



**MEMO FROM THE EXECUTIVE DIRECTOR:
A Q&A on the Economic Impact of the Crisis**

June 24, 2009

Economic Climate

How has the current economic climate affected your agency?

Certain existing funders have reduced their contributions to the Festival. New sources of funding, such as the NEA's Shakespeare for a New Generation grant, have made up the difference. Consequently, no net growth is projected this year. However, individual donations must increase.

Program Review

Have you taken this opportunity to review your programs, their relationship to your core mission, the current impact in terms of individuals served and the related expenses and revenues for each program? What has been the outcome of this analysis?

The smaller programs are designed to pay for themselves through fees or project grants. Our two major productions can be adjusted to accommodate deep cuts if necessary by reducing production elements and doing plays with fewer actors.

Adjustments

What adjustments have you made in your plans, operations and programs as a result of the analysis and economic downturn?

We preemptively cut the production costs for Shakespeare in the Park 2009 \$25,000 in January 2009 anticipating corporate funding drops. An additional \$25,000 was cut in June 2009 to avoid cancellation. We plan a \$50,000 or more reduction in our 2010 annual budget expenses.

Key Sources of Revenue

How have you tried to ensure that your key sources of revenue will continue?

We have enhanced the value of premiums for sponsors and donors without increasing costs by offering more web-based and social networking exposure, and by partnering with other non-profits to offer creative premiums.

Cash in Reserves

How much cash does your agency have in reserves that could be used if needed to meet operating expenses (this is typically expressed in terms of days - e.g. a 30 day operating reserve would be enough to meet agency expenses for one month)?

The Festival has a security fund in a certificate of deposit. This would cover approximately 30 days of administrative expenses.

Contingency Plan and Budget

Do you have a contingency plan and budget (For example, if contributed revenue declines by 25%, what changes will you make in expenses?)

The Festival's programming is flexible: we can perform plays with fewer actors, employ minimalism, and otherwise creatively do more with less. We hope not to make any administrative lay-offs or suspend any programming in 2010.