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OPTIMISM AMONG NYC CULTURAL LEADERS HITS SIX-YEAR HIGH
Cultural leaders report improved results in 2005 and high expectations for 2006

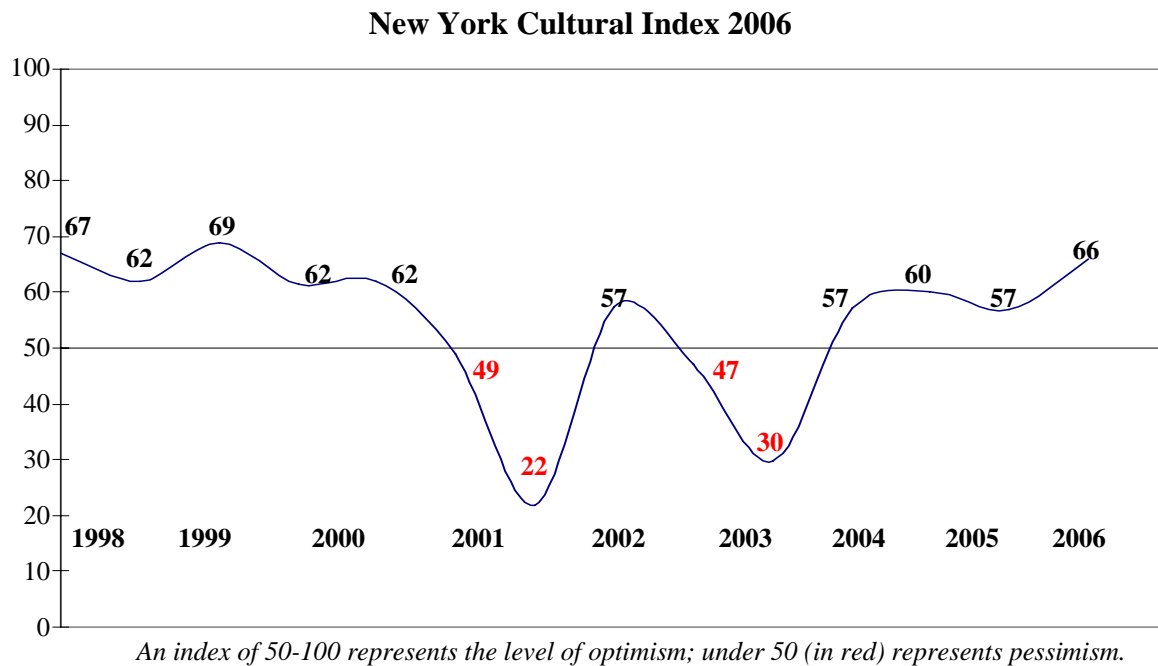
NEW YORK, May 9, 2006- Leaders of cultural organizations in metro NYC are the most optimistic they've been since 1999. Coming off improved results in 2005, most expect to see continued increases in attendance, fundraising, program delivery as well as overall financial stability in 2006.

The DHR International Cultural Index surveys cultural leaders in metropolitan NYC about their organizations and their perceptions of the NYC culture industry overall. According to the study, 60% reported moderate to substantial increases in attendance in 2005, and a full 80% expect larger audiences in the coming year. Similarly, 42% stated that contributed income had grown in 2005, and 80% expect new or continued growth in 2006. In addition, cultural leaders feel they did a great job on program delivery last year: 70% say they did better than the year before and 78% say they'll do even better this year.

According to James Abruzzo, Managing Director of the Nonprofit Practice and creator of the Cultural Index, "Optimism means that cultural organizations will once again embark on longer term plans – building expansions, major arts and science exhibitions, gestation and development of new plays, and other activities that, in recent the past, have been moderated by an uncertain future. Barring any major negative events, the arts should continue to flower over the rest of the decade."

Regarding the city's overall cultural health, confidence has been volatile since 2001. A long term look at the actual NYC Cultural Index-- based on a formula that examines the full range of survey responses and represents an optimism "score" for the industry at that point in time-- demonstrates how the industry outlook has now reached a six-year high. As shown in the chart below, pre-Y2K optimism was steady and strong; then from 2001 to 2003, sentiment became highly volatile and ranged anywhere from a post-9/11 low of 22 to a moderately optimistic level of 57. In 2004, positive sentiment stabilized and now suggests a bona fide upswing to pre-millennium highs.

Figure 1: The Cultural Index represents the level of optimism among the city's cultural leaders



NYC cultural leaders have hitched their high expectations to their own management practices, including new programming, better fundraising strategies, and aggressive marketing. One participant commented, "Given the economic climate of the past five years, cultural institutions have had to think more creatively to capture and maintain audiences, to assess mission and institutional priorities, and examine long-range fiscal health... The insights gained will have a positive effect on institutional viability and the delivery of programming, resulting in an overall improvement in the cultural life of NYC."

The Nonprofit Practice of DHR International has tracked the level of optimism among NYC cultural leaders since 1998. Each year, DHR surveys leaders of museums, performing arts organizations and other cultural institutions in the New York area to assess the present state of the arts and to track the perceptions of industry leaders about their expectations for the future. Chicago and Berlin cultural institutions also participate in similar annual city-wide surveys. For more information, contact James Abruzzo at 973-792-1710.

DHR International is an international retained executive search firm. The Nonprofit Practice provides strategic consulting and retained search to cultural and social service organizations, international development, educational institutions and foundations. www.dhrnonprofit.com.

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