforts to boost Wilmington's brand image will have an impact on how the Wilmington arts brand is received
- Competition with Philadelphia (and, to a lesser extent, New York and D.C.) is a very important aspect of this perception
  - Several stakeholders suggested that, when people in the region want to go to the arts they think of Philadelphia first
  - This is a particular challenge when it comes to building the audience in the region between Wilmington and Philadelphia, but there is substantial concern that even Wilmington-area residents will travel to Philadelphia to take in culture before they'll visit the organizations in Wilmington
  - This has given rise to a fear that audiences and money will continue to flow out of the state and that regional cultural life will stagnate further unless Wilmington organizations take action

#4. The Wilmington arts are in the midst of a critical transition in funding sources

- Throughout the stakeholder interviews, we heard that the decline of corporate funding sources and the under-development of other sources of funding is one of the biggest – if not the single biggest – challenge facing arts organizations in Wilmington
  - The legacy of significant corporate patronage resulted in relatively little cultivation of private, smaller-scale donors and thus, organizations are lagging in creating development strategies to nurture new sources of funding
    - → Stakeholders hypothesized that individual donors have developed the mindset that the arts don't need their help because they have the help of corporate donors
  - These challenges are common to many non-profits in Wilmington, and not just the arts
- While it's tempting to think of another corporation stepping in to "save the day," most recognize that Wilmington's arts organizations need to limit their reliance on single, large entities
  - In many markets, private donations account for 70% of an institution's funding while corporate and foundation support account for 30%; in Wilmington, currently that proportion is switched
- The consortium faces particular challenges in trying to effect change on this dimension in a collaborative way
  - There is a perception that fundraising may be a zero-sum game where cooperation may not make sense, so consortium efforts need to focus on expanding the size of the pie

#5a. In our market assessment, we identified 5 regions with a similar "second city" status

	Geography					
County	**Hillsborough County, NH**	**New Castle County, DE**	**Kent County, MI**	**Essex County, NJ**	**Hartford County, CT**	**Broward County, FL**
Comparison Market	**Manchester, NH**	**Wilmington, DE**	**Grand Rapids, MI**	**Newark, NJ**	**Hartford, CT**	**Ft. Lauderdale, FL**
Nearby Metropolis	**Boston, MA**	**Philadelphia, PA**	**Detroit, MI**	**New York, NY**	**Boston, MA & New York, NY**	**Miami, FL**
Population*	402,789	**525,587**	599,524	786,147	876,927	1,787,636
Income	$66,382	**$58,043**	$46,826	$51,879	$58,666	$50,499
Age	38	**37**	34	36	39	39
% with Bachelor's Degree or higher	35%	**32%**	29%	31%	31%	28%

- Hartford and Hillsborough Counties appear to be appropriate comparisons
    - Hartford is similar on virtually all demographic dimensions:
        - → Income
        - → Educational attainment
        - → Age distribution
        - → Ethnic distribution
    - Hillsborough is similar in size as well as educational attainment and age distribution
        - → It has higher income and is less ethnically diverse than New Castle County
- Despite its "second city" relationship with Miami, Ft. Lauderdale may not be the best comparison for Wilmington
    - It is more than three times as large and growing much more rapidly

*All demographic data is from the 2006 American Community Survey. % chance since 2000 computed using the 2000 Decennial Census.

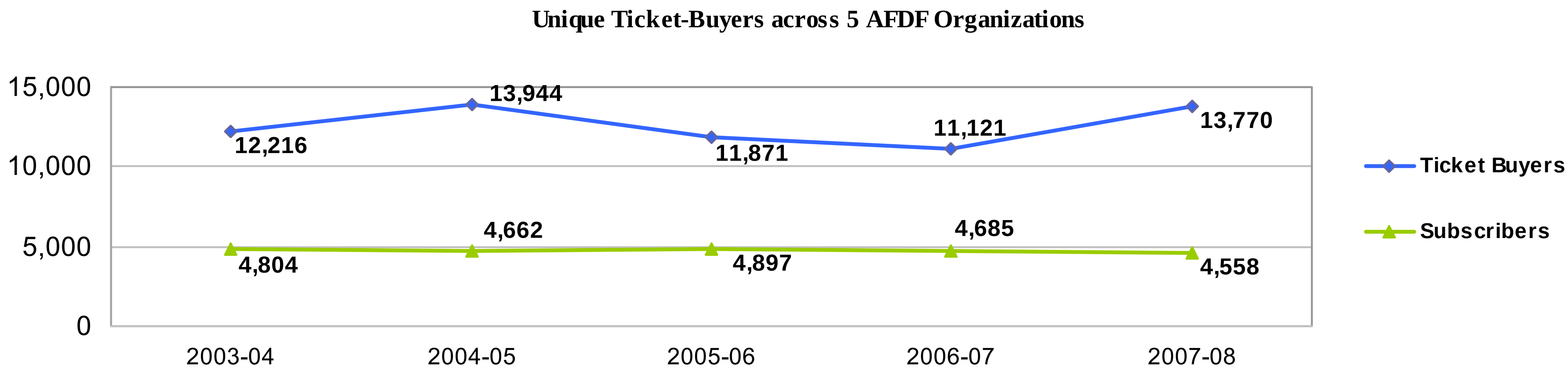
#5b. Supply of arts organizations in Wilmington does not appear to have the same scale as peer markets

	Geography					
County	**Hillsborough County, NH**	**New Castle County, DE**	**Kent County, MI**	**Essex County, NJ**	**Hartford County, CT**	**Broward County, FL**
Comparison Market	**Manchester, NH**	**Wilmington, DE**	**Grand Rapids, MI**	**Newark, NJ**	**Hartford, CT**	**Ft. Lauderdale, FL**
Nearby Metropolis	**Boston, MA**	**Philadelphia, PA**	**Detroit, MI**	**New York, NY**	**Boston, MA & New York, NY**	**Miami, FL**
Population*						
Population	402,789	**525,587**	599,524	786,147	876,927	1,787,636
Arts & Cultural Organizations						
# Arts, Entertainment, Recreation Establishments	150	**220**	211	263	331	960
% Change since 1998	*8%*	***13%***	*9%*	*28%*	*18%*	*32%*
# of Performing Arts Companies	12	**18**	11	37	24	75
# of Museums and Historical Sites	9	**21**	10	17	31	25
Arts & Culture Density						
Arts, Entertainment, Recreation Establishments Per 10,000 People	3.72	**4.19**	3.52	3.35	3.77	5.37
Performing Arts Companies Per 10,000 People	0.30	**0.34**	0.18	0.47	0.27	0.42
Museums and Historical Sites Per 10,000 People	0.22	**0.40**	0.17	0.22	0.35	0.14

- In stakeholder interviews, we heard concern that Wilmington’s supply of arts and culture outstrips demand
- Our market assessment confirmed that arts and cultural supply in Wilmington exceeds that in nearly all other comparison markets
  - On overall density, Wilmington is second only Ft. Lauderdale, and it has the highest density of museums
  - In Hartford and Hillsborough Counties, the arts and culture sector is roughly 10% smaller than in New Castle County
- Growth in the number of arts and entertainment organizations exceeds population growth in New Castle County over the last several years

*All demographic data is from the 2006 American Community Survey. Arts establishment numbers are from 2005 Census County Business Patterns.

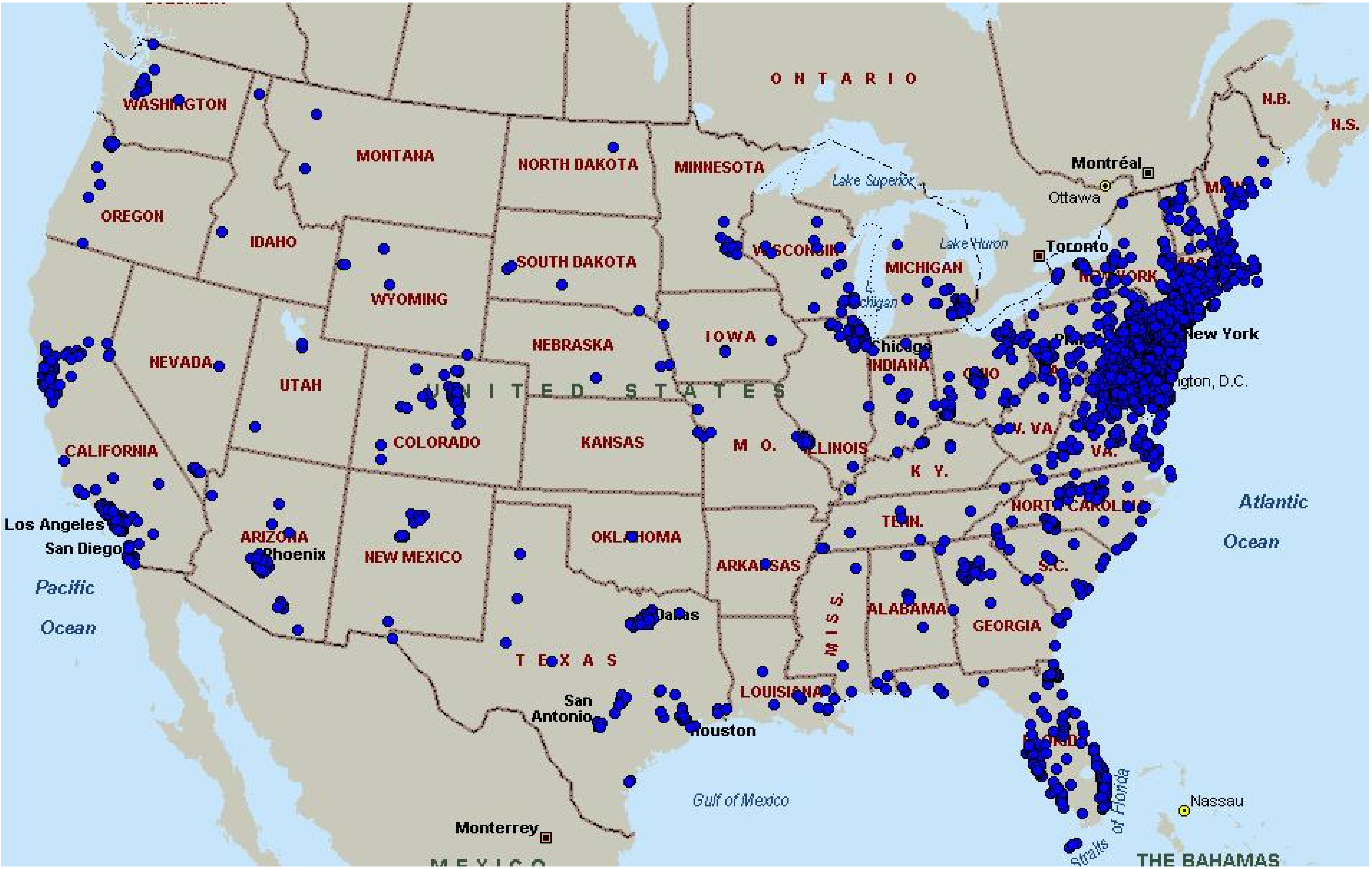
#6. Single ticket sales are up after a two-year decline, but subscriptions remain down



- This year single ticket sales nearly rebounded to their high of 2004-05; subscriptions, however, remain down from their high in 2005-06
  - Last year (2006-07) sales were down by approximately 23% from this high point
- Together, these trends may reflect a shift from subscriptions to single-ticket purchasing among Wilmington's audience base
  - Stakeholder interviews indicate that some organizations believe this to be the case and that they're hearing from their audience that they would prefer to plan their arts consumption in shorter time intervals
  - The Phase 2 Audience Survey will be critical in understanding whether Wilmington arts patrons are down-shifting to lower commitment forms of ticket purchase and, if so, how arts organizations can keep them engaged
- Organization-specific trends are presented in the Appendix, and show that these dynamics are not uniform across AFDF organizations
  - Subscriptions are down or flat for all but the DSO, while the increase in single ticket sales was driven by The Grand, DTC, and to a lesser extent, OperaDelaware

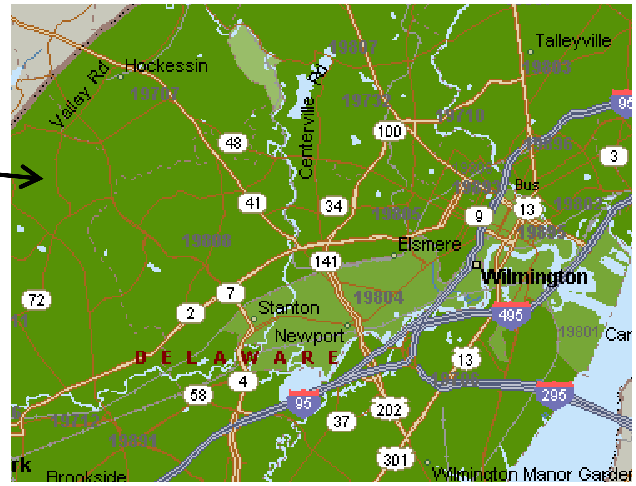
Note: Delaware Art Museum (DAM) members are classified as "subscribers" and included in these figures. Single ticket buyers do not include DAM non-member visitors.

#7. All 50 states are represented in the AFDF audience, with substantial patronage along the Eastern seaboard



Note: Each dot indicates a ZIP code in which at least one patron (from the aggregated patron database) resides.

#8a. Ticket buyers are concentrated in Northern Delaware, but come from all parts of the state



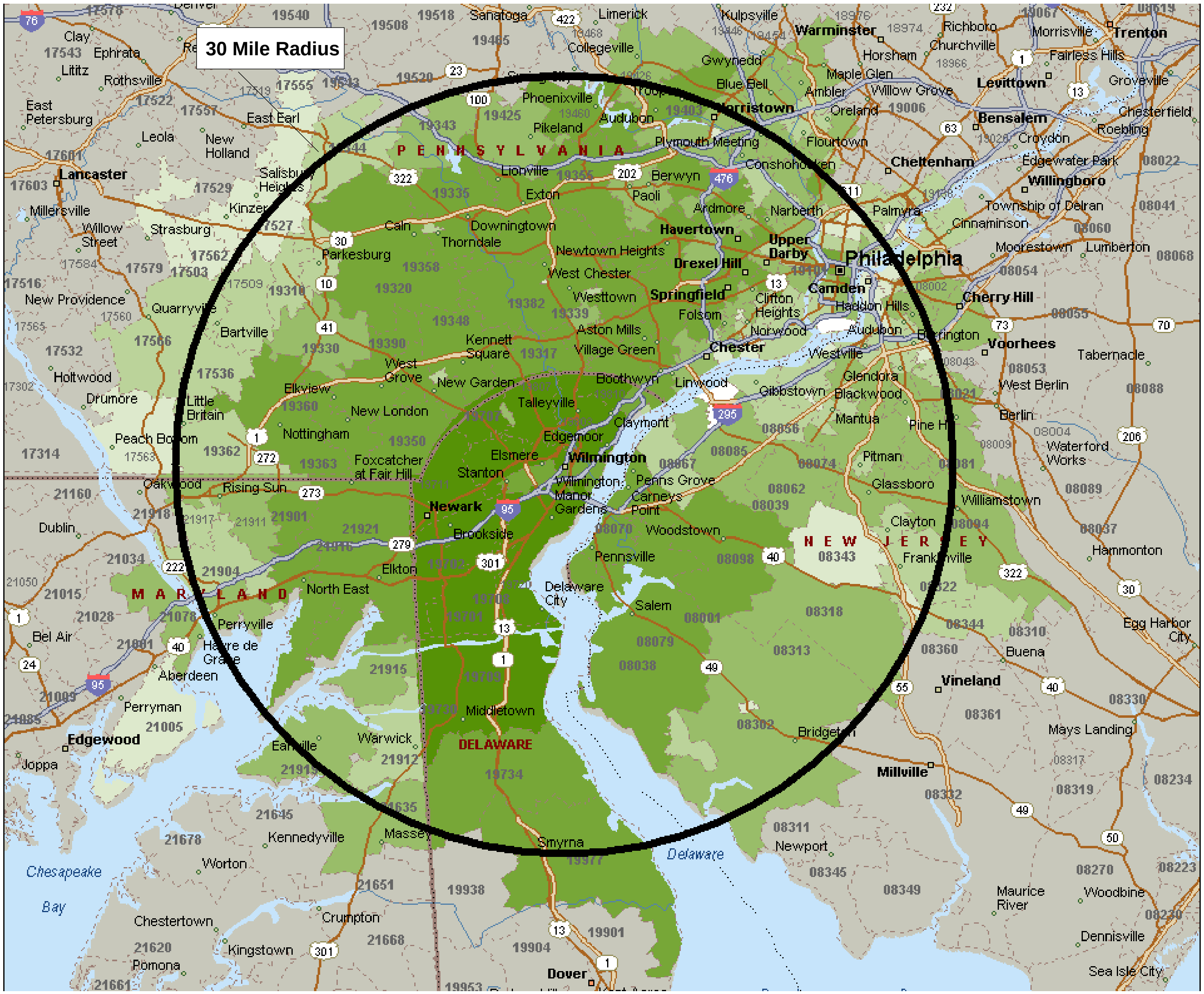
Total Ticket Buyers (by ZIP Code)

- 900 to 3,728
- 76 to 899
- 26 to 75
- 6 to 25
- 1 to 5
- 0

- The largest numbers of ticket buyers come from the region directly around Wilmington – extending from the Pennsylvania border (in the north) to Middletown (in the south)
- However, the ZIP codes closest to Wilmington actually show fewer audience members
  - For instance, 19801 falls into the second-highest volume category despite being home to The Grand and the Delaware Theatre Co.
- There are relatively high concentrations of ticket buyers in particular downstate pockets
  - Large numbers of ticket buyers come from seaside communities – including Rehoboth Beach, Milton, and Lewes Beach
  - Similarly large numbers come from the Seaford area, located further west

Note: ZIP codes are divided into 6 quantiles based on the total number of ticket buyers (subscribers and single ticket buyers), with dark green indicating the top 1/6th of ZIP codes.

#8b. Ticket buyer volume is high in neighboring states, but not as high as in Delaware



- Ticket-buyers come from throughout the 30 mile radius around Wilmington
  - The parts of Pennsylvania that are within this radius contribute quite large numbers of people to Wilmington's arts audience
  - The exceptions to this are the areas closest to Philadelphia, where volume is generally lower

Total Ticket Buyers (by ZIP Code)

- 900 to 3,728
- 76 to 899
- 26 to 75
- 6 to 25
- 1 to 5
- 0

Note: ZIP codes are divided based on the 6 quantiles from P. 17.

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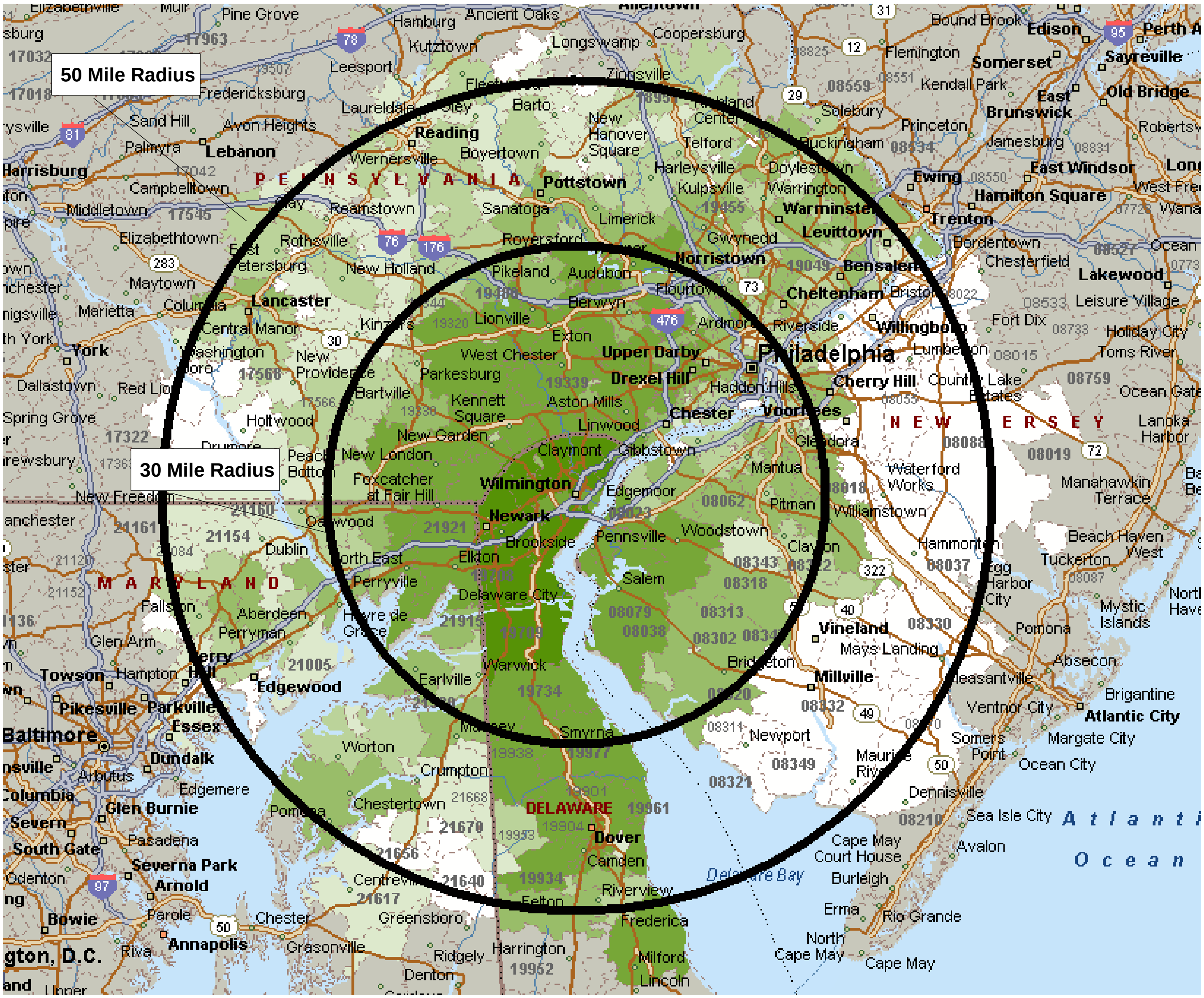
#8c. Ticket buyers come from fairly deep into Pennsylvania; less so for New Jersey



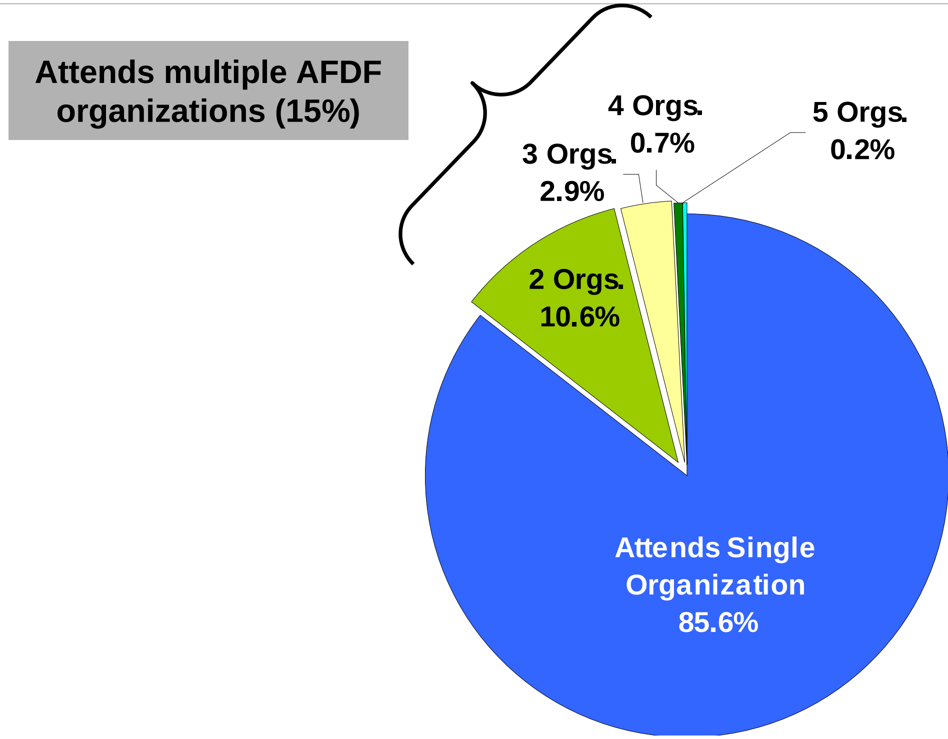
- Looking a little farther out, we see that ticket-buyers are also found in parts of Pennsylvania and Maryland that are more than 30 miles away from Wilmington
  - However, the volume of ticket-buyers coming from these areas is much smaller than within the 30 mile radius
- The arts organizations draw comparably better from Southern Delaware than other states within in this radius

Total Ticket Buyers (by ZIP Code)

- 900 to 3,728
- 76 to 899
- 26 to 75
- 6 to 25
- 1 to 5
- 0

Note: ZIP codes are divided based on the 6 quantiles from P. 17.

#9a. Crossover can grow: most in aggregated ticket buyer database attend only a single AFDF organization

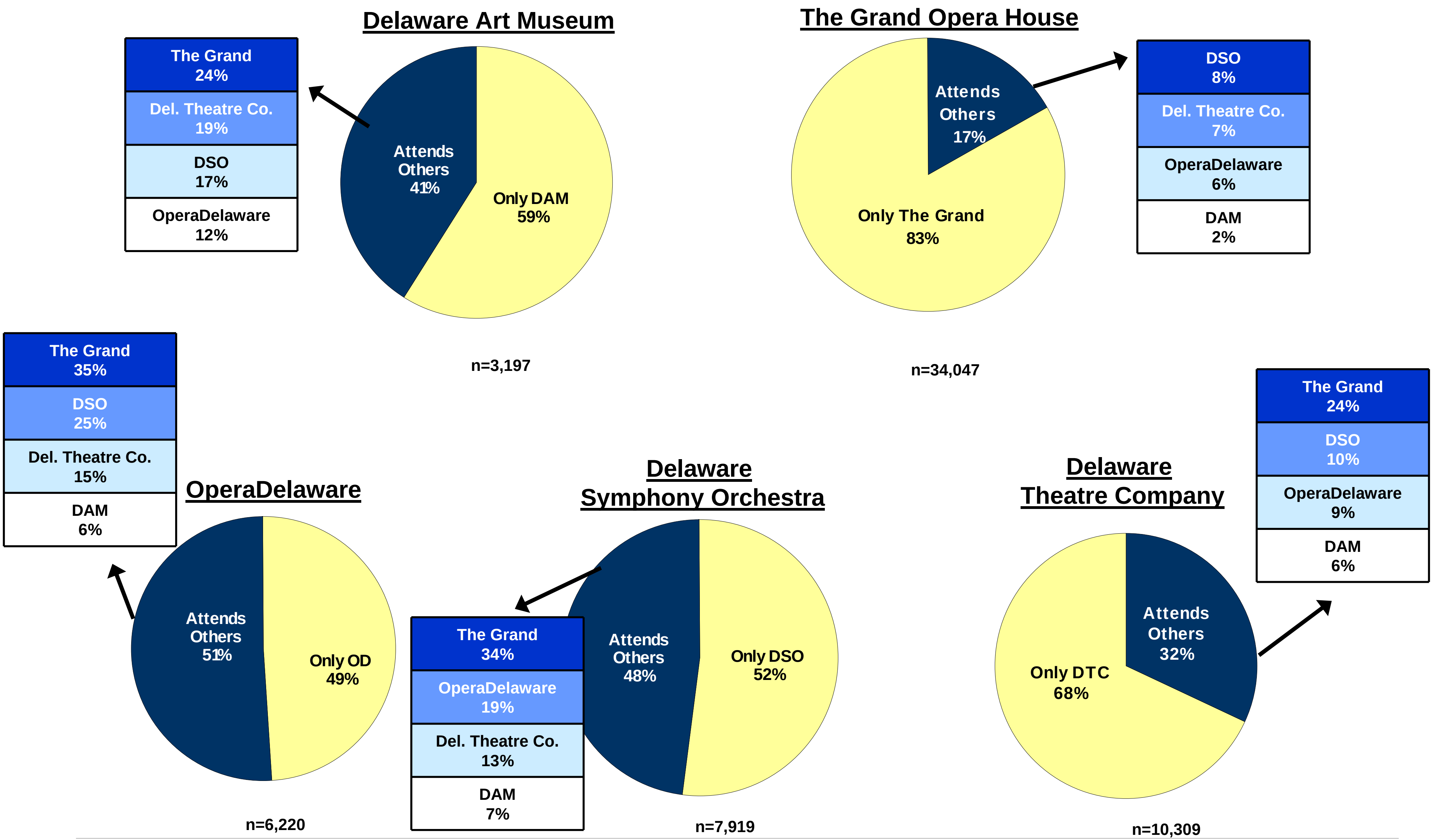


# of Organizations	# of Ticket Buyers
1	44,254
2	5,504
3	1,516
4	363
5	86
TOTAL	**51,723**

- We looked at all ticket-buying patrons (single ticket buyers and subscribers) and counted the number of organizations at which they purchased tickets
- Most had purchased tickets from only one of the five organizations in the last five years
  - 15% attended at least two organizations, amounting to 7,469 patron households
- Because The Grand constitutes the largest segment of the aggregated ticket buyer database, this figure obscures relatively high rates of ticket purchase crossover between particular organizations
  - Organization-specific crossover is presented on the next slide

Note: Patrons with only a donor history and no ticket-purchase history are excluded.
These numbers may under-estimate cross-over ticket purchase due to people moving or changing names within this time period.

#9b. OperaDelaware and DSO have high rates of cross-over, with half of their patrons attending other organizations



Note: All percentages reported are % of the total number of ticket buyers for each institution.
DAM's low cross-over is likely due to not having non-member visitor data.

#10. Most AFDF organizations approach audience growth as a need to "fill the seats," not to diversify

- Most stakeholders said that the primary outcome they hope to see come out of the collaboration is increased attendance (as well as financial support)
- Most consider the ideal approach to be two-fold:
  1. Increase loyalty and patronage among current arts patrons
  2. Identify and engage high-potential patrons – those who "look" like current AFDF patrons, but do not yet attend the AFDF organizations
     - → These high-potential patrons may already consume arts and culture and/or may have similar demographic characteristics, attitudes, and tastes as current patrons
     - → Phase 2 research will be critical in identifying the characteristics and attributes of the current audience that are most salient in this regard
- There is relative agreement that the goal is <u>not</u> to persuade people to consume arts and culture that is out of their comfort zone, nor is it necessarily undertaking a radical change in programming in order to respond to what the market wants
  - In other words, the goal is not to make a widespread shift in attitudes about *art* – it's to shift their attitudes about *attending arts events*
  - The consensus is that the quality of the product is already high, and that improving the quality would not be a high-impact way of increasing the audience
    - → We will test this in Phase 2 research to see what perceptions patrons and non-patrons have
- While audience diversification is secondary to increasing overall attendance numbers, some would like to see increase the number of younger people in the audience
- A common hypothesis among stakeholders is that Chester and Delaware counties may hold the greatest opportunity for Wilmington arts organizations

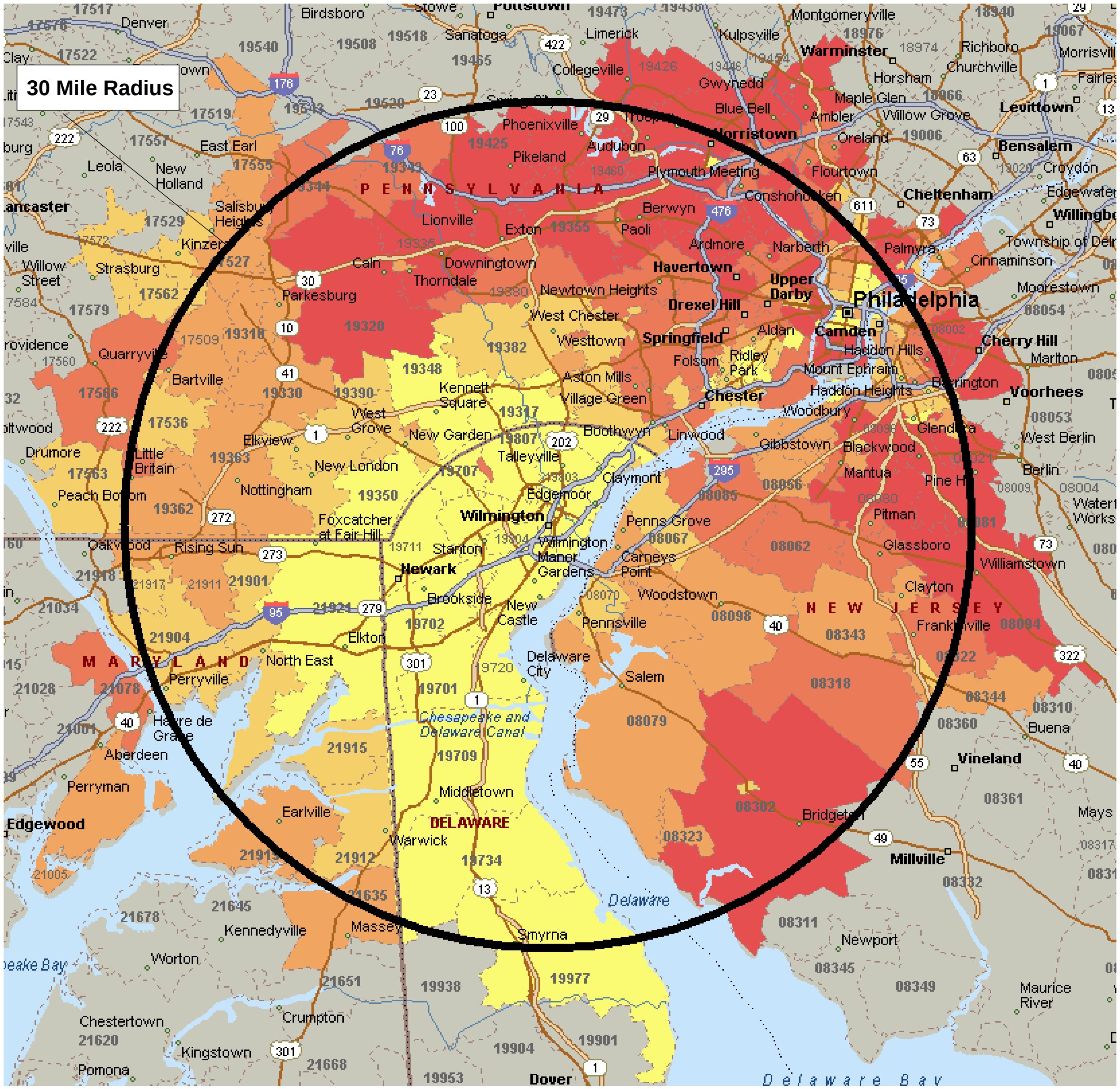
#11a. Proprietary Slover Linett methodology used to identify areas with high audience growth potential

- We use regression analysis to model opportunity for audience growth in each ZIP code
  - Model identifies the salient demographic predictors of the number of ticket buyers in each area
  - We then predict the number of ticket buyers that can be expected from each ZIP code
  - Opportunity is estimated as this predicted number of ticket buyers minus the current number of ticket buyers in each ZIP code
    - → A positive opportunity number indicates that the ZIP code is currently under-performing the model's prediction
- Our model predicts that areas with high educational attainment and relatively low population density have highest opportunity for audience growth
  - We do not include distance from Wilmington in our model, as its influence on the number of ticket buyers in a ZIP code would overwhelm other salient demographic factors
    - → In the Phase 2 Community Survey, we will be able to test the role that distance plays in propensity to visit arts organizations in Wilmington

#11b. Areas with greatest opportunity for audience growth are located in Pennsylvania and New Jersey

Zip code	Location	Current number of patrons	% with college degree	Population density (people per sq. mile)	Predicted number of patrons	Opportunity (predicted less current)
19067	Morrisville, PA	49	54%	1,502	784	735
18901	Doylestown, PA	26	57%	990	745	719
17603	Lancaster, PA	25	30%	2,204	693	668
19446	Lansdale, PA	44	48%	2,482	705	661
17601	Lancaster, PA	31	46%	1,382	653	622
08053	Marlton, NJ	0	48%	1,526	618	618
08054	Mount Laurel, NJ	0	50%	1,849	609	609
19020	Bensalem, PA	36	32%	3,100	636	600
17602	Lancaster, PA	18	23%	1,822	546	528
17543	Lititz, PA	17	36%	619	528	511
18966	Southampton, PA	30	46%	2,303	535	505
18940	Newtown, PA	30	63%	789	533	503
08081	Sicklerville, NJ	40	28%	1,845	543	503
19403	Norristown, PA	77	44%	1,789	576	499
Average ZIP Code in 30 mile radius:		**184**	**34%**	**4,548**	**187**	**3**

#11c. Areas with greatest opportunity for audience growth are located in Pennsylvania and New Jersey (cont'd)



- We predict that areas in red and dark orange should be attending Wilmington arts organizations in greater numbers than they currently are
  - Northern Delaware ZIP codes already perform well in generating audiences
  - Again, these results do not take distance into account which will be researched in Phase 2

Opportunity Index
- Highest
- High
- Average
- Low
- Lowest

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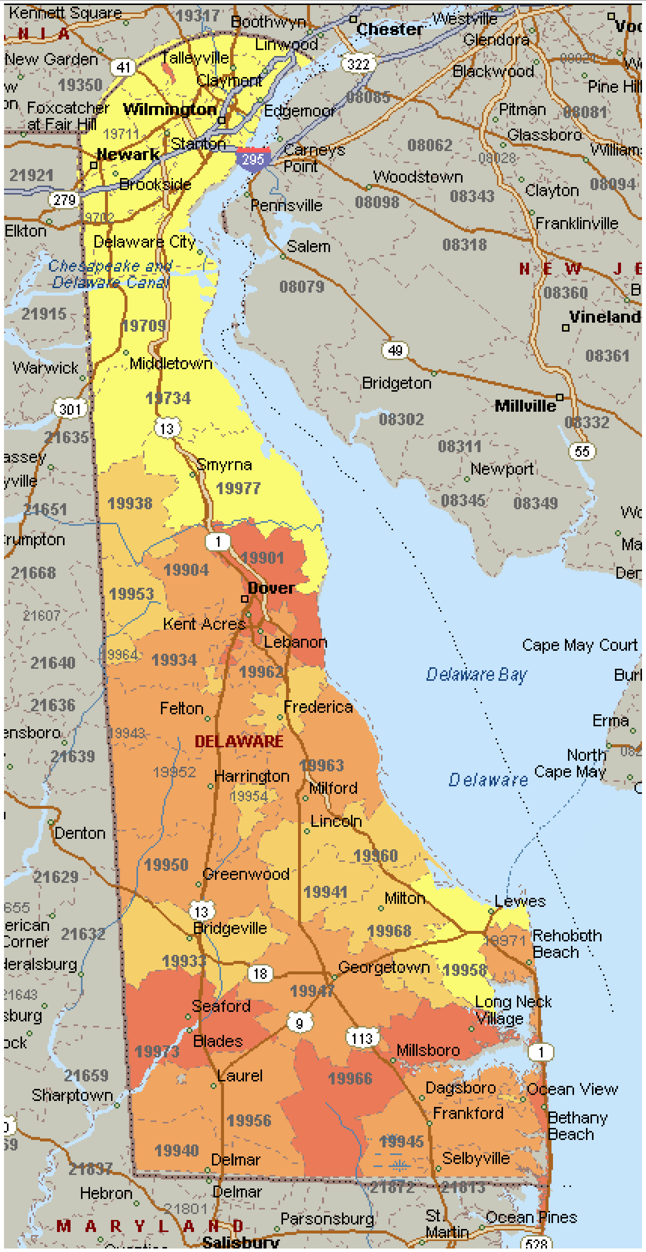
Method: Regression analysis is used to identify salient demographic predictors of the number of ticket buyers and to predict the number of ticket buyers in each ZIP code. Opportunity is measured as predicted number of ticket buyers minus actual number of ticket buyers.

#12a. Several pockets of moderately high potential are located around Dover and further downstate

Zip code	Location	Current number of patrons	% with college degree	Population density (people per sq. mile)	Predicted number of patrons	Opportunity (predicted less current)
19736	Yorklyn, DE	36	75%	57	262	226
19973	Seaford, DE	96	19%	292	258	162
19966	Millsboro, DE	73	16%	176	214	141
19944	Fenwick Island, DE	6	48%	513	132	126
19901	Dover, DE	284	27%	511	408	124
19930	Bethany Beach, DE	42	48%	494	159	117
19956	Laurel, DE	28	16%	150	120	92
19947	Georgetown, DE	72	14%	139	155	83
19970	Ocean View, DE	35	32%	669	93	58
19945	Frankford, DE	7	16%	101	60	53
19904	Dover, DE	337	33%	660	387	50
19962	Magnolia, DE	49	27%	371	93	44
19943	Felton, DE	40	15%	148	84	44
Average ZIP Code in Delaware:		**536**	**28%**	**1,090**	**189**	**-347**

#12b. Several pockets of moderately high potential are located around Dover and further downstate (cont'd)



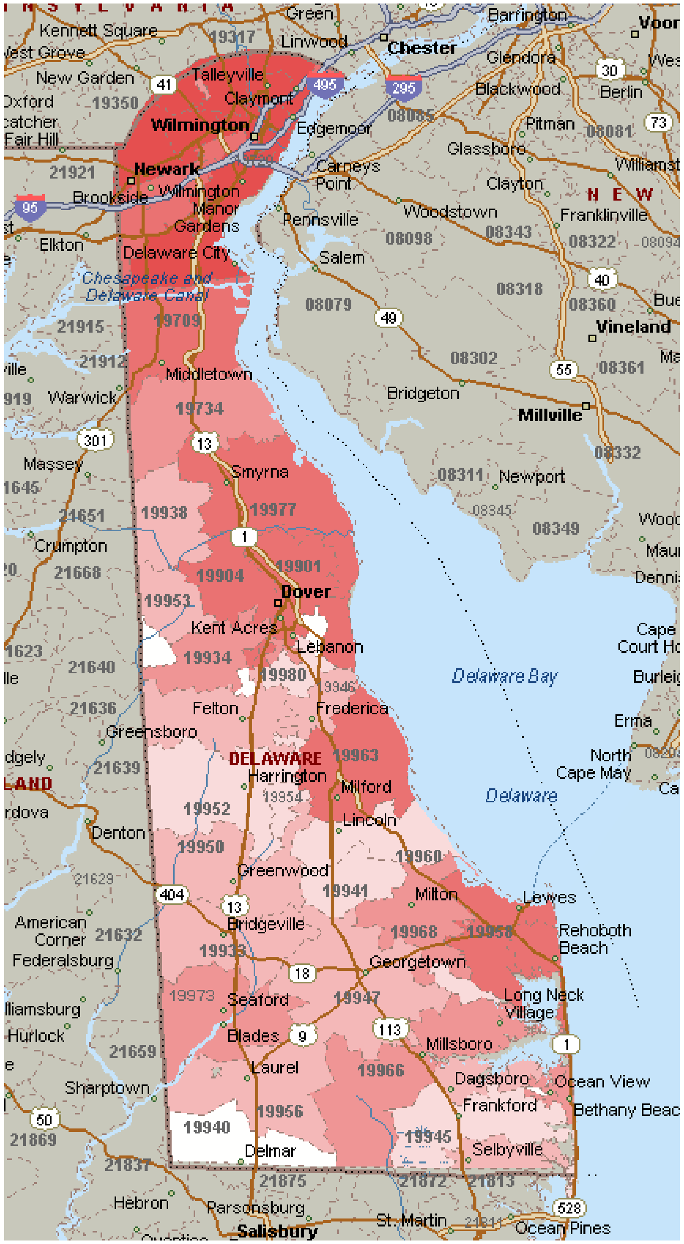
Opportunity Index

- Highest
- High
- Average
- Low
- Lowest

- Again, we looked at areas within Delaware identified as high opportunity in our analyses
- Dover, Seaford, and Millsboro all have zip codes that are predicted to have much greater attendance than they currently do
- These categories are directly comparable to those on page 23, and indicate that opportunity is greater in Pennsylvania and New Jersey than in Delaware
  - High-opportunity areas are rare in Maryland

Method: Regression analysis is used to identify salient demographic predictors of the number of ticket buyers and to predict the number of ticket buyers in each ZIP code. Opportunity is measured as predicted number of ticket buyers minus actual number of ticket buyers.

#13a. Looking at donors in Delaware, the highest volume is found close to Wilmington



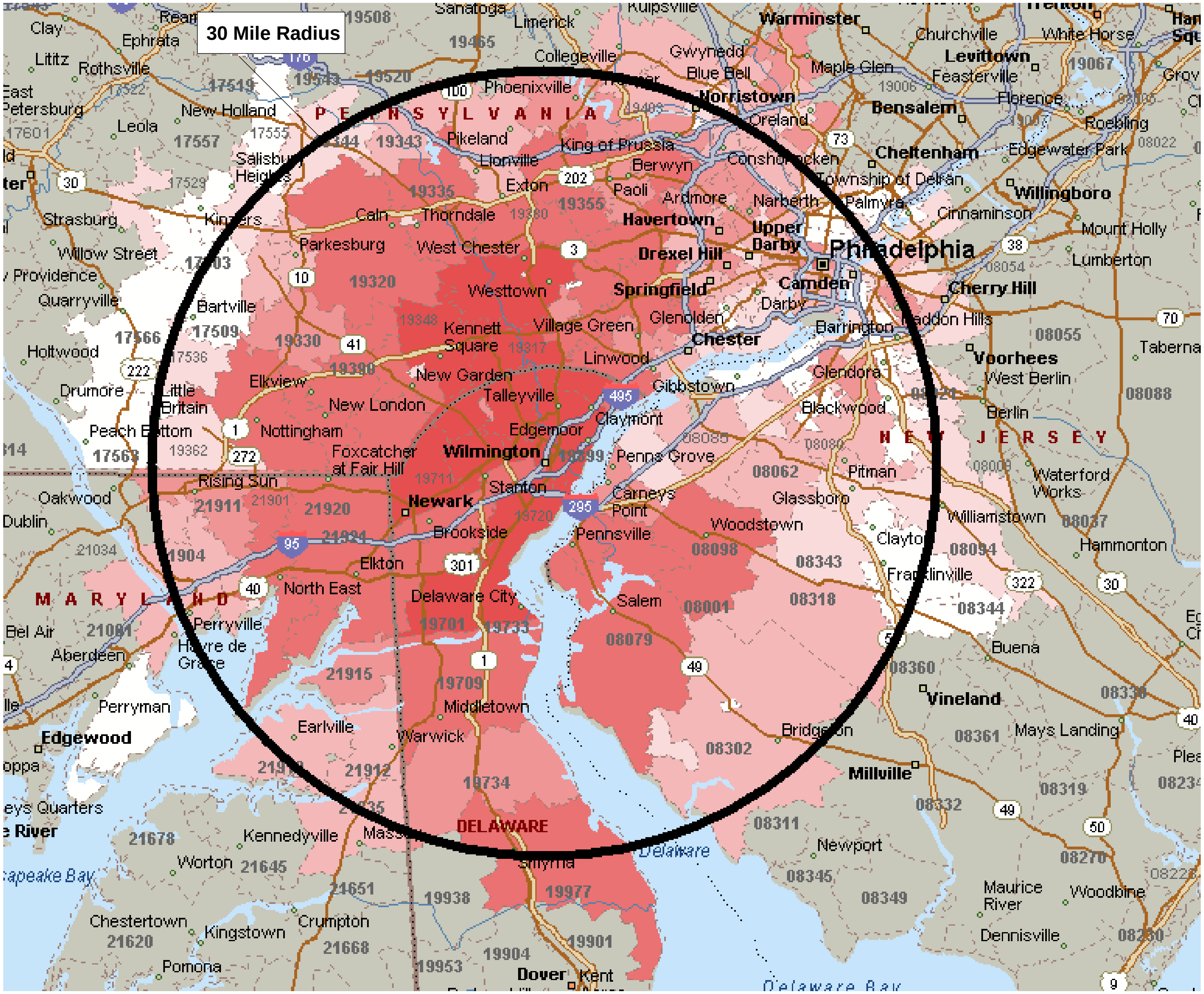
Total Donors (by ZIP Code)

- 192 to 1,700
- 23 to 191
- 9 to 22
- 3 to 8
- 1 to 2
- 0

- Unlike ticket-buyers, which come from a relatively large area around Wilmington (with the exception of a few ZIP codes closest to Wilmington), donors are concentrated in a smaller area that excludes most of the I-95 corridor
- Again, there are some relatively high-concentration ZIP codes in pockets throughout the state, including:
  - Dover
  - Rehoboth Beach and Lewes Beach
  - Milford

<u>Note:</u> ZIP codes are divided into 6 quantiles based on the total number of donors, with dark red indicating the top 1/6th of ZIP codes.

#13b. Highest-volume region of donors extends into Pennsylvania

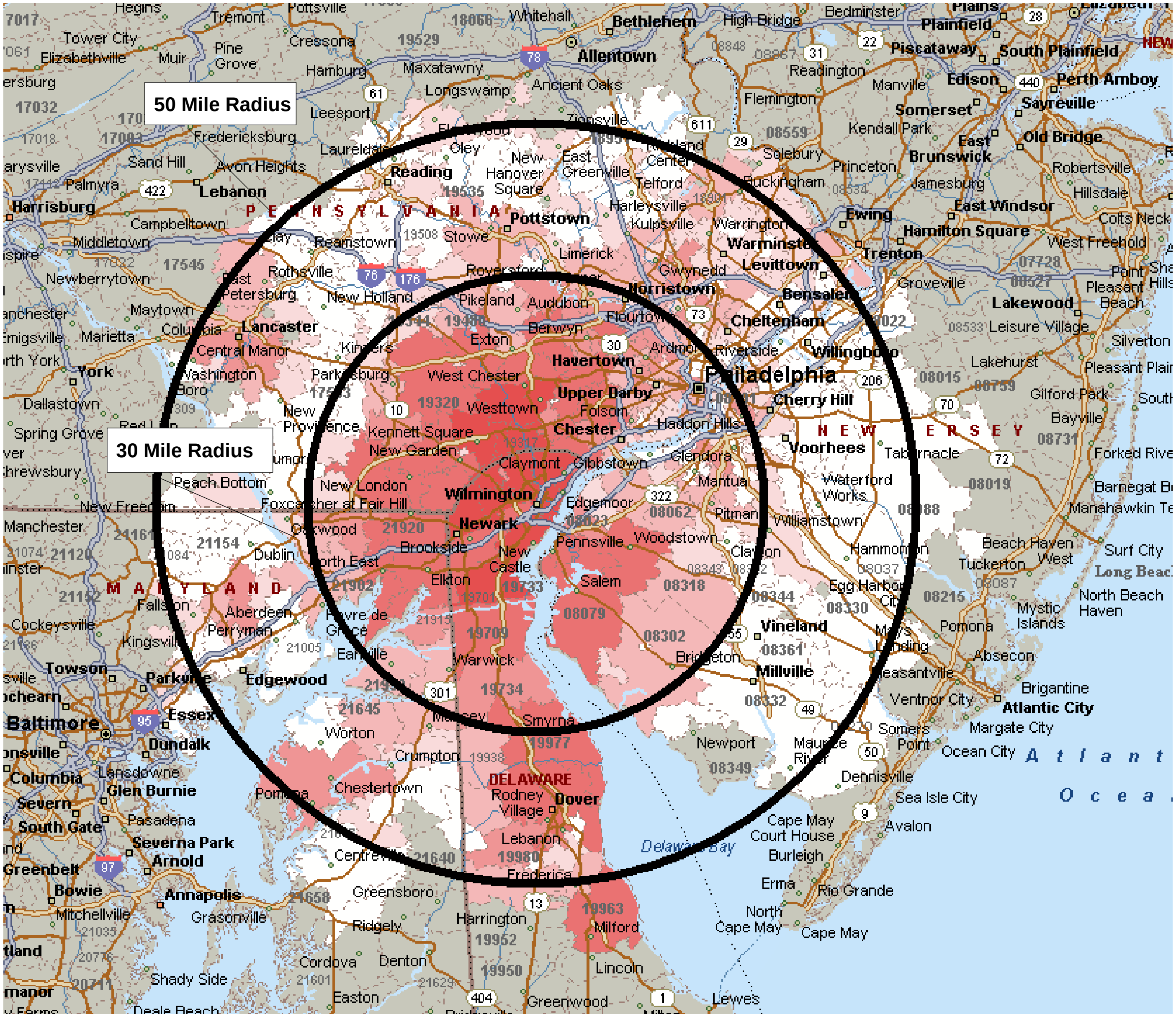


Total Donors (by ZIP Code)
192 to 1,700
23 to 191
9 to 22
3 to 8
1 to 2
0

- Pennsylvania towns West Chester, Chadds Ford, and Kennett Square contribute as many donors as the Wilmington suburbs

Note: ZIP codes are divided based on the 6 quantiles from P. 24.

#13c. However, there are far fewer concentrations of donors beyond the 30 mile radius



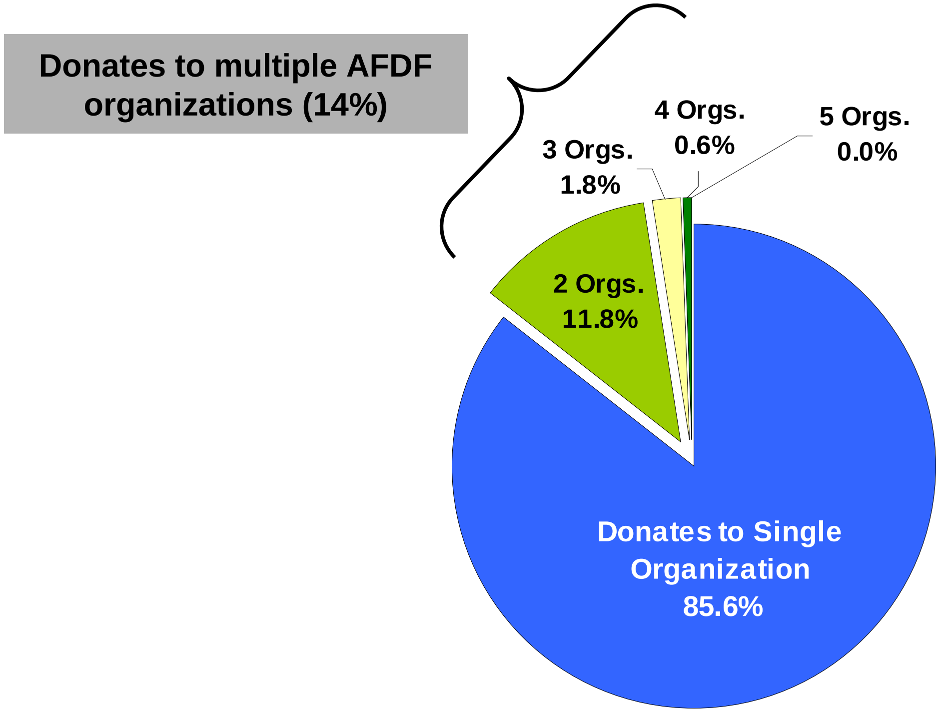
Total Donors (by ZIP Code)

- 192 to 1,700
- 23 to 191
- 9 to 22
- 3 to 8
- 1 to 2
- 0

Note: ZIP codes are divided based on the 6 quantiles from P. 24.

sloverlinett STRATEGIES

#14a. Most donors in aggregated patron database give to only one of the five organizations

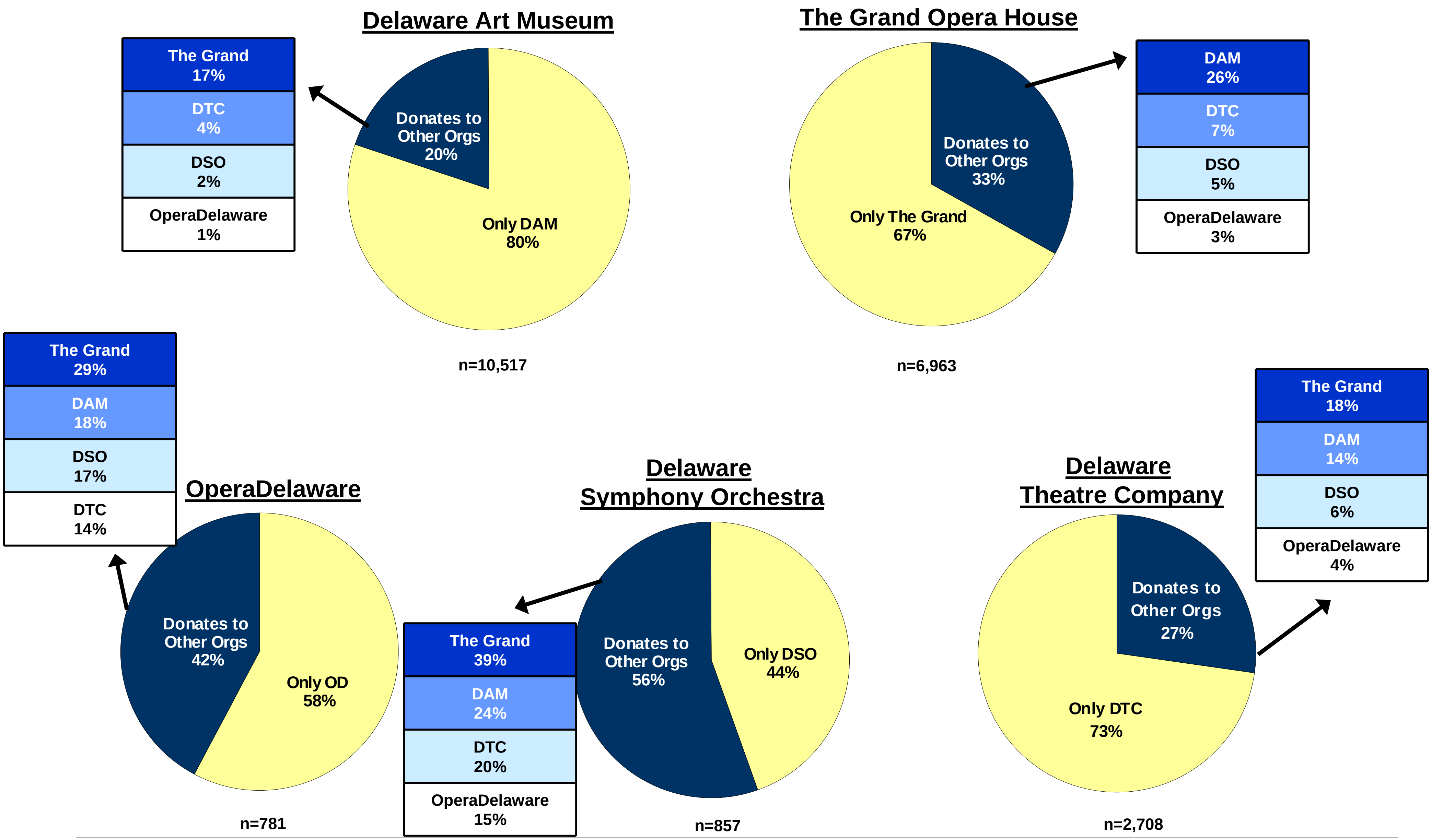


# of Organizations	# of Donors
1	15,881
2	2,190
3	336
4	104
5	12
TOTAL	**18,550**

- We looked at all donors and tallied the number of organizations at which they purchased tickets
- Most had donated to only one of the five organizations in the last five years
- While there is considerable overlap between those who donate to multiple organizations and those who are audience members of multiple organizations, they are not the same group
  - Just 47% of those who donated to multiple organizations also attended multiple organizations as subscribers or single ticket buyers
- Here, DAM constitutes the largest segment of the aggregated donor database, and DAM donors are least likely to have donated to multiple organizations (see next page)

Note: Patrons with only a ticket-purchase history and no donor history are excluded.
These numbers may under-estimate cross-over donation due to people moving or changing names within this time period.

#14b. Over half of DSO donors give to another organization; DAM donors are the most distinct group



Note: All percentages reported are % of the total number of donors for each institution.

#14c. Donation activity among ticket buyers is moderate

- On average, 45% of AFDF subscribers also donate to the institution(s) they attend, while 5% of single ticket buyers are donors
  - This is on the low-to-average side for what we've seen in other performing arts organizations
- The percentage of audience members who are also donors varies dramatically by organization

	% of Subscribers who are also Donors to that organization	% of Single Ticket Buyers who are also Donors to that organization
Overall	**45%**	**5%**
Delaware Art Museum	76%	N/A
Delaware Theatre Company	49%	14%
Delaware Symphony Orchestra	29%	2%
OperaDelaware	25%	4%
The Grand Opera House	14%	3%

#15. Collaboration can be strengthened by reaching out to more organizations

- Internally, there is agreement that the five current consortium members should remain the core of this arts revitalization effort …
  - The first goal is ensuring their own immediate financial survival, but strengthening the long-term health of the city's arts landscape is also a goal of this initiative
  - These five organizations are recognized as the linchpins in the Wilmington arts scene
- … and that the intention is that the entire Wilmington area will benefit from the knowledge and success that emerges from the collaboration
  - Consensus is to distribute the finding from the Phase 2 audience research among the area's cultural organizations
- But external perceptions are that the consortium does not have sights fully beyond its own immediate interests
  - It is perceived by some to be a hand-selected group
  - Other arts organizations feel that they have been left out of the process
- This wariness may be due to a lack of communication about the consortium's intentions and goals
  - Many stakeholders think that communicating the goals of the collaboration and the underlying intent to share the results of this research with other organizations is an urgent need
    - → Buy-in would likely be much more widespread if this were to happen
  - The strength of the city's arts landscape can't rest on the AFDF alone, and broader buy-in is necessary for AFDF to fulfill its leadership potential

#16. Implementing strategies for this initiative will require sizeable marketing and fundraising capacities

- These organizations have recognized but not yet fully addressed the need to diversify and increase support among individual private donors
  - This should be a critical capacity-building focus for each organization
- There also appear to be opportunities to fortify each organization's marketing capacities
  - Perceptions generally among stakeholders are that all AFDF organizations need to strengthen the marketing function
  - In our analysis of the AFDF patron databases, we found that the organizations have email addresses for between 9% and 38% of their patrons; this is significantly lower than seen in many other cultural organizations' databases
- Research and evaluation capacity has also been under-developed
  - There is little existing audience research from these five organizations, and what there is focuses more on describing the audience than on parsing out the needs and motivations of the audience in ways that can generate specific action items
  - Some stakeholders recognize that ongoing research is an area in which the consortium can be helpful, and that research shouldn't end with the conclusion of this project
- The consortium should plan to creatively capitalize on its collective resources
  - The original statement of goals referenced collaborating on a joint marketing campaign past the research; the soundness of that strategy specifically will be tested as we continue through the process

Hypotheses and Preliminary Recommendations

Hypotheses and Preliminary Recommendations (p1)

Insight	Hypothesis	Preliminary Recommendations
#1. Economic and population growth in Wilmington lags behind the rest of the state and the nation as a whole. But, neighboring counties show stronger growth potential.	▪ Growth in audiences will likely come from the areas in New Castle County that are outside of Wilmington's borders, as well as Chester (PA), Gloucester (NJ), and Cecil (MD) counties.	▪ Test interest among residents of counties outside of Delaware in Phase 2 research.
#2. Ongoing economic revitalization efforts are critical to the area's success, and the arts can play a greater role.	▪ If civic leaders view the arts as an engine for – rather than just a beneficiary of – economic revitalization, the arts will be better positioned in the decision-making process.	▪ Use the consortium to market the arts as an economic development tool to local and state governments; develop a plan to do so.
#3. There is a shared perception that the Wilmington arts scene needs some rejuvenating.	▪ Changing people's perceptions of the "scene" as a whole – not just perceptions of individual organizations – may be an important strategic goal for the consortium.	▪ Use the Phase 2 Community Survey will help clarify the perceptual barriers to thinking of Wilmington as an arts destination.
#4. The Wilmington arts are in the midst of a critical transition in funding sources.	▪ The average audience member may not appreciate how precarious the current funding situation is. ▪ Moderate cross-over among each organization's donor pool suggests that funding is not a zero-sum game.	▪ Use the Phase 2 Audience Survey to identify the perceptions, motivations, and barriers associated with donating to these organizations and identify opportunities. ▪ Start to work on creating joint development opportunities together on a parallel path with the research.

Hypotheses and Preliminary Recommendations (p2)

Insight	Hypothesis	Preliminary Recommendations
#5. In our market assessment, we identified 5 regions with a similar “second city” status and find that the supply of arts organizations in Wilmington does not have the same scale as these peer markets.	▪ This raises additional questions about who the “rightful” purveyors of arts and culture in Wilmington and Delaware are, and which organizations should continue to exist.	▪ These will be important, but sensitive, questions for the consortium to address.
#6. Single ticket sales are up after a two-year decline, but subscriptions remain down.	▪ Arts patrons are shifting to lower-commitment forms of engagement with these organizations. This may be part of a broader trend toward low-commitment forms of activity, or may reflect hesitation to engage with these particular organizations.	▪ Use the Phase 2 Audience Survey to clarify the motivations behind switching from subscriptions to single ticket purchases and identify potential switchers.
#7. All 50 states are represented in the AFDF audience, with substantial patronage along the Eastern seaboard.	▪ Despite this national representation, it is best to focus marketing efforts locally first before reaching out to audiences nationally.	▪ Analyze local vs. out-of-town patrons in the Audience Survey.
#8. Ticket buyers are concentrated in Northern Delaware, but come from all parts of the state. Volume is high in neighboring states – particularly into Pennsylvania – but not as high as in Delaware.	▪ There may be a psychological barrier to crossing the state line to attend arts events.	▪ Test this hypothesis the Phase 2 Community Survey and make sure that we have a large enough sample to analyze respondents from each geographical area.

Hypotheses and Preliminary Recommendations (p3)

Insight	Hypothesis	Preliminary Recommendations
#9. Crossover can grow: most attend only a single AFDF organization, but half of OperaDelaware and DSO ticket buyers attend another organization as well.	▪ There is greater potential for crossover in the future.	▪ Take advantage of this low-hanging fruit before approaching non-AFDF patrons. ▪ Cross-promote in a consistent, strategic manner.
#10. Most AFDF organizations are approaching audience growth as a need to "fill the seats," not to diversify.	▪ Identifying and engaging high-potential non-patrons will be a big part of growing the audience.	▪ Develop a segmentation of the potential audience using the Phase 2 Community Survey, and target communications to highest-potential segments.
#11. Slover Linett methodology used to identify areas with high audience growth potential. Areas with the greatest opportunity are located in Pennsylvania and New Jersey.	▪ Best expansion targets are out-of-state which may put audience growth objectives in conflict with goals of strengthening the relationship with city and state government.	▪ Confirm potential in Phase 2 Community Survey. ▪ Explore options that make visiting from out-of-state more convenient (e.g. synchronize start times with transportation schedules; offer parking discounts).
#12. Several pockets of moderately high potential are located around Dover and further downstate.	▪ Developing a growth strategy that includes these high-potential downstate regions will be important if the consortium is to be perceived as a Delaware – not just Wilmington – initiative	▪ Developing traveling programming is one option for brining in the downstate segment of the audience.

Hypotheses and Preliminary Recommendations (p4)

Insight	Hypothesis	Preliminary Recommendations
#13. Highest-volume region of donors is found close to Wilmington, and extends into Pennsylvania.	▪ Delaware donors may be more motivated to donate because they want to support the Wilmington arts scene in general, while PA donors may have different motivations.	▪ The Phase 2 Audience Survey may be able to test for differences in donor motivations by geography.
#14. Most donors give to only one group, but half of DSO donors give to multiple organizations. Donor activity among ticket buyers is moderate.	▪ Overlap among donors is roughly the same as among the audience. This indicates that there is not a zero-sum competition for donors between these organizations.	▪ Test this hypothesis in Phase 2 research. ▪ Consider sharing donor lists within the consortium.
#15. Collaboration can be strengthened by reaching out to more organizations.	▪ Widening the collaboration – or at least communicating more broadly – will strengthen the success of the entire initiative.	▪ Communicate the goals of the consortium to other organizations in the short run.
#16. Implementing strategies for this initiative will require sizeable marketing and fundraising capacities	▪ Current marketing and development capabilities in-house may not be sufficient.	▪ Recruiting and retaining quality staff should be a high-priority objective for all consortium members ▪ Improving processes for capturing and maintaining email lists is a “low-hanging fruit” method of improving these capacities. ▪ Make research and evaluation an ongoing priority.

Our sincere appreciation goes to:

- Laura Scanlan, AFDF project leader
- The stakeholder interviewees
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  - Carin Brastow & Brianna Hansen, OperaDelaware
  - Terry Cruz, The Grand Opera House
  - Tina Gaffney, Delaware Theatre Company
  - Barbara Hinkle, Delaware Art Museum
  - Chris van Bergen, Delaware Symphony Orchestra
- The team at Slover Linett Strategies that conducted the stakeholder interviews, analyzed the data, and synthesized findings into this report:
  - Woody Carter
  - Chloe Chittick
  - Mike Hanus
  - Sarah Lee
  - Kathy Lin
  - Cheryl Slover-Linett
  - Jonathan Stringfield

Discussion points

1. Next steps – Phase 2 Audience Research
   - Geographically, how broad should the community survey focus?
2. How should we approach our communications with the broader community?
   - Long-term plan
   - Immediate sharing of this presentation
3. Is there anything to take action on now?
4. How do you envision using this material, specifically, within your organization?
5. Anything else?

Appendix

Patron database detail

- The five organizations provided patron records for the following groups:
  - Single ticket buyers for each of the last five years
    - → The comparable category for DAM – non-member visitors – was not available
  - Subscribers for each of the last five years
    - → DAM members are classified as subscribers
  - Donors in the last five years
- We then identified patrons who have a ticket purchase and donation history at multiple organizations
  - For patrons who appeared in multiple files, we condensed their patron records into a single record containing their ticket purchase and donation history across all five organizations
    - → To facilitate this merging process, we used an address standardization service to format addresses consistently across files
    - → We also condensed records from two (or more) individuals with the same last name, residing at the same address
  - The final file likely understates cross-over patronage as we cannot condense records for people who move or change names during this five-year period

Stakeholder interview participants

Organizational Stakeholder	Interview Participant(s)	Title
	Tatiana Copeland	Chair, AFDF Committee; Executive Committee, The Grand; Chair Emeritus, DSO
	Gerret Copeland	Chairman, DAM; Secretary, Board of Trustees, Longwood Foundation
The Grand Opera House	Skip Pennella	Chair
	Brian Sabatino	Vice Chair
	Mark Fields	Managing Director
Delaware Symphony Orchestra	Rich Fischer	Chair
	Lucinda Williams	Executive Director
	Steve Zeisler	Board Vice Chair
OperaDelaware	Lee Kimball	General and Artistic Director
	Keith Duncan	Board Member
Delaware Theatre Company	Marilyn Hayward	Chair
	Rob Jansen	Managing Director
	Michael Marquadt	Incoming Chair
	Hugh Bleemer (Barclay's Bank)	Chair, Marketing Committee
	Caldwell Davis (Shamlian Advertising)	
Delaware Art Museum	Danielle Rice	Executive Director
Wilmington Mayor's Office	Bill Montgomery	Chief of Staff
	Tina Betz	Director of Cultural Affairs
Longwood Foundation	Peter Morrow	Executive Director
JP Morgan Chase	Helen Stewart	Vice President of Community Development
State of Delaware	Paul Weagraff	Director, DE Division of the Arts
	Judy McCabe	Chair, DE State Arts Council
Greater Wilmington Convention & Visitors' Bureau	Carolyn Grubb	Director of Marketing and Communications, Hotel DuPont and DuPont Theater
	Jill Mackenzie	Director of External Affairs, Hagley Museum
Buccini/Pollin Group	Rob Buccini	Co-President
The News Journal	Betsy Price	Features Editor

Market assessment: demographic detail

	Geography					
County	**Hillsborough County, NH**	**New Castle County, DE**	**Kent County, MI**	**Essex County, NJ**	**Hartford County, CT**	**Broward County, FL**
Comparison Market	**Manchester, NH**	**Wilmington, DE**	**Grand Rapids, MI**	**Newark, NJ**	**Hartford, CT**	**Ft. Lauderdale, FL**
Nearby Metropolis	**Boston, MA**	**Philadelphia, PA**	**Detroit, MI**	**New York, NY**	**Boston, MA & New York, NY**	**Miami, FL**
Population*						
Population	402,789	**525,587**	599,524	786,147	876,927	1,787,636
% Change since 2000	*6%*	***5%***	*4%*	*-1%*	*2%*	*10%*
Income						
Median HH Income	$66,382	**$58,043**	$46,826	$51,879	$58,666	$50,499
% Change since 2000	*22%*	***10%***	*2%*	*14%*	*14%*	*19%*
Age						
% Under 18	25%	**24%**	27%	26%	23%	24%
% 65 and over	11%	**12%**	10%	12%	14%	14%
Median Age	38	**37**	34	36	39	39
% Change since 2000	*5%*	***6%***	*3%*	*3%*	*3%*	*3%*
Ethnicity						
% Caucasian	92%	**73%**	82%	43%	76%	65%
% African-American	2%	**23%**	9%	41%	12%	25%
% Latino	4%	**7%**	9%	18%	13%	23%
Educational Attainment						
% with Bachelor's Degree or higher	35%	**32%**	29%	31%	31%	28%
% Change since 2000	*15%*	***6%***	*11%*	*10%*	*3%*	*11%*

*All demographic data is from the 2006 American Community Survey. % chance since 2000 computed using the 2000 Decennial Census.

Cross-over detail

# of Organizations	# of Ticket Buyers					
	Overall	DAM	The Grand	OperaDelaware	DSO	DTC
1	44,254	1,895	28,166	3,064	4,132	6,997
2	5,504	654	4,176	1,782	2,285	2,111
3	1,516	365	1,292	991	1,086	814
4	363	197	327	297	330	301
5	86	86	86	86	86	86
TOTAL	**51,723**	**3,197**	**34,047**	**6,220**	**7,919**	**10,309**

# of Organizations	# of Donors					
	Overall	DAM	The Grand	OperaDelaware	DSO	DTC
1	15,881	8,419	4,658	452	380	1,972
2	2,190	1,734	1,857	139	220	430
3	363	270	336	113	159	211
4	104	82	100	65	86	83
5	12	12	12	12	12	12
TOTAL	**18,550**	**10,517**	**6,963**	**781**	**857**	**2,708**