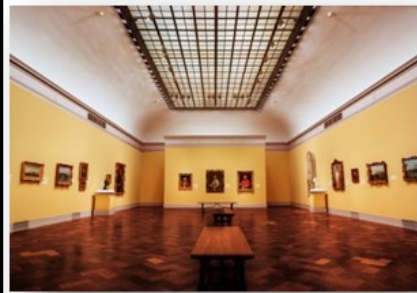


# STRATEGIC PLAN 2016-2020



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## SECTION I—MISSION

*To inspire, educate and cultivate curiosity through great works of art.*

The Trustees and staff of the San Diego Museum of Art (“Museum”) recently engaged in strategic planning retreats with a facilitator. This dynamic process revealed that the Trustees and staff were aligned in the purpose, mission, and vision for the Museum. The outcome of the retreats was a new mission and a set of strategic goals that dovetail with the new mission. Our mission emphasizes the visitor experience and focuses on getting people interested in art and attracting/retaining visitors who are increasingly more difficult to allure due to the large number of other opportunities for entertainment and for engaging with the arts.

## SECTION II—OVERVIEW OF THE PLAN

The end result of the aforementioned efforts is this strategic plan (“Plan”) that will act as a guide for the Museum over the next five years. The Plan includes five goals:

1. Strengthen, refine, and research the **Collection**
2. Create and offer inspiring **Public Engagement Opportunities**
3. Ensure we have a **First-Class Facility**
4. Make the Museum a **Great Place To Work**
5. Drive **Financial Sustainability** and fiscal discipline

### CORE ASSUMPTIONS OF THIS PLAN

- Art is worth seeing, repeatedly, and the Museum has the ability to connect art to people and people to art.
- The Museum will become more nimble and interactive to attract a broad public as well as help define the role of museums in the future.
- The Museum should play an essential civic role in San Diego, acting as a cultural leader in the arts community.
- The Museum is only as great as its collection, staff, Trustees, donors, members, docents, and volunteers.

### ENSURING SUCCESS

This Plan will be successful if shared with and distributed to a wide audience. The Museum recognizes that this Plan is a living document that encourages discussion and instills a common purpose, mission, and vision among the Trustees and staff. To ensure success, the Museum must:

- Circulate the Plan to all staff and Trustees;
- Incorporate the Plan into the annual goals of the organization;
- Review the Plan at least once a year;
- Update the plan as needed to respond to evolving challenges and opportunities; and
- Ensure future decision-making is consistent with the mission and this Plan.

## SECTION II—THE MUSEUM AND THE COMMUNITY

### THE MUSEUM—MISSION AND HISTORY

The San Diego Museum of Art is a fine arts museum located at 1450 El Prado in Balboa Park in San Diego, California. The mission of the Museum is to *“inspire, educate and cultivate curiosity through great works of art.”* Planning for the Museum began in 1922 when local business and civic leader, Appleton S. Bridges, offered to fund the construction of a permanent structure to house a municipal art collection. A prominent site on the north side of Balboa Park’s Plaza de Panama was secured and construction got underway in April 1924. On April 10, 1925, the Museum was established as the Fine Arts Gallery of San Diego from the merger of the San Diego Art Guild and the Friends of Art. On February 28, 1926, the Museum opened its doors to the public. Since then, the Museum has grown in size with significant additions to the collections and physical space, and considerable growth in staffing and budget. In 1978, the Board of Trustees changed the name of the Fine Arts Gallery of San Diego to San Diego Museum of Art in recognition of the Museum’s status as a repository for applied and decorative arts in addition to the fine arts of painting and sculpture. Today, the Museum’s collections are diverse in nature, with pieces ranging in date from 5000 BC to the present.

### SAN DIEGO—THE COMMUNITY

Nationally renowned for its sunshine and surf, San Diego is filled with competing and compelling things to do, from the beaches to outdoor activities, sporting events, and larger attractions. San Diego’s demographics are diverse and present an opportunity for the Museum to engage and connect with people on multiple levels. With a population of 1.4 million, San Diego is the eighth-largest city in the United States and the second-largest in California. San Diego County, as a whole, is the seventeenth-largest metropolitan area in the United States with an overall population of 3.3 million, which translates into one million households. The most recent census reveals that 30% of these households have an annual household income of \$100K or more. In addition to the high share of households with high income, San Diego County also has one of the highest percentages of individuals who have a bachelor’s degree or an advanced degree (34% of households). Research shows that individuals with advanced degrees are more likely to engage with the arts. Based upon these numbers and making certain assumptions, the Museum’s potential market for donors and members, who are likely to have an interest in the arts and have a household income that is high, is approximately 110K households as shown in Chart 1.

Despite the positive demographics however, there is increased competition for the same pool of donors and members. The Institute of Museum and Library Services (IMLS) recently conducted a survey that identified the United States has 35,000 Museums. In San Diego County alone, there are 248 museums, the fourth-largest number of museums in a county in the United States. And the overall not-for-profit community in San Diego has grown significantly in recent years to more than 6,000 institutions as of 2014. Of these, roughly 120 have the word “art” in their name and have budgets greater than \$100K. Chart 2 illustrates the cumulative growth of San Diego not-for-profit institutions that have the word “art” in their name. As one can see, for the first 75 years of the Museum’s history, there were few “arts” organizations in San Diego. However, since 2000, the competitive landscape has grown tremendously, resulting in a need to be more strategic in the Museum’s programmatic offerings and fundraising activities.

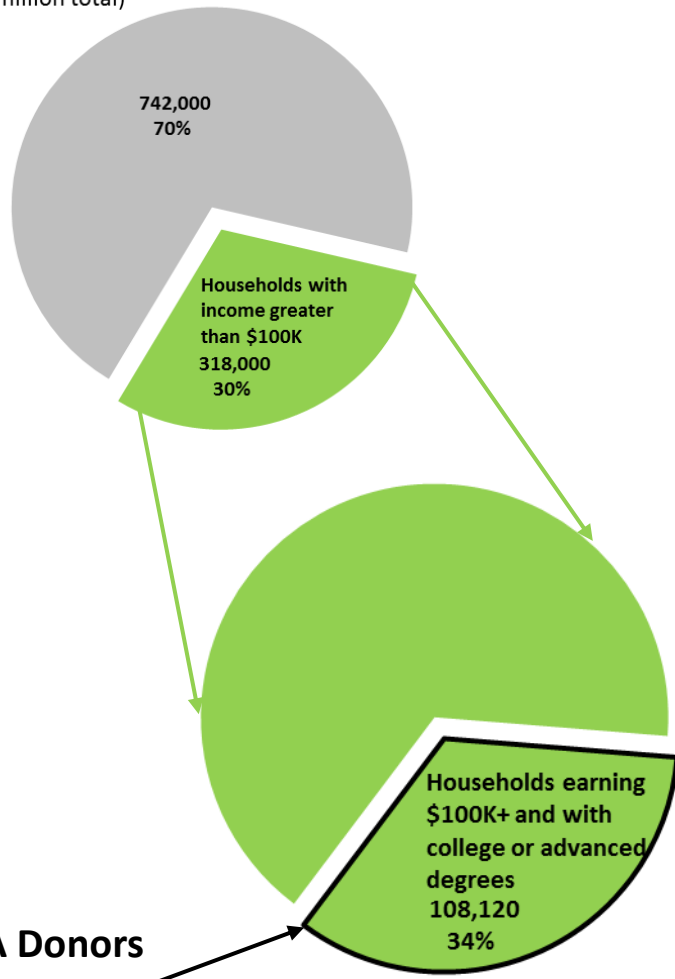
### TIJUANA—THE COMMUNITY

Tijuana is the most visited border city in the world with over 50 million people crossing annually. It is also the largest city in Baja California and a dominant manufacturing center of the North American continent primarily due to the “maquiladoras” (factories). The Tijuana metropolitan area has a population of 1.8 million (expected to grow to 2.7 million in the next 10 years) and close to 9% of the population, or roughly 180,000 people, have a household income of \$80K+ per year (this is expected to grow to 12% in the next 10 years). A growing number of individuals work in Tijuana and live in San Diego, who have the opportunity to promote and partner with the Museum. With a growing income base, a growing population, a vibrant artist community, and an appreciation for culture, Tijuana offers incredible potential as a donor and member base.

## CHART 1

*San Diego Market Size*

**San Diego County Households**  
(1 million total)



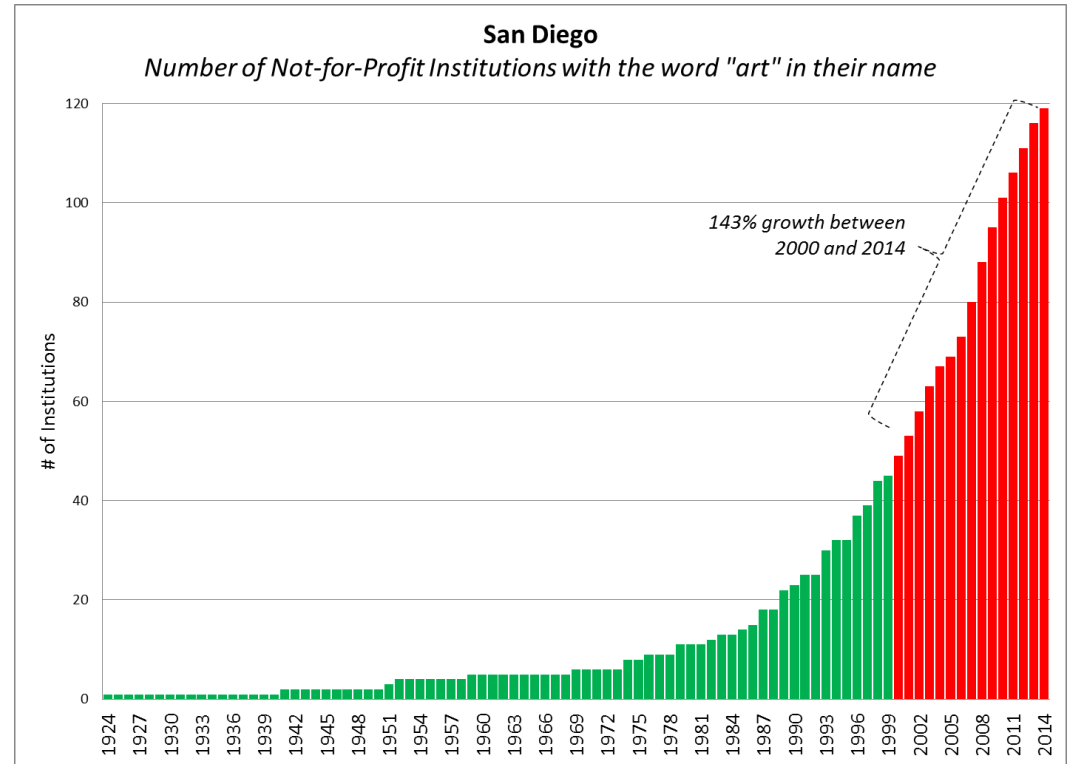
**SDMA Donors  
& Members  
market**

**San Diego County Households  
with income greater than \$100K**  
(318,000 total)

Source: U.S. Census 2010

## CHART 2

*Growth of San Diego Not-For-Profit Institutions with the word "art" in their name*



Source: Guidestar.org and Form 990's



## GOAL 1—STRENGTHEN, REFINE AND RESEARCH THE COLLECTION

The Museum has an extensive collection with 17,500 works of art. The growth of the collection has been relatively steady since 1925 with some notable jumps due to gifts of art or bequests as illustrated in Chart 3. The collection's strengths are Spanish masters, Italian masters, Northern European Baroque paintings, Indian art, East Asian art, American art, and Modern art. These strengths are illustrated in Chart 4 according to region as well as material type. The Museum recognizes that to remain relevant and to enhance the Museum's scholarly reputation, it must strengthen its collections through research and documentation and through acquisition and deaccessioning initiatives. In addition, the Museum must locate significant collections and individual artworks throughout the region and attempt to interest their owners in making gifts to the Museum to deepen the current expertise.

### A. GROWING AND REFINING THE COLLECTION

Growing the Museum's holdings through acquisitions and gifts will enrich and enhance the existing collections. As such, the Museum will continue to focus on its strengths and will add to the collections as funds become available to curate, house, and present new collections. If a collection is offered that does not fit within the current strengths, but has the ability to transform the collection, the Museum will assess accessioning these works. In addition to acquisitions and gifts of art, the Museum will strategically refine its holdings which will help provide clarity on the strengths of the Museum.

#### 1. Collections Growth:

- a. Major acquisitions are difficult to come by and the inflated art market has made it difficult for the Museum to add to the permanent collection in significant ways. The Museum must research and locate significant collections and individual artworks throughout the region (and when possible, nationally and internationally). The Museum must also cultivate and engage collectors, arts enthusiasts, and talented artists, and attempt to interest them in making gifts to the Museum that deepen the current expertise. **GOAL(S): (i) Grow the acquisition fund to \$1.5 million by June 2018 and (ii) secure 4-6 major collections / works of art by 2020.**
- b. The Museum will explore the synergies of merging or affiliating with institutions with similar missions or complimentary collections that could support the collections focus.

#### 2. Collections Refinement:

- a. The Museum will conduct an evaluation of its collections using subject matter experts to facilitate the refinement of the current holdings within the guidelines of the Collections Manual Policy. This evaluation will actively consider deaccessioning objects that are not of museum quality or outside the scope of the Museum's goals. **GOAL(S): (i) Review all commodities by June 30, 2017 and (ii) evaluate 1.5% of the collection (250 out of 17,500 objects) per year for deaccession purposes and move forward with each work that is to be deaccessioned.**

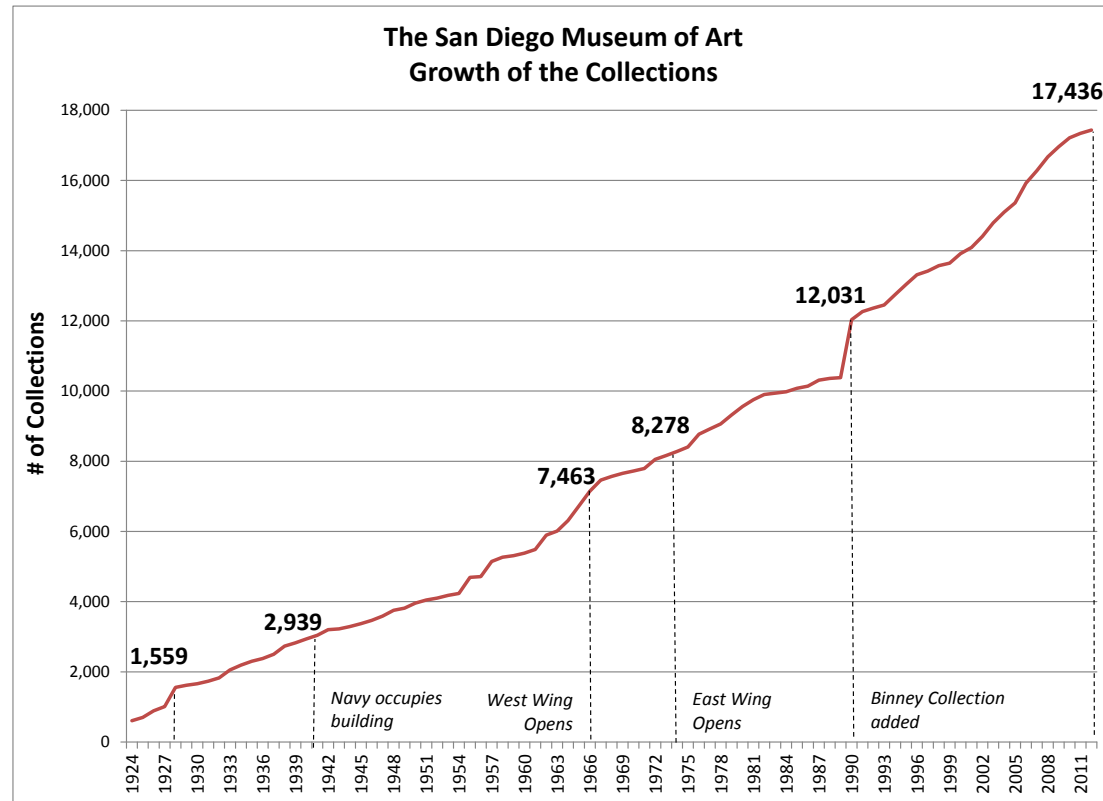
### B. RESEARCHING THE COLLECTION

Research in art museums strengthens the tradition of art historical scholarship and accomplishes several objectives: collections become better known, information about the collections becomes more accurate, curators grow professionally and their reputational stature increases. These efforts will be pursued as follows:

1. The curators will establish the Museum as one of the top art museums in the country in Spanish masters, Italian masters, Indian art, East Asian art, American art, and Modern art by presenting innovative exhibitions that showcase works in these areas. **GOAL(S): (i) Create a publication for each internally curated exhibition, (ii) hire a curator for every major area of the collection (i.e. European, Modern, Indian, East Asian, American) and (iii) build a study center in the Museum to showcase the collection.**
2. The curatorial and education teams will study and publish the collections, and work towards better online cataloguing, including scholarly research. **GOAL: Create four (4) Permanent Collection publications for adults and/or children by 2020.**

### CHART 3

Growth of the Collections



### CHART 4

Collections Strengths (blue lines signal the relative “strength” of the collection)

PERMANENT COLLECTIONS	Arch. / Design	Decorative / Furniture	Paintings	Photography	Sculpture	Textiles / Costumes	Works on Paper	Total
<b>CURRENT STRENGTHS</b>								
African Art								
American Art								
East Asian Art								
European Art								
Indian Art								
Islamic Art								
Latin American / South American Art								
Modern / Contemporary Art								
Oceanic Art								

## GOAL 2—CREATE AND OFFER INSPIRING PUBLIC ENGAGEMENT OPPORTUNITIES

In 2012, the National Endowment for the Arts (NEA) completed a survey that revealed that arts attendance in the US has continued to drop over the past two decades. The report claims that only a third of US adults attended a cultural event in person in recent years—down from 40% of adults in the early 2000s. The three top reasons for this decline are lack of time, location is too difficult to get to, and not having someone to go with. However, the report goes on to say that 71% of those adults reported that they use the internet to watch, listen to, or download culture in one form or another. In other words, museums appear to be facing an onsite attendance crisis. To entice visitors, the Museum needs to provide opportunities for individuals to socialize with friends or family members. More importantly though, technology is a dominant theme in human lives today and this trend is not expected to diminish. As visitor interests shift to technology and online experiences, museums need to provide opportunities for visitors to interact digitally. Technology should act as a vehicle to augment the delivery of the Museum’s content to help attract and inspire future audiences.

So how has attendance fluctuated in recent years? With the current gallery layout and the current square footage, the Museum’s instantaneous capacity is 720K visitors per year. Over the last 40 years, annual visitorship has varied between 200K and 700K. Since 2000, attendance has been on a general downward decline with an average annual attendance of 315K. This corresponds with the decline in attendance outlined in the NEA study above and might also be the result of the growth in San Diego not-for-profit organizations that have “art” in their name and provide alternate experiences in the arts. We have also observed that attendance coincides with the popularity of exhibitions and interestingly, attendance fluctuations have generally coincided with the US consumer confidence index (Chart 5 illustrates these fluctuations by fiscal year), implying that the economic outlook plays a major role in whether visitors will attend the Museum or not.

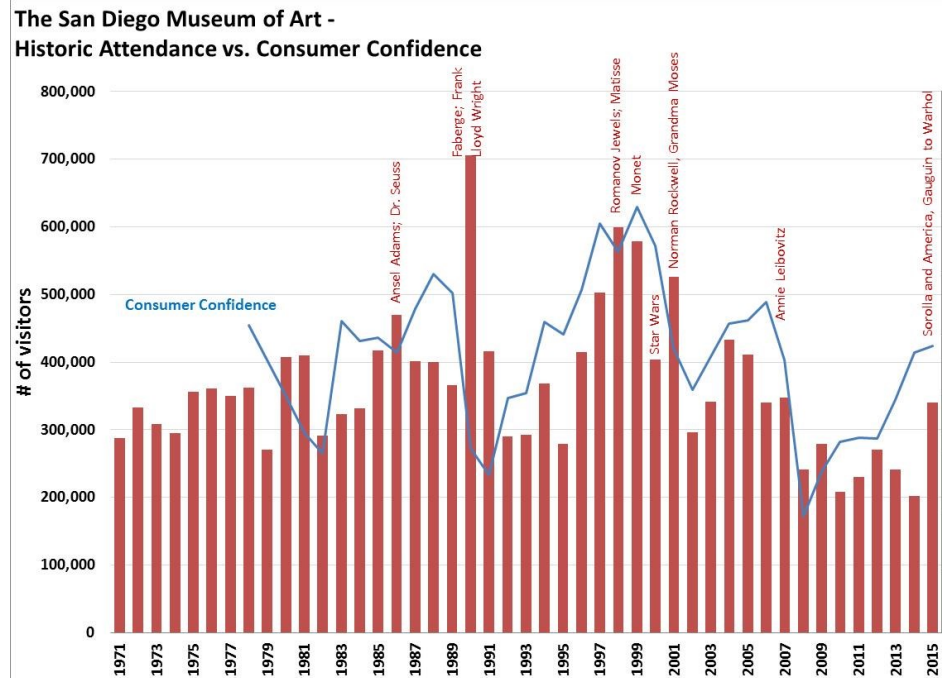
So what is the profile of our audience? Museum audiences can be defined as “...individuals who have an interest and engagement with a museum and its offerings.” At a broader level, our audiences are categorized as either visitors to the galleries, participants at programs and events, school groups and education class participants, and restaurant customers (Chart 6 shows the trends among these categories in recent years). In 2014, the Museum conducted a study of its members which revealed that 81% of members are 59 and older (see Chart 7). Thus, our closest supporters are of an older demographic, but this is nothing to be alarmed about. The Museum’s historic documents from the 1980s and 1990s reveal that members have always been of an older demographic. And this older demographic is common in art museums across the country—people have more time to engage in extracurricular activities or people become interested in subjects they did not fully appreciate at a younger age. However, continued emphasis needs to be placed in attracting younger audiences, who are ultimately the Museum’s base support for the future.

In addition to our existing base of support, who else should we target? Identifying and attracting new audiences is critical to the Museum’s survival. The Museum is situated in Balboa Park, one of the oldest parks in the United States dedicated to public recreational use. Surrounded by 17 diverse cultural institutions, the Museum has access to a steady but competitive audience of tourists and locals. Lack of parking and limited public transportation services have caused confusion and significant accessibility issues. Given these challenges, the Museum will engage the communities around the park more closely. Roughly 20% of the Museum’s visitors are from within a 5-mile radius. Another 40% live within a 50-mile radius. Other US visitors constitute 35% and international visitors constitute 5%. Going forward, the Museum will focus more heavily on local audiences within a 5-mile radius who are likely to return more frequently. Furthermore, the Museum will shift its thinking to position itself as an essential destination and as an experience rather than a place to visit every once in a while. Audiences should see their engagement with the Museum as a captivating and recurring experience.



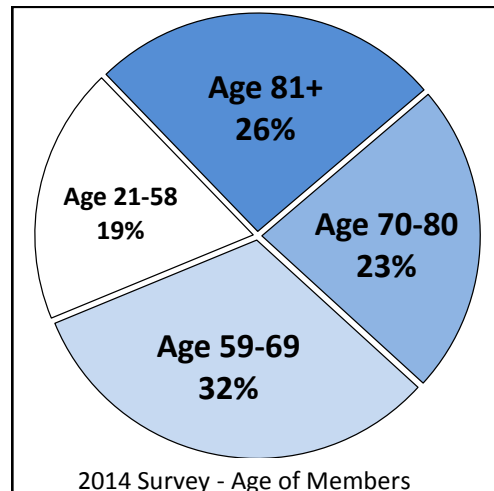
## CHART 5

### Historic Attendance vs. Consumer Confidence



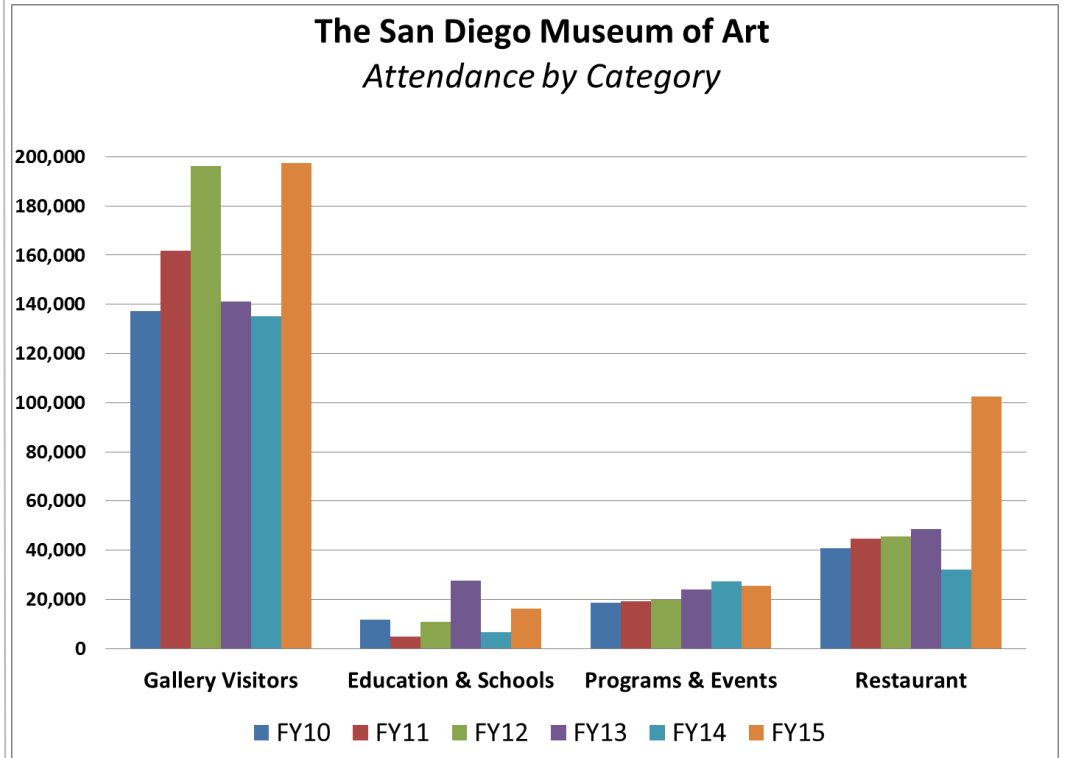
## CHART 7

### Age of Members (81% of our members are 59 and older)



## CHART 6

### Attendance by Category



A. PRESENTING ART

The popularity of exhibitions helps drive attendance at the Museum and exhibitions have played a significant role in the history of the Museum, starting with George Bellows paintings in 1926, Van Gogh paintings in 1941, Pollock drawings in 1971, Frank Lloyd Wright furniture in 1982, Sorolla paintings and Fabergé eggs in 1989, Monet paintings in 1998, Annie Leibovitz in 2007, *El Greco to Dali* in 2011, *Sorolla and America* in 2014, and *Gauguin to Warhol* in 2014. The Museum will strengthen its reputation through a mix of externally sourced and internally curated exhibitions that will travel nationally and internationally. Success will be achieved as the Museum becomes increasingly recognized as an organizer and presenter of internally curated exhibitions that drive research into the permanent collection, showcase the capacity for innovative exhibition-making, and disseminate a larger percent of our permanent collection to a wider audience. The exhibitions and permanent collection galleries will provide compelling and relevant exhibition content that promotes increased attendance and visitor satisfaction, and attracts widespread media attention. Onsite exhibitions will (a) introduce audiences to works of art from a variety of cultures and periods, (b) stimulate the intellectual interest of audiences, and (c) drive attendance and visibility in the community. Internally curated exhibitions will be accompanied, whenever feasible, by a publication which will augment our reputation for scholarly research. Traveling exhibitions will generate revenue for the Museum and grow our reputation by exposing our collections to new audiences.

## 1. Galleries:

- a. The Museum will create a compelling exhibition program (temporary and permanent) with balanced themes (popular and scholarly) organized by the in-house curatorial team as well as external sourced from other museums, and will stagger exhibitions throughout the year to encourage audiences to return frequently.
- b. Growth in gallery visitors will be driven by popular themes. Due to the lack of parking in Balboa Park, the Museum will target locals who live adjacent to the park (can travel by foot or bike), college students (who can visit during non-peak hours), tourists (who are in Balboa Park during non-peak hours), new residents to San Diego (who are not aware of our offerings), and other audiences who are more flexible in when they can visit. **GOAL(S): (i) Increase attendance for persons within a 5-mile radius by 5% per year and (ii) increase attendance for total visitors by 3% per year.**
- c. Members form the base of the Museum. In recent years however, the number of members has declined. In 1999, the Museum had 33,000 members. By 2008, the Museum had 12,500 members and in 2015, membership hovers around 9,000. To reverse this trend, the Museum will target residents within a 5-mile radius, communities with a mean salary of \$60K+, and San Diego communities with a high percentage of graduate degrees. **GOAL(S): (i) Increase general membership by 3% per year, (ii) increase circle level membership by 4% per year, (iii) increase gallery collective membership by 5% per year, and (iv) grow the percent of members that engage in a lecture, gallery visit, event, programs, etc. to 70% by 2020.**

## 2. Traveling Exhibitions:

- a. The Museum will internally curate or co-organize and travel exhibitions with accompanying publications nationally and internationally to reach broad audiences and generate revenue for the flagship facility in San Diego. **GOAL: Travel internally curated exhibitions to eight (8) venues by June 30, 2020.**

B. PUBLIC ENGAGEMENT AND EDUCATION

Our education programs are designed to promote the relevance of art education. They tie programs to exhibitions and provide tools for interpreting the collection and exhibitions to create an integrated educational experience and opportunities for the public to engage.

1. Education Programs:

- a. With more than 500,000 public school students, 24,000 public school teachers, and 711 public school principals in San Diego county (*Source: <http://www.ed-data.k12.ca.us/Pages/Home.aspx>*), the Museum must emphasize working with principals and educators in order to establish a critical mass of individuals who believe arts education is important. Through these efforts, the Museum will work to ensure arts education returns to public schools.
- b. In addition, our outreach and educator programs will further promote arts education and will focus on students and families through hands-on art making and family friendly programs.

2. Public Programs:

- a. Our public programs and audience engagement initiatives attract visitors that either wish to engage with the Museum (e.g. ArtStops, Symposia, Lectures) or have a special interest in a particular subject (e.g. Art of Elán, Painting on Tap, Culture & Cocktails, Film in the Garden). The goal is to allow each individual participant to connect to art in their own, unique way. This goal requires the Museum to provide a diverse enough schedule and programmatic offering to allow for these individuals to connect. As part of this initiative, the Museum will continue to integrate the Museum's content into these programs, ensuring that programs always relate back to the Museum's core mission. Public programs will target millennials (who are looking for something "cool" to do); baby boomers (who seek opportunities to continue their own education and expand their knowledge); local artists, students, arts enthusiasts, and local community members.

**GOAL(S): (i) Integrate educational activities into the galleries, (ii) create one audio guide, or similar interpretive tool, per year for the permanent collection, and (iii) ensure that at least 80% of tickets offered are sold for any program.**

C. OTHER OPPORTUNITIES FOR PUBLIC ENGAGEMENT

1. The Restaurant plays a significant role as an amenity to our visitors and to other Balboa Park visitors and should also act as a portal to encourage patrons to visit the Museum. Only about 1% of the restaurant customers are members and the key focus will be to convert these individuals into members. **GOAL: Recruit at least 1,000 new members via the restaurant by 2020.**
- B. Success in the Retail shop is driven primarily by onsite attendance since purchases tend to be an impulse buy. The Retail shop will target gallery visitors (who are already onsite) and visitors to the restaurant and Balboa Park (who might pop in to browse and/or shop). **GOAL: Grow the percentage of gallery visitors who visit the retail store to 70% by 2020.**
- C. The Library attracts approximately 1,500 visitors per year, primarily docents. With 19,000 books and magazines that relate directly to art and our collection, the Museum will more actively focus on encouraging participation in the Library. **GOAL: (i) Create more opportunities for digital engagement.**

## GOAL 3—ENSURE WE HAVE A FIRST-CLASS FACILITY

On February 28, 1926, after two years of construction, the Museum officially opened its doors to the public. The original Museum had approximately 45,000 square feet of space. In 1966, the Museum added a west wing and a sculpture court, which doubled its size. In 1974, an east wing further increased the Museum's exhibition space. Today, the Museum hosts 20 galleries, a sculpture court, a sculpture garden, an auditorium, and a library, totaling 115,000 square feet of indoor space. Roughly 34,000 square feet (29%) is dedicated to exhibition space, and at present, only 5% of the collection is on display at any given time (driven primarily by space constraints). Chart 8 provides an overview of the Museum's current allocation of space. Chart 9 reflects the space distribution of several of the Museum's peers and Chart 10 illustrates the percent of total space that other peers have allocated towards gallery space. A space study, completed in 2014, revealed that the Museum needs a total of 216,000 square feet with 50,000 square feet dedicated to exhibitions galleries.

In addition to the space study, a five-year capital plan was developed in 2014 to identify the infrastructure needs of the Museum. The Museum recognizes it requires immediate physical improvements in order to meet the needs and functions of a twenty-first century museum. Success will be achieved when the Museum's annual capital investments match annual depreciation and the development of a long-range capital plan is a first step in the right direction. The capital plan first focuses on improving the state of the public galleries, then shifts its emphasis to improving the collections vaults, and finally explores the need to expand the Museum's footprint. The idea behind these priorities is to first bring more visitors to the galleries which in turn will grow earned income, which ultimately will help fund improvements to the behind-the-scenes areas.

### A. INCREASE ACCESS TO THE MUSEUM

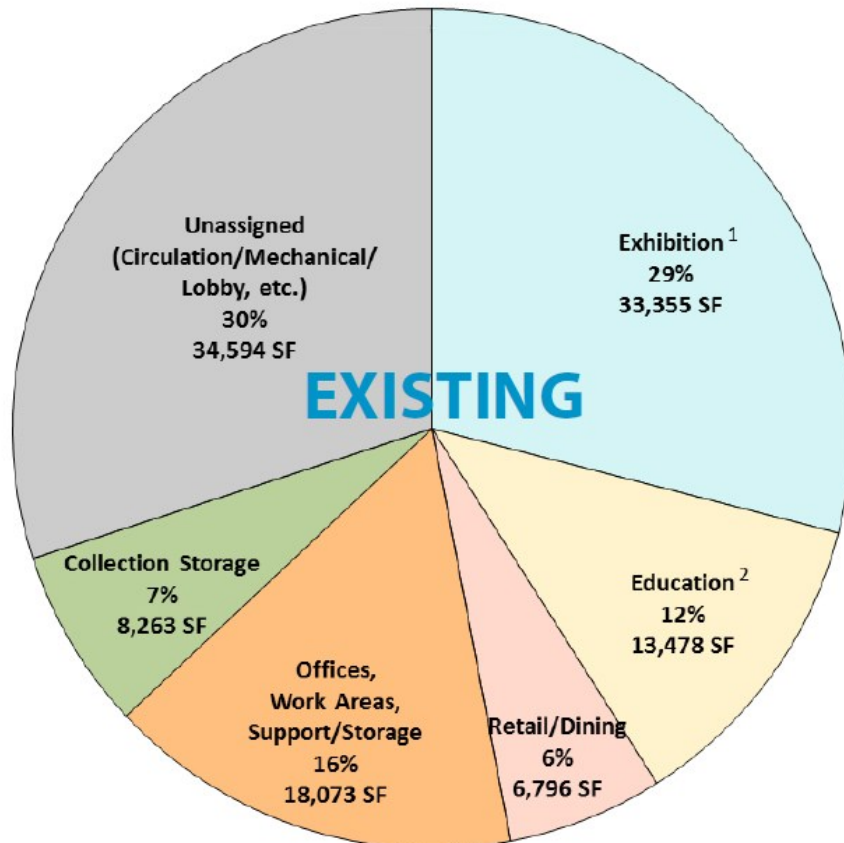
1. To maintain our relevance and appeal in the community, the Museum must provide a first-class experience with facilities and services that augment the Museum's reputation as a "must see" destination and a place that visitors want to return to. This includes making the Museum as accessible as possible. **GOAL: Resolve Museum access plan (impacts from Plaza de Panama).**
2. The Museum must position itself as fresh and new which can be accomplished by exploring options for expansion or reconfiguring existing spaces.

### B. UPGRADING THE PHYSICAL ASSET

1. The galleries showcase our exhibitions and must have a bright and welcoming effect on the visitor. Circulation in the Museum must also feel natural. **GOAL(S): (i) Upgrade all galleries (ceilings, lights, floor) by June 30, 2018, and (ii) install two doors in Gallery 17 by June 30, 2018.**
2. The collections storage vaults must be state-of-the-art in order for the Museum to better research, catalogue, and preserve the permanent collection. Upgrades to storage facilities and environmental control systems will fulfill the Museum's commitment to the security and conservation of its collections. This includes re-routing water pipes that are currently over the storage vault, improving lighting, upgrading storage shelves, etc. **GOAL: Upgrade all vaults (storage system, lighting, security, piping, etc.) by June 30, 2020.**
3. The administrative offices must be welcoming and engaging, and our aging mechanical and plumbing systems must be maintained and replaced regularly. **GOAL: Annually upgrade and replace plumbing and electrical systems to ensure no systems or infrastructure assets are older than their useful life.**

## CHART 8

Current space distribution at the Museum

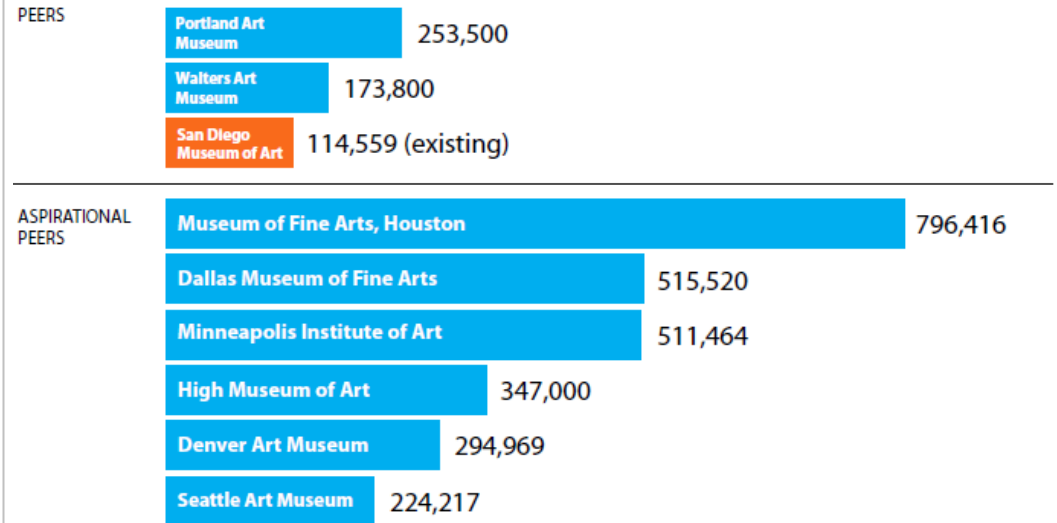


<sup>1</sup> Excludes outdoor exhibition areas.

<sup>2</sup> Includes Art School, Assembly Spaces & Library

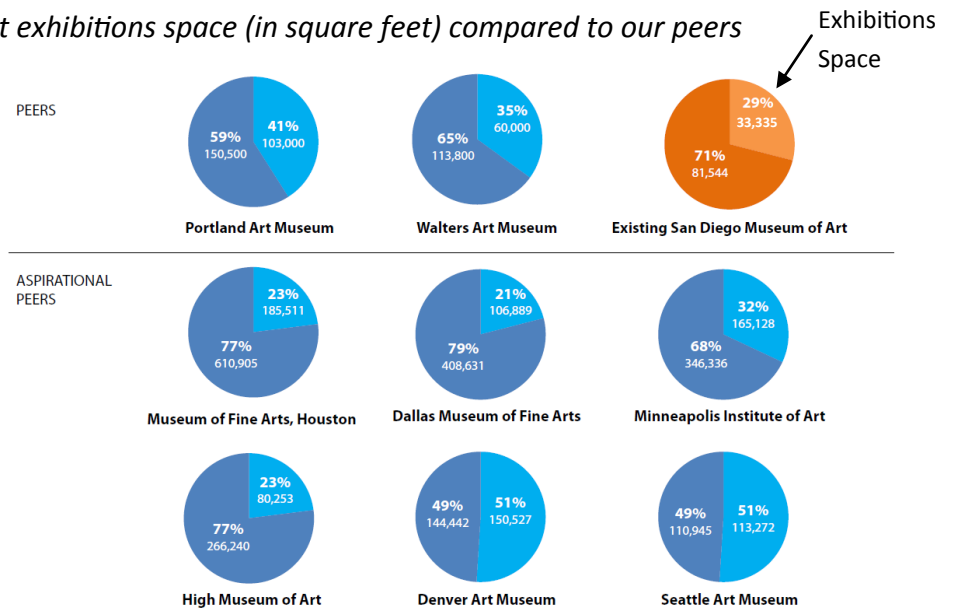
## CHART 9

Current space allocation (in square feet) compared to our peers



## CHART 10

Current exhibitions space (in square feet) compared to our peers



## GOAL 4—MAKE THE MUSEUM A GREAT PLACE TO WORK

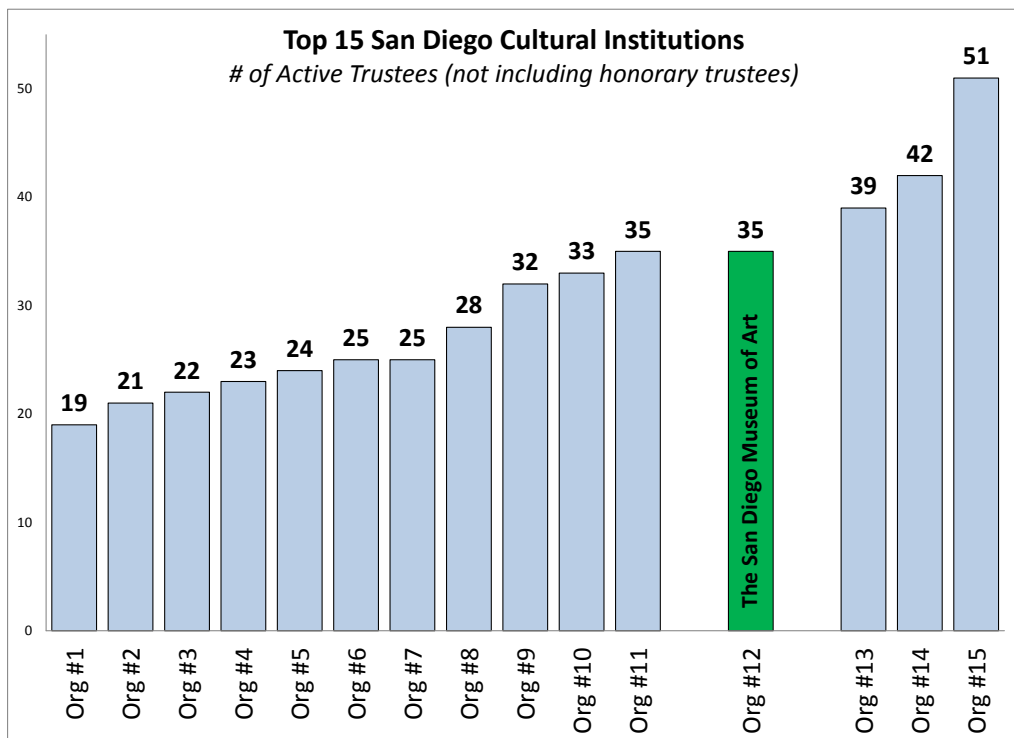
A Museum is only as great as its collection, staff, Trustees, donors, members, docents, and volunteers. Only with the right level of talent and a clear direction will our Museum excel and succeed, and under the guidance and leadership of eight directors (see Table 1), the Museum has grown significantly over the last 90 years. The Trustees and staff are entrusted with ensuring that the organizational structure, the culture, and the ongoing needs of the organization align with the strategic priorities. Success will be realized when the strategic plan fosters a shared vision and shared values among the Trustees and staff. There will be consensus around what the priorities of the institution are and Museum leadership will welcome an open dialogue around various topics. In addition, transparency will encourage staff to articulate solutions to issues, rather than solely identify problems. Therefore, attracting and retaining the right staff, Trustees, donors, members, docents, and volunteers is critical to our success.

- A. STAFF - An environment and culture of transparency and openness among staff will cultivate an atmosphere of trust and collaboration, which in turn will help staff feel empowered to take calculated risks that are aligned with the Museum's strategic priorities.
  - 1. Museum leaders will continuously assess and align the organizational structure to foster a flexible, interactive, and audience-focused culture that encourages teamwork and rewards creativity and collaboration.
  - 2. The Museum will encourage staff to share their findings with the broader community, thus building and growing their reputation as well as the Museum's.
  - 3. The Museum will provide training to build skills among staff and ensure succession plans are in place, and make the Museum a supportive place to work, ensuring compensation packages are competitive and staff feel they are making a difference.
- B. BOARD OF TRUSTEES - The Trustees must feel involved and excited about the future, and they must feel the Museum is relevant in their community. Charts 11 and 12 show the Trustees' position relative to other cultural institutions in San Diego and how the Trustees have grown over the last few years.
  - 1. Museum leaders will involve and educate Trustees on key topics; leverage the capabilities and expertise of Trustees in all possible ways; develop the next generation of leaders by recruiting and orienting a new and diverse mix of members with varying types of professional backgrounds; and grow financial support from the Trustees to comprise a significant portion of the Museum's annual fundraising efforts.
- C. DOCENTS, VOLUNTEERS AND SUPPORT COUNCILS
  - 1. The docents, volunteers and support councils are equally relevant to the Museum's success. With more than 60 docents and over 250 volunteers, Museum leaders will encourage participation through volunteering and will recognize docents and volunteers for their commitment. And with eight support councils, the Museum is positioned to grow its community outreach.



## CHART 11

# of Current Trustees in the 15 Largest Cultural Institutions in San Diego



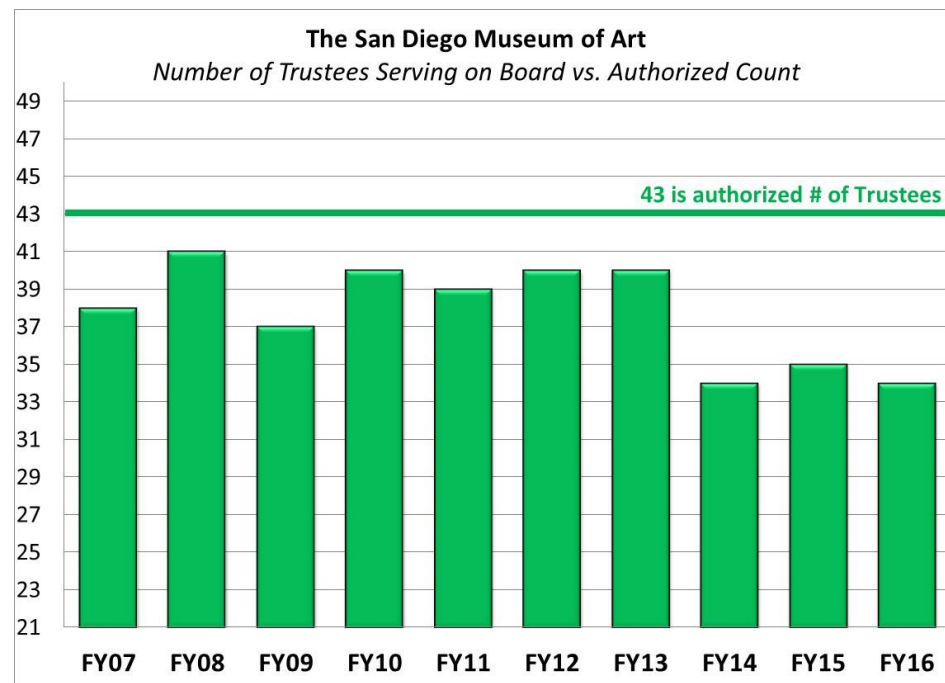
## TABLE 1

Directors of The San Diego Museum of Art

1. Dr. Reginald Poland (1925 - 1950)
2. Thomas B. Robertson (1951 - 1954)
3. Warren Beach (1955 - 1969)
4. Henry Gardiner (1969 - 1979)
5. Steven Brezzo (1979 - 1999)
6. Dr. Don Bacigalupi (1999 - 2003)
7. Dr. Derrick Cartwright (2004 - 2009)
8. Roxana Velásquez Martinez del Campo (2010 - present)

## CHART 12

# of Trustees at The San Diego Museum of Art (vs. 43 authorized)



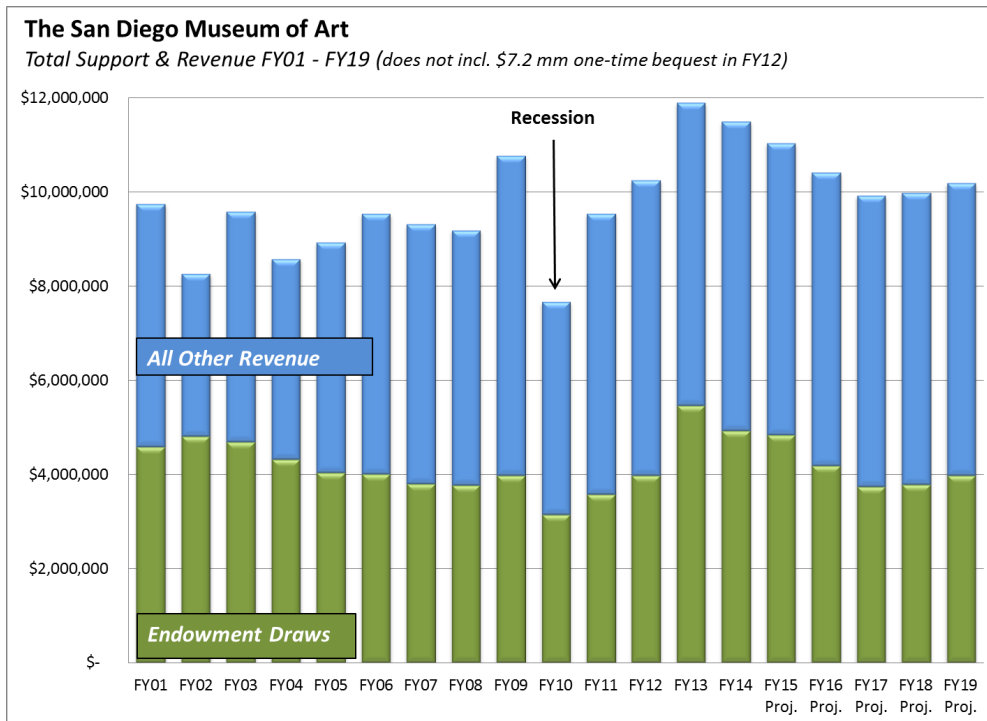
## GOAL 5—DRIVE FINANCIAL SUSTAINABILITY AND FISCAL DISCIPLINE

In 1999, the Museum received a transformative gift from Rea and Lela Axline. This \$30 million gift went to the Museum’s Board-designated endowment, thus catapulting the Museum overnight from an \$8 million operating institution to a \$9.5 million organization. These monies helped fund programs and staffing in the early 2000s. In 2004, the Museum began to move toward relying less on the endowment and instead on growing revenue through contributed and earned income. Then, the financial crisis of 2009 hit and like other institutions, the Museum saw a dramatic drop in contributions and in the value of its endowment. As a result, the Museum enacted cost-savings measures to ensure fiscal prudence. Since then, the Museum’s growth has only been slowed by the funds available from donors. Chart 13 identifies the Museum’s support and revenue between FY01 to FY20 and Chart 14 highlights the FY16 expense distribution by functional area. As the Museum looks towards its future, success will be driven by its ability to offer world-class programming while meeting its budgetary needs. The proposed three-pronged strategy will be to grow contributed income (donations, membership, grants), earned income (admissions, restaurant, retail), and the endowment.

- A. Success will be achieved on the annual operating budget when the Museum meets its annual fundraising goals, realizes a balanced budget annually, achieves a prudent rate of withdrawal from the endowment, and builds a long-term financial plan that is realistic and achievable.
- B. Contributed income is primarily derived from donors and members. The Museum will seek donors that have the capacity and inclination to contribute to the Museum. The Museum recognizes that donors continue to evolve from being the traditional, mission-driven donors to more results-driven “investors.” As a result, the Museum must be able to communicate the impact of its work and must focus more on life-changing stories that resonate with individuals. The Museum will cultivate a culture of philanthropy internally amongst staff and Trustees.
- C. Growing the Museum’s earned income is a function of offering a quality product (e.g. exhibitions, catalogues, etc.) and marketing. Without a successful product and without the means to effectively communicate these products, demand will be minimal. Earned income can be cultivated by developing creative and balanced exhibitions that appeal to our audiences, by offering engaging educational and public programs that generate a profit, and by growing income from the museum’s retail and restaurant by aligning these products with what the Museum is offering in its exhibitions and programs.
- D. The endowment has been a key factor to the Museum’s success. First, the sheer size has helped. Second, the unrestricted nature of these funds has helped too. The value of the endowment has fluctuated in the last 15 years (see Chart 15). The average annual return has been 5.6% since inception of the investment strategy in March 1999 compared to our draw strategy of 5%. The endowment has supported a large percentage of the Museum’s operating expenses in recent years and has also been instrumental in allowing the Museum to make strategic investments through supplemental draws; however, the Museum should ensure that supplemental draws from the endowment are of a one-time nature and designated for one-time projects. And as the Museum explores growing the budget, emphasis should be placed on growing the endowment to help cover existing operating expenses.

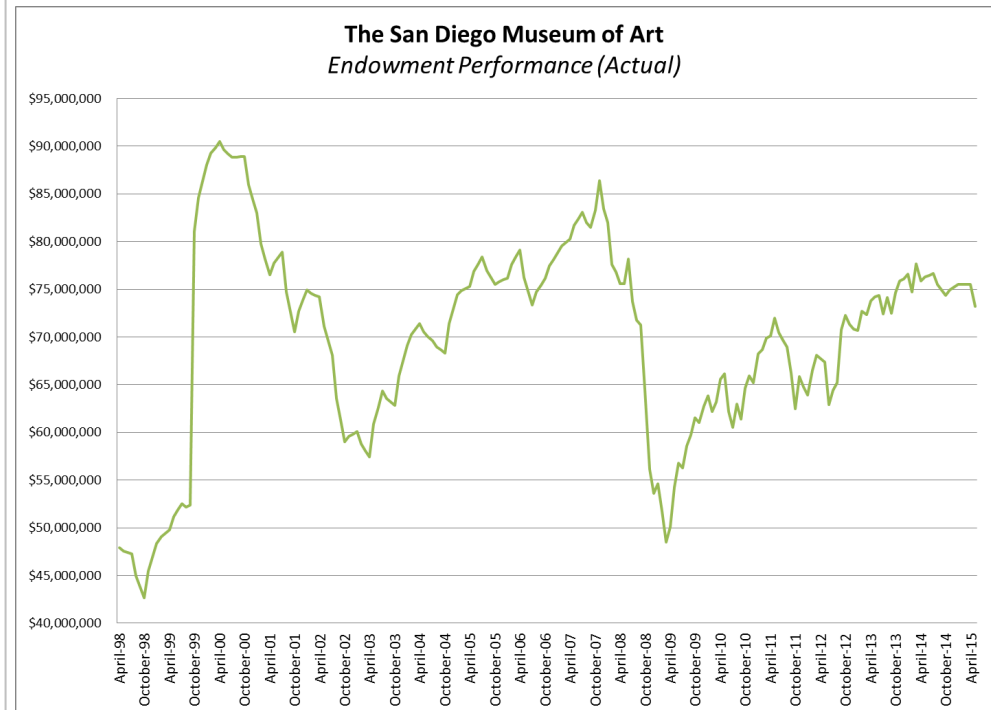
## CHART 13

Total Support & Revenue FY01 - FY19



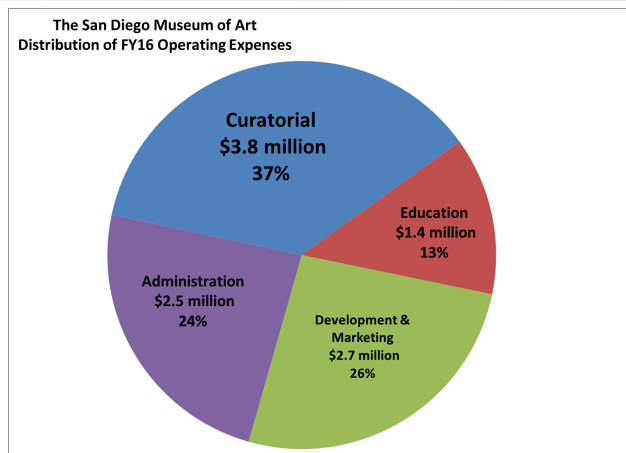
## CHART 15

Endowment Performance FY99 - FY15



## CHART 14

FY16 Expense Distribution





# THE SAN DIEGO MUSEUM OF ART

