

ISABELLA  
STEWART GARDNER  
MUSEUM

April 24, 2009

Dear Members and Friends of the Gardner Museum,

We are writing to update you on the consequences of the global financial crisis for the Isabella Stewart Gardner Museum and to outline the prudent cost-saving steps that we are taking to ensure that in these challenging economic times we continue, as Isabella Stewart Gardner stipulated in her will, to provide “for the education and enjoyment of the public forever.”

Both the Board of Trustees and the staff of the museum have always created operating plans to be flexible and to adapt to changing economic circumstances. None of us however could have planned for the extraordinarily challenging environment that the global financial crisis has created, and we must adjust our plans accordingly.

The museum is not immune to the effects of this economic downturn. In fact, the impact on our endowment, the museum’s main source of income, has been profound. From July 2008 to February 2009, the museum endowment declined approximately 29%, and while we have continued to raise significant funds from foundations as well as from corporate and private donors, the decline in value of the endowment has had a meaningful impact on operating revenue.

In response to this challenge, and to manage prudently in this time, we have been forced to make difficult fiscal decisions. As ever, we have been guided by the best interest of the museum and mindful of our responsibilities as stewards of its vital mission. With guidance from the Board of Trustees, the staff undertook a strategic review of all operating expenses with an eye toward achieving savings across the board. Specifically we reduced our operating budget for FY09 by 7% and further reduced our FY10 operating budget by an additional 11% to \$10.4 million.

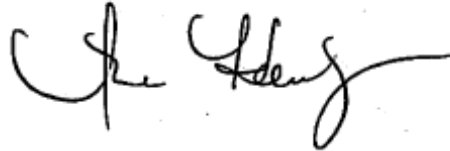
These measures included significant reductions in printing, mailing, staff travel, and other general expenses. In addition we have implemented a hiring freeze, cut all senior staff salaries by 5%, and have frozen the salaries of all other employees at current levels. Unfortunately these cutbacks alone were insufficient to close the entire gap. Ultimately we made the wrenching decision to reduce the museum’s staff of 140 employees by 12 positions (9%). Four areas of the museum have been affected: administration, development, conservation, and curatorial.

As a result of these unfortunate but necessary measures, the current economic conditions will not result in any changes to admission prices, hours of operation, or major programming. Our lively artistic programming is one of the main reasons that the museum continues to thrive.

In fact, this year we have seen an 8.5% increase in visitors overall and a 17% increase in our “After Hours” program held on the third Thursday of every month. Nearly every one of our Sunday concerts has been sold out, and podcasts of these performances are downloaded more than 35,000 times each month. Our gardens continue to offer solace and beauty. In addition, we have made great progress toward our capital fundraising goals for the new building project, which is essential to the museum’s future.

The challenges we face are new, but the mission of the museum is as important now as it was more than 100 years ago. As we look to the future, we remain steadfast in our commitment to nurturing a new generation of talent in the arts and humanities by delivering the works of creators and performers to the public, and by reaching out to involve and serve the community. The Gardner collection will continue to be at the center of this effort as an inspiring encounter with beauty and art.

Thank you for your continued support and I look forward to seeing you at the museum.

A handwritten signature in black ink, appearing to read "Anne Hawley". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Anne Hawley  
Norma Jean Calderwood Director