

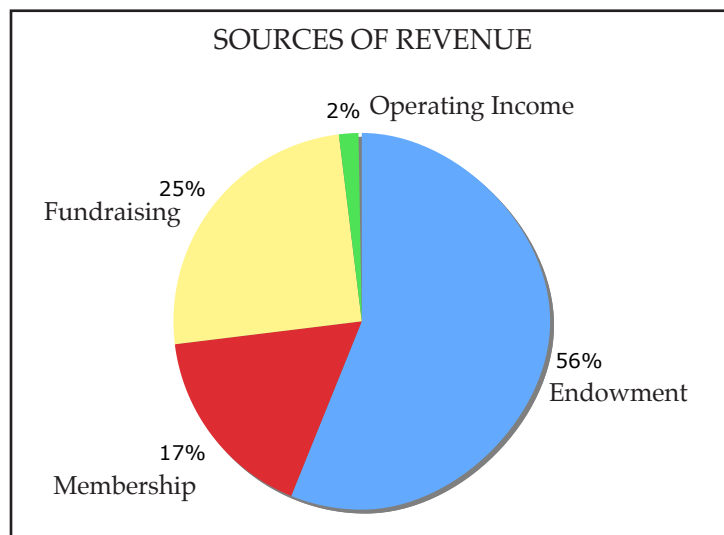
Universal Penman

NEWSLETTER OF THE PROVIDENCE ATHENÆUM

MESSAGE FROM THE EXECUTIVE DIRECTOR

The Athenaeum leadership is committed to keeping you, our members and donors, regularly informed of the Athenaeum's financial status during these uncertain economic times. Now that we have investment performance reports through December 31st, we can give you a more detailed picture of just how our endowment has been impacted this year and illustrate how this may affect us in subsequent years.

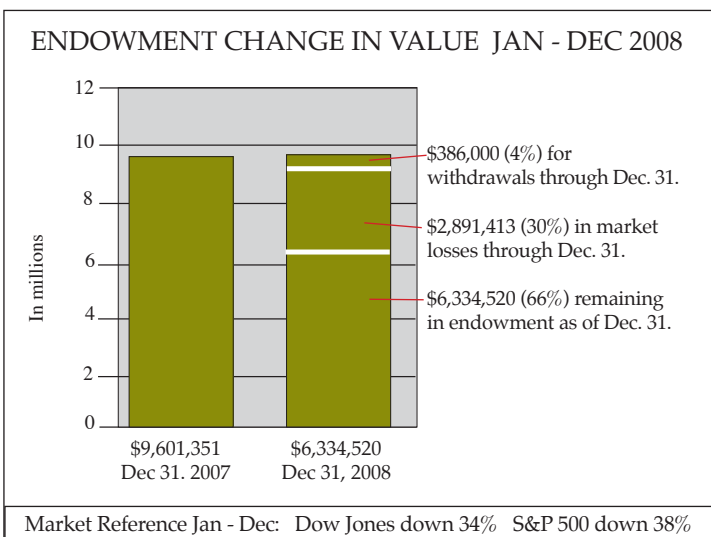
The Athenaeum is accustomed to doing as much as possible with available resources. Each year we rely on funding from membership dues, fundraising efforts, and endowment proceeds to support annual operating costs. The chart below illustrates these relative dependencies.



Legacies and donations to our endowment over the years have served us well. They are a mandate from the past to sustain the valued work of our institution beyond any individual member's lifetime. Out of concern for this entrusted stewardship, the Athenaeum secured professional management of its investments, while adopting a spending policy limiting withdrawals to no more than 5% of a rolling three-year average of the endowment value.

During calendar years 2006 and 2007, our investments performed well. Using an asset allocation strategy targeted toward growth (roughly 70% equities to 30% fixed income), our two-year returns exceeded \$1.35 million. Over the same period, the library's operating budget consumed withdrawals of just \$860,000, drawing at less than the maximum 5% allowed by our spending policy.

The economic climate of calendar year 2008 marked a sharp reversal of fortune. Even with professional investment management and minimal withdrawals, the Athenaeum experienced a steep endowment decline. The chart below shows the significant market erosion of roughly 30% for the year. While relatively better than the 34% and 38% losses seen over the same period by the Dow Jones Industrials and S&P 500 indices respectively, we have nevertheless been severely impacted by the global financial downturn.



Since we rely on the endowment to fund about 56% of yearly operations, the precipitous drop in endowment value will unavoidably add stress to the annual budget. As economists cannot agree on the timing or extent of any upcoming market recovery, we must strive to project our investment returns for subsequent years as part of the foundation upon which to make present decisions.

We have therefore been working hard to develop multi-year forecasts to help us cope with the long-term impact of the current economic climate if, in fact, the market does not recover fully and swiftly over the next one to two years. Our two-fold objective is to preserve the value of our endowment while mitigating the impact that reduced revenue will ultimately have on the services we provide to our members. The graph at right shows how anticipated endowment draws could progressively diminish as our three-year rolling average gradually incorporates years of reduced endowment value.

(continued on back page)



THE OWLET

Notes From
The Children's Library

MARCH 2009

FRIDAY, MARCH 13 AT 3:30PM

BINGO! Feeling lucky? Drop in and try your hand at BINGO. Ages 6 and up. Limit 15. Snacks (\$1 fee) and prizes too! RSVP a must.

SATURDAY, MARCH 14 AT 2:30PM

Origami Workshop

Though sometimes easy, sometimes hard, creating Origami figures is always a fun way to spend an afternoon. This is a workshop for beginners as well as experts! Ages 5 and up with an adult. Limit 10. RSVP a must.

FRIDAY, MARCH 20 AT 5:30PM

Family Movie Night

Kung Fu Panda

An all-star cast and exceptional animation make this the movie to see this month! Eat, drink, and be merry with Po the Panda! Pizza, juice boxes and Hoodsies as always. Ages 5 and up with an adult. Limit 15. \$5 pizza fee per child (adults free). RSVP a must.

SATURDAY, MARCH 28 AT 2PM

Pub Quiz Kids! This one's for the tweens!

Another rousing afternoon of trivia! Bring enough friends to make a team! Lots of badforyou snacks and fun! Ages 10 - 14. Limit 20. \$1 snack fee. RSVP a must!

STORY HOURS

BEAR CUBS - TUESDAY MORNINGS AT 10:30AM

Songs, rhymes, and clapping games for the very young. For infants to age 2.

FAWNS - WEDNESDAY AFTERNOONS AT 4PM

Stories, songs, and craft activities for children.

For ages 3 and up with an adult.

NO STORY HOUR 3/4

CHIPMUNKS -THURSDAY MORNINGS AT 10:30AM

Songs, rhymes, stories, and craft activities.

For infants to age 2.

NO STORY HOUR 3/5

SATURDAY MORNING MOVIES AT 10:30

(running time approximately 40 to 60 minutes)

Ages 3 and up

3/7 *Strega Nona*....and more stories

3/14 *A Treasure in My Garden* a collection of animated songs and stories

3/21 *Spring in Moomin Valley*

3/28 *Miss Nelson has a Field Day*.....and more stories

Welcome to all of our new family members! In the weeks to come I hope you will make many new friends and have lots of fun here in the Children's Library.

To all of our old friends, thank you for supporting the activities in the Children's Library. With your help, we've had a wonderful time keeping it bright and happy in here through the long, cold winter. Now that spring is in the air and the days are blissfully getting longer we will be bringing you more fun inside and out of the Children's Library!

Cheers, Lindsay Shaw and Nancy Whitcomb

SAVE THE DATE!
Annual Gala is Saturday, May 2, at 6pm....
Stay tuned for details!

ANNUAL MEETING:

Sunday, March 1, 3pm
Copies of the 2007-2008 Annual Report will be available in the library the week prior to the meeting, and will be mailed that week to members.

WINTER HOURS

Monday-Thursday 9am to 7pm
Friday & Saturday 9am to 5pm
Sunday 1pm to 5pm



Photo by John Chisafalo

Dr. Tremendanus (Erminio Pinque) at work on _____ at his fall Salon.

MESSAGE FROM THE BOARD PRESIDENT

"Pick yourself up, dust yourself off" (as President Obama quoted in his Inaugural Speech), that's what it feels like to be an Athenaeum Board member right now. My third and final term as president concludes on June 30th. I can't help but reminisce over the last three years. The board saw Alison and then Christina set the Athenaeum spinning. There was an abundance of good will waiting for each member from the Executive Director, who was always willing to chat and answer a member's questions. She wrote innumerable grants that with the help of a new grants writer have about finished the Bound projects. Christina set us on our ears by instituting a series of Salons which have gotten much local notice and some national. They are extraordinarily well attended and have become a wonderful source of new members. If it's Friday, it's the Athenaeum.

Then, on the cusp of what would commence a new exploration as to how we could even further manifest ourselves as part of the cultural fabric of Providence, one of our revenue streams was hit (as many investments were) with a loss in value.

But wait! We have three assets which have not diminished in value and in fact have risen: our members, our staff, and our board. The staff has been and continues to be a cherished resource. We look to our board for their loyalty, expertise, and continued contributions of time and resources.

And we look to our members to continue their memberships and their engagement in the Athenaeum. We hope that you will be able to donate to the Annual Appeal – no gift is too small (or too big for that matter). But also, please bring a friend to the library or a Salon - share what you know and love here, it's the best way to help us generate a new membership.

The initial Dorothy Fields lyrics quoted above need the whole verse to complete the statement:

"Nothing's impossible I have found,
For when my chin is on the ground,
I pick myself up,
Dust myself off,
Start all over again."

Thanks for your support,
Alayne Barnicoat

WE GET BY... WITH A LOT OF HELP FROM OUR FRIENDS!

In times like these, our sponsors are more special than ever! All thanks to our March Salon sponsors: Elad Inc. Industrial Consulting; Dan Siegel, M&S Rare Books; and The Rhode Island Foundation's Expansion Arts Program.

Thanks also to our friends and colleagues at Community MusicWorks and Providence Public Library for partnering with us on this month's Composers' Forum, we couldn't ask for more collaborative compatriots!



Photo by Jim Scott

This handsome raven flew in from the RISD Nature Lab

SEX, LIES, AND POETRY

Grateful acknowledgement to all who attended our recent sold-out fundraiser, *Sex, Lies, and Edgar Allan Poe*! Actors Stephen Thorne and Sharon Carpentier brought to life Poe and his Athenaeum inammorata, Sarah Helen Whitman, through their letters and poems; poet and Athenaeum board member Brett Rutherford mesmerized the crowd with a breathtaking rendition of Poe's *The Raven*. Readings were accompanied by the mysteriously mordant compositions of Alec K. Redfearn on accordion, with Yanna Kiriacopoulos on violin. Collections Librarian Kate Wodehouse curated a spectacular exhibit of Poe-iana, with generous loans from internationally recognized Poe collector Susan Jaffe Tane, the John Hay Library, the RI Historical Society, and the RISD Nature Lab. Campus Fine Wines donated the evening's spirits (the drinkable spirits, that is), with wines, ales, and sherries selected by Sommelier Liz Steely and an infused cocktail created especially for the occasion by Ian Magiris. Board member Meredith Swan contributed elegantly delectable hors d'oeuvres to the table. Thanks also to Margot Nishimura, Ted Widmer, and Mary Rhineland for the audio component of the exhibit. We are extremely thankful to all who contributed to creating such a memorable event and raising such necessary support!

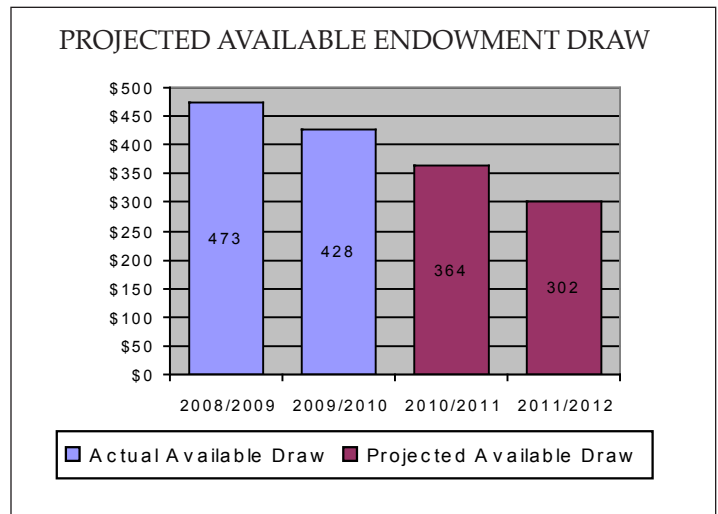


Photos by Jim Scott

Actors Sharon Carpentier and Stephen Thorne read Sarah Helen Whitman and Poe.

As the chart to the right shows, we face the possibility of having almost \$175,000 less available to draw just two years down the road—that's about 20% of the 2008-2009 operating budget.

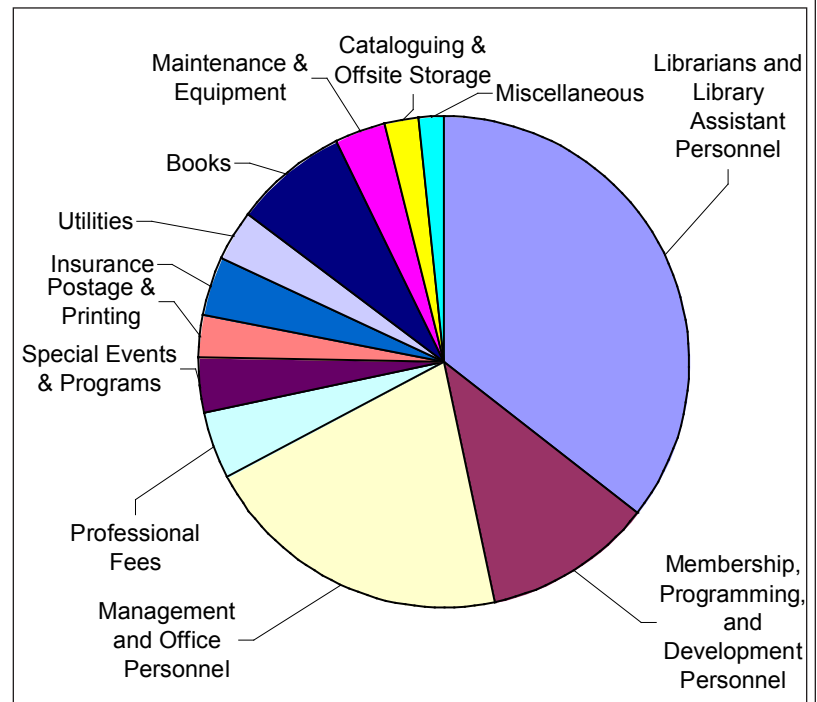
While this impact would take some years to be fully realized, giving us time to work towards an economic solution without an immediate and drastic overhaul of the organization, the possible loss of \$175,000 available for expenditures would impose significant consequences on the services our library provides. Furthermore, any lagging returns in our fundraising efforts in this and future years will only deepen this deficit. The chart below clearly shows that a sizeable reduction to our expense budget would require a fair amount of sacrifice.



EXPENSE BUDGET 2008 - 2009

Expenses:

Librarians and Library Assistant Personnel	\$306,112	35.5%
Membership, Programming, and Development Personnel	\$ 95,966	11.1%
Management and Office Personnel	\$176,513	20.5%
Professional Fees	\$ 39,275	4.6%
Special Events & Programs	\$ 32,000	3.7%
Postage and Printing	\$ 22,500	2.6%
Insurance	\$ 34,745	4.0%
Utilities	\$ 27,500	3.2%
Books	\$ 66,500	7.7%
Maintenance and Equipment	\$ 26,575	3.1%
Cataloguing and Off-site Storage	\$ 19,700	2.3%
Miscellaneous	\$ 14,800	1.7%
Budgeted Expenses:	\$862,186	



While we have significant challenges ahead, steps taken to manage through tough times tend to endure. The Athenaeum can only be what its community wants it to be. This is a time for shared goals and creative solutions. As we consider ways to further mitigate expenses, the more we can supplement our endowment losses with membership and fundraising gains, the less we will have to sacrifice of what we now provide. We remain eternally grateful for our Athenaeum community – board, staff, members, and donors - whose steadfast support and belief in the Athenaeum have ensured our continued existence.

Alison Maxwell