



Includes public and private, charitable or for profit entities engaged in the preservation and exhibition of objects of historical, cultural, and/or educational value (i.e., art museums, planetariums); in the preservation and exhibition of live plant and animal life displays (i.e., botanical gardens, zoos); or, in producing live presentations involving the performances of actors and actresses, singers, dancers, musical artists, and other performing artists (i.e., theatre companies, dance companies).

INTERNAL USE ONLY

CAPTRUST EXPERIENCE

CAPTRUST AT A GLANCE

Clients – 81
Total Assets – \$2.3 billion
Plans/Pools – 80
Plan/Pool Types – E/F (37) DC (27),
DB (8), NQ (5), OAP (3)
Top Providers – TIAA, Schwab, US
Bank, Voya

EXPERIENCED ADVISORS

- Elina Babadzhanova (4)
- Kristi Bieber Gibbs (3)
- Mary Hime (3)
- Wat Keys (3)
- Brad Lemon (3)
- Bill Paxton (3)

INDUSTRY BACKGROUND

POINTS OF INTEREST

- This industry's demand generally follows trends in the macroeconomic climate and available leisure time with industry revenue highly dependent upon available levels of household incomes.
- Congress is estimated to reduce the National Endowment for the Arts (NEA) funding further over the next five years.
- Visitation to zoos, aquariums, historical sites, performances, museums, and other recreational establishments is expected to grow over the next five years due to the rebound of consumer spending, tourism, and the national unemployment rate.
- Operators in the performing arts were adversely affected by the cancellations of major live events due to the pandemic. Several relief funds, such as the Artist Relief Fund, Freelancers Relief Fund and Artist Relief Project were launched to support arts.

COMMON TERMS

- Crowdfunding
- Deaccessioning
- Interactive museums
- National Endowment for the Arts (NEA)
- Promotion

EXTERNAL RESOURCES

- American Alliance of Museums aam-us.org
- American Federation of Musicians afm.org
- Association of Zoos and Aquariums aza.org
- National Association of Independent Artists naia-artists.org

FOR THE CHALLENGER

CHALLENGES

Corporate

- Need to generate recurring revenue from visitors
- Bringing back attendance as last two years has taken its toll. Some organizations pivoted to virtual performances, classes, art openings and now most attendees are done with the virtual events
- Adjusting prices on revenue (tickets, rentals, etc.) to make up for increased costs of expenses
- Fundraising since it was difficult to raise money for this sector given the more pressing needs of food and medical
- Recruitment and retention
- Smaller organizations may need a lot of assistance to clean up if they have never used a consultant previously
- Want access to investments that punch above their weight given the board will compare themselves to bigger peers

Retirement

- Plans tend to be smaller so providing other services like PAS is difficult - they have small budgets
- Employer contributions are reducing

CLIENT OUTCOMES

- Advised to increase their financial flexibility, such as asking donors of restricted funds to make them unrestricted
- Supported sale of space to improve financial position
- Reduced plan expenses through negotiations
- Moved from institutional to group contracts
- Added visible asset-based fee and equalized revenue
- Improved governance