

JIMALITA TILLMAN
EXECUTIVE DIRECTOR
HAROLD WASHINGTON CULTURAL CENTER
SUBMITTED TESTIMONY ON FEBRUARY 11, 2013
WAYS AND MEANS COMMITTEE
DAVE CAMP, CHAIRMAN
COMMITTEE HEARING FEBRUARY 14, 2013 9:30 AM



HAROLD WASHINGTON CULTURAL CENTER

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My name is Jimalita Tillman and I am the Executive Director of the Harold Washington Cultural Center in Chicago. I am **against** the changes to the tax code that possibly include attempts to cap the charitable deduction at 28 percent. On February 14, 2013 the hearing that will examine the itemized deduction for charitable contributions as part of the Committee's work on comprehensive tax reform will impact organizations like mine that depend on the support from private individuals. This is not an indictment of the current administration but an honest voice of advocacy for theater, music and the arts. We must consider any and all alternatives to this proposed charitable tax change. As Executive Director I have waived my salary for the past 7 years in order to assist with keeping our overhead low. We also operate with a volunteer community based staff and crew. At present, we receive no funding from city, state, or federal agencies.

The Harold Washington Cultural Center (HWCC) is a 501(c) 3 a non-profit organization located in Chicago, Illinois and member of the League of Chicago Theaters. Over 25,000 youth participate in HWCC programs annually. HWCC has a 1,000 seat theater, video editing lab, a full service recording studio, computer lab, a two-story cascading atrium/exhibition hall and museum. The Harold Washington Cultural Center's mission is **to preserve and protect African American culture**. HWCC utilizes performing and media arts to deter at risk behavior in our youth. HWCC partners with community based organizations as well as national and internationally recognized historical arts institutions in content and audience development.

Chicago has recently received much media attention on the rash of crime and murders perpetuated highly in the African American community. We provide young people an opportunity to get **Off the Streets and On the Stage!** We tell them to put down their guns and GET ON THE STAGE! We believe that the arts serve as a therapeutic outlet and shelter, protecting the mind, body and soul from social ills, such as the devastating effects of violence and drug use that we are plagued with within too many of our communities. This theatrical therapy is something that can bring change nationally in various underserved communities.

Our program *Broadway in Bronzeville* is funded 100% by community support and the generosity of private donors. When it rains on well-endowed organizations, African American arts organizations drown. We are on the front line when donors and private grant makers have to make budget cuts.

I have reviewed the 10 page NEC report on *Charitable Deductions and the Fiscal Cliff*. Though not an economic expert, I do not believe that all possible measures have been taken to resolve this debt matter without cutting the charitable deduction percentage.

Every day, more than 100,000 nonprofit art and culture organizations act as economic drivers—creating an industry that supports jobs, generates government revenue and act as the cornerstone of our respective city's tourism industry. This study documents the key role played by the nonprofit art and culture industry, and their audiences, in strengthening our nation's economy.

STATS

According to the Independent Sector, "Experts estimated that when top marginal rates were 35 percent, capping the charitable deduction at 28 percent would have reduced charitable giving by as much as \$7 billion a year," the statement continues, "With an even wider disparity now between tax rates (39.5 percent) and the President's proposed cap at 28 percent, the reduction in charitable donations may be even more severe. This proposed decrease in charitable contributions would possibly top the nearly \$20 billion drop in annual giving since the economic downturn began in 2007."

Further we find that:

Arts organizations are responsible businesses, employers and consumers. Spending by nonprofit arts and culture organizations—just a fraction of the total arts and entertainment industry—was an estimated \$61.1 billion in 2010, and leveraged an additional \$74.1 billion in event-related spending by arts audiences. This \$135.2 billion in economic activity supported 4.1 million FTE jobs and generated \$22.3 billion in total government revenue.

☐ Spending by arts audiences pumps vital revenue into the local economy. When patrons attend an arts event, they may pay for parking, eat dinner at a restaurant, shop in local retail stores, and have dessert on the way home. Based on the 151,802 audience surveys conducted for this study, the typical arts attendee spends \$24.60 per person, per event, beyond the cost of admission. And, nonlocal attendees spend more than twice as much as their local counterparts (\$39.96 vs. \$17.42). (additional info cited below)

Source

Arts & Economic Prosperity IV☐, Americans for the Arts. 2012

According to figures by the trade group, The Broadway League, Broadway shows yielded \$1,139,311,457 in grosses -- or 5.4 percent more than last season -- and total attendance reached 12,334,312. The arts are the heartbeat of America's soul. **When small organizations like the Harold Washington Cultural Center in Chicago lose the opportunity to receive maximum amounts of donations from generous individuals and private donors we are shaken to the core.**

When a Junior Senator from Illinois, President Obama, attended events at the Harold Washington Cultural Center, he gave us glowing remarks on our exceptional work within the community. That work is currently in jeopardy due to the unavailability of federal and state grant funding. During the 2008 economic foreclosure crisis our facility was hit with a foreclosure suit by *Shorebank*. Our 1.5m mortgage (on a building valued at 15million), became difficult to pay and without funding we stand in jeopardy of losing this community gem. However due to the support of the community and faithful donors we are able to continue to operate our programs and operations while we battle a looming foreclosure. After years of a struggling economy, nonprofits simply do not have the capacity to continue to bear this additional burden.

As a community based arts organizations, we are the feeders to major Broadway shows, concert halls and classic American dance, **we can't afford to allow these cuts to happen this way.** Arts are disproportionately being cut from schools in the African American communities. This causes afterschool and weekend supplements, like ours to already start with a disadvantage on training. When I was a little girl there was always some activity provided that centered on the arts. Music, dance and theater kept many young people out of harm's way while promoting constructive outlets away from trouble. Many young people that have a performing arts program in which to participate often stay away from gang and drug culture, thus creating a more productive tax paying member of society that can ultimately contribute to the collective.

The Harold Washington Cultural Center and other arts organizations like ours strongly desire for this cut to NOT take effect because arts are being eliminated at an alarming rate each year. For the following reasons this committee needs to suggest that the current administration NOT cap the charitable deduction at 28 percent.

Facts about Arts Funding in Illinois

The budget passed by the General Assembly on May 31, 2012 cut funding for the Illinois Arts Council in fiscal year 2013 by 9.5 percent. The budget appropriates \$8.2 million from the General Revenue Fund to the Council -- compared to the \$9 million invested in fiscal year 2012.

The Illinois Arts Council is more than \$11.5 million away from its fiscal year 2007 funding level, when the state invested \$19.8 million in the agency (or \$21.9 million in 2012 dollars). Since then, Illinois has cut its investment in the Council by nearly 60 percent.

Source: National Association of State Arts Agencies

The fiscal year 2013 budget cut funding for the Arts and Foreign Language Education Grant Program by 50 percent, reducing the program's budget from \$1 million in fiscal year 2012 to \$500,000 in fiscal year 2013. These grants assist Illinois public school districts, public university laboratory schools, charter

schools, and area vocational schools with the development, maintenance, or enhancement of curricular programs in the arts or foreign languages. Funding for the Arts and Foreign Language Education Grant Program has been cut by 87.5 percent since 2009.

Illinois ranks 29th in per capita spending on the arts

In 2013, Illinois will invest 63 cents per person in the Illinois Arts Council. The state invested 70 cents per person in fiscal year 2012 and ranked 28th in the nation in per-capita spending on the arts. In fiscal year 2013, Illinois slid to 29th in the nation.

- Illinois is currently 37 cents below the national average in per capita state arts investment of \$1.00
- Minnesota ranked first in the nation in per capita state spending on the arts in 2013, while Georgia ranked last among states that received a legislative appropriation for the arts

Source: National Association of State Arts Agencies

Arts Council less than 0.05 percent of total state budget

Investment in the Illinois Arts Council is significantly less than 0.05 percent (or one-half of one-tenth of one percent) of the total state budget -- even with steep cuts in state spending overall.

**Quality of Life includes the Illinois Arts Council, Department of Natural Resources, and Historical Preservation Agency.*

Source: State of Illinois Budget for Fiscal Year 2013

We reiterate, **Our Off the Streets and On the Stage** program at the **Harold Washington Cultural Center** in Chicago creates an intergenerational environment for our community to come and use theater as therapy, grief counseling, and entertainment. The arts can be the lead tool to curb the senseless violence taking place

Studies show that Chicago arts culture and community is an economic engine:

Chicago Nonprofit Arts and Culture Sector is \$2.2 Billion Industry

A new study on the economic impact created by nonprofit arts and culture organizations in Chicago finds that arts organizations and their audiences contribute at least \$2.2 billion annually to the Chicago economy.

Key findings from the report include:

- Nonprofit arts and culture organizations are a \$2.2 billion industry in Chicago
- Cultural tourism offers even greater opportunities for growth
- Chicago's arts and culture sector is broad and diverse

This study unequivocally demonstrates the value of investments in the arts and cultural sector. Despite the recession, arts and cultural organizations were major contributors to Chicago's economy. The arts

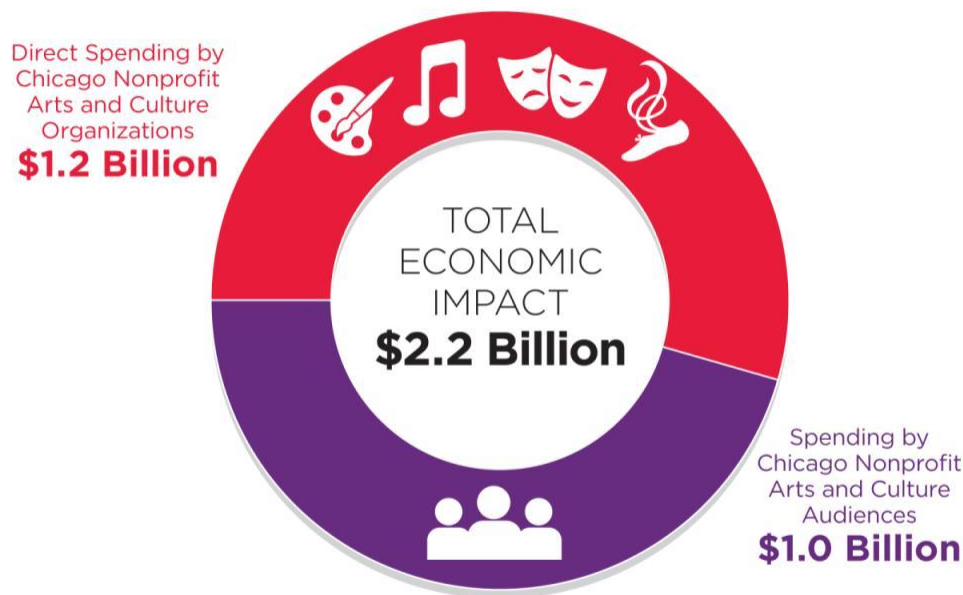
sector puts people to work in Chicago and is a magnet for attracting talent, tourists, and investment to the city.

-- Ra Joy, Executive Director, Arts Alliance Illinois

Nonprofit Arts and Culture Organizations are a \$2.2 billion Industry in Chicago.

\$2.2 billion in annual spending by arts organizations and their audiences supports over 60,000 full-time-equivalent jobs, generates a total of \$1.3 billion in household income to local residents, and delivers \$214 million in local and state government revenue.

SPENDING AND ECONOMIC IMPACT



Source: *Arts & Economic Prosperity IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the City of Chicago*.
For more information about this study, visit the Arts Alliance Illinois website at www.artsalliance.org.
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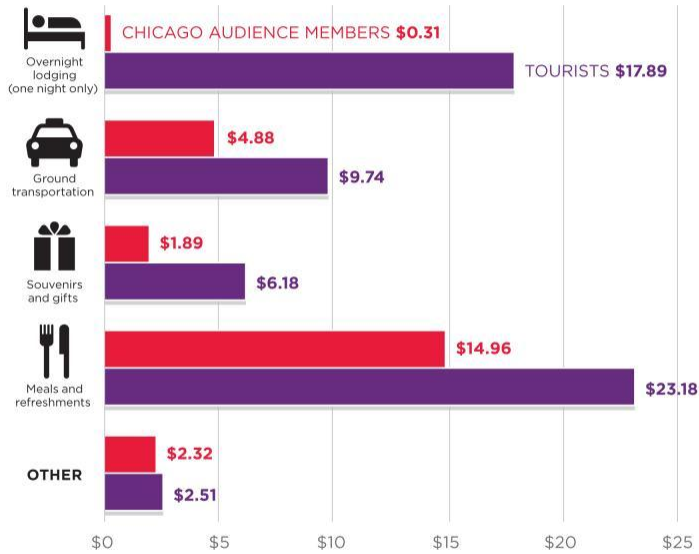
Cultural Tourism Offers Even Greater Opportunities for Growth.

This study shows that cultural tourism has the potential to attract significant new spending to Chicago. Currently, one in three arts attendees live outside of Chicago and spend, on average, two-and-a-half times more per person than local arts attendees (\$59.50 versus \$24.36).

Further, nearly half of all attendees interviewed said they would travel to a different location for similar cultural experiences. In other words, if Chicago doesn't offer desirable cultural experiences, audiences are likely to go elsewhere.

RESIDENT VS. CULTURAL TOURIST SPENDING

EVENT-RELATED EXPENSES



Chicago Arts Audience Members Spend on Average **\$24.36**



Cultural Tourists spend **two-and-a-half times more** on average than Chicago-based audiences.



Cultural Tourists Spend on Average **\$59.50**

For the purpose of this study, Chicago arts audience members are attendees who live within Cook County; non-residents (tourists) live outside that area.
 Source: *Arts & Economic Prosperity IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the City of Chicago*.
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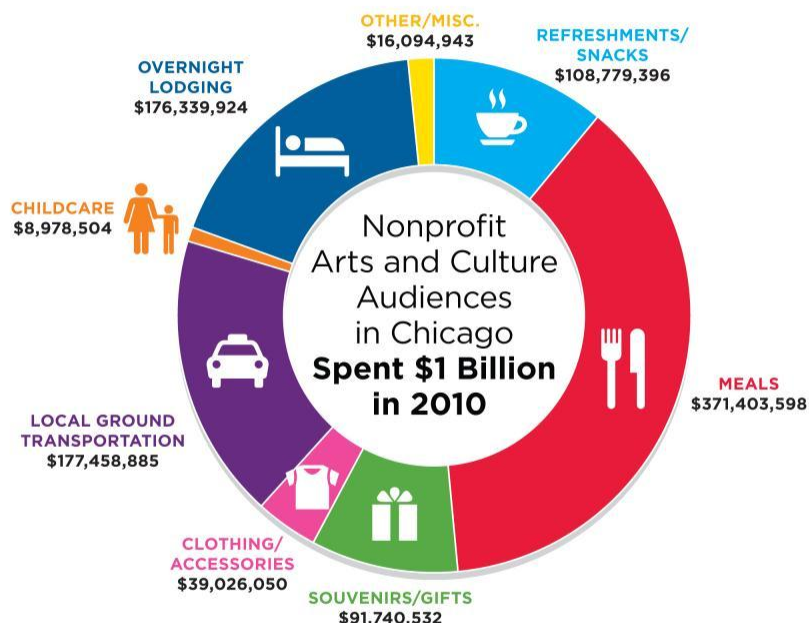


Chicago's Arts and Culture Sector is Broad and Diverse.

This study shatters the myth that attendees are primarily older and wealthier. The study reveals that half of all audiences in Chicago are under the age of 44. Similarly, arts audiences are made up of individuals of wealth as well as individuals of modest means. One-quarter of audiences earn more than \$120,000 in household income annually; but one-third earn less than \$60,000.

NEXT PAGE

AUDIENCE SPENDING



Source: *Arts & Economic Prosperity IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the City of Chicago*.
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About Arts & Economic Prosperity

Arts & Economic Prosperity IV is the most comprehensive study of its kind ever conducted in the United States and features a national report along with customized findings for 182 unique study regions, including Chicago. Data collection for the Chicago study was conducted in 2011 by Arts Alliance Illinois and compiled by Americans for the Arts, the nation's leading nonprofit organization for advancing the arts and arts education. Generous support was provided by the John D. and Catherine T. MacArthur Foundation. *Arts & Economic Prosperity IV* is the fourth study of its kind released by Americans for the Arts. The last study was released in 2007.

The city of Chicago is one of 182 study regions in the U.S. that participated in *Arts & Economic Prosperity IV*. These study regions include 139 cities and counties, 31 multicity or multi-county regions, 10 states and two individual arts districts -- representing all 50 U.S. states and the District of Columbia.

In the city of Chicago, data from 486 eligible nonprofit arts and culture organizations and over 1,000 surveys of Chicago nonprofit arts and culture audiences were included. The 486 organizations were a representative sample of the sector as a whole.

Arts Alliance Illinois will release reports for the state of Illinois later this summer and for the greater Peoria region and the greater Rockford region this fall.

About Executive Director Jimalita Tillman



Jimalita, Executive Director of the Harold Washington Cultural Center, attended DePaul University with studies in Theater Management /International Marketing. Jimalita has received training in theater operation from North Shore Country Day School, Black Ensemble Theater, Pontifical Catholic University of Rio de Janeiro, and ETA Theater.

She is a Member of the National Association of Theater Owners, International Association of Theatre for Children Young People, Black Storyteller's Alliance, National Association of Youth Theatres (UK), Sigma Gamma Rho Sorority, Inc., the African American Arts Alliance and the League of Chicago Theatres.

Her professional credentials past and present include: National Association of Black Female Executive in Music Entertainment, World Congress of Sports, National Association of Women Business Owners, Business and Professional Women Organization, National Association of Business Economics, Marketing Opportunities for Blacks in Business and Entertainment, Association for Contingency Planners, National Alliance for Media, Arts and Culture.

A multi-lingual whose volunteerism is recognized in Ghana, London, and Brazil, Jimalita is also the executive producer of the "Off Broadway to Bronzeville Series" at HWCC; board member of Eye on Concussions, Red Hot Board of Primo Center for Women and Children; member of Transformation Church; and mother to Dorothy Jean, II.

HAROLD WASHINGTON CULTURAL CENTER
SEASON PASS 2012 – 2013

BROADWAY IN BRONZEVILLE
LANGSTON HUGHES' **BLACK NATIVITY** Directed by John Ruffin
Produced by special arrangement with The Dramatic Publishing Company of Woodstock, Illinois
Opening December 7, 2012*

VEGAS DIVAS CHICAGO
Opening New Years Day*

FANNIE HURST'S **IMITATION OF LIFE**
Opening February 8, 2013*

PURLIE
Opening August 2, 2013*

Annie
Opening April 5, 2013*

Flan's Katscherian
THE FAYE WALKER MUSICAL CLASSIC
Opening May 31, 2013*

Broadway in Bronzeville Presents **TAP DANCE KID**
Opening October 4, 2013*

*Dates subject to change

For show info or group rates call 773-373-1900
Email events@hwccchicago.org
or visit www.BroadwayInBronzeville.com