

League of American Orchestras

**Written Statement: Senate Finance Committee Hearing
Tax Reform Options: Incentives for Charitable Giving
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The League of American Orchestras urges the committee to support the vital work of nonprofit organizations in communities nationwide by preserving the tax deduction for gifts to charitable organizations. Private contributions are a critical source of support that enables orchestras to broaden public access to the arts, nurture cultural diversity, spur the creation of new artistic works, and foster a sense of cultural and historic pride, all while supporting countless jobs in communities nationwide.

The League of American Orchestras leads, supports, and champions America's orchestras and the vitality of the music they perform. Its diverse membership of nearly 900 orchestras across North America runs the gamut from world-renowned symphonies to community groups, from summer festivals to student and youth ensembles. The only national organization dedicated solely to the orchestral experience, the League is a nexus of knowledge and innovation, advocacy, and leadership advancement for managers, musicians, volunteers, and boards. Founded in 1942 and chartered by Congress in 1962, the League links a national network of thousands of instrumentalists, conductors, managers, board members, volunteers, and business partners.

Orchestras are tax-exempt organizations and are part of the nation's nonprofit charitable sector working to improve the quality of life in communities nationwide. Orchestral activity is supported by an important combination of public volunteerism, private philanthropy, and civic support that is made possible by virtue of tax exempt status. Ticket sales and admission fees alone do not come close to subsidizing the artistic presentations, educational offerings, and community-based programming of nonprofit arts organizations. In fact, total private contributions represent roughly 40% of the revenue that makes the work of U.S. orchestras possible. Contributions from individuals and individual family foundations account for 19.4% of total revenue to nonprofit orchestras in the United States. At a time when all forms of revenue – earned, philanthropic, and governmental – are extremely challenged, many nonprofit cultural organizations are simply unable to withstand decreasing support from individual

donors. We urge the Committee to take the following into consideration as it considers any measures to change the tax incentive for charitable giving:

The public would suffer the loss of vital nonprofit programs: Unlike other tax deductions, the charitable deduction does not increase the wealth of individual donors, it is an investment in the public good. Should individual donations decline, the capacity of nonprofit performing arts organizations to provide educational programs and widely accessible artistic events, and to boost the civic health of communities and the artistic vitality of our country, would be diminished at a time when the services of all nonprofits are most in demand.

Reducing incentives for charitable giving would harm nonprofit jobs: Nonprofit jobs account for 1 in 10 members of the U.S. workforce. The jobs of many artists and administrators working in the nation's nonprofit performing arts community would be imperiled by declines in charitable giving. American orchestras alone employ thousands of professional musicians, administrators, educators, and stage personnel in cities and towns across the country.

Major policy changes could have long-term negative impacts: Researchers and scholars continue to investigate how any of the myriad possible changes to the tax structure under consideration might impact giving to nonprofit organizations. Congress must protect against any unintended consequences that might result from rapid adoption of changes to a system that has provided a base of support for nonprofit endeavors for decades. Any hasty changes to deductibility in the interest of short-term revenue gain could have lasting unintended consequences for nonprofit services and jobs.

Orchestras are important contributors to the American civic life, and charitable giving to orchestras substantially improves the civic health, education, and artistic vitality of communities nationwide. More than 60% of the 32,000 concerts given annually by League member orchestras are specifically dedicated to education or community engagement, for a wide range of young and adult audiences. Orchestras partner with other arts organizations and community-based nonprofits to serve specific community needs, such as the thirteen orchestras across the country that are combining instrumental instruction with social justice programs in disadvantaged neighborhoods, partnering in every instance with community-based organizations. And, orchestras nurture the creative endeavors of contemporary classical musicians, composers, and conductors. All of the following endeavors are made possible with support from individual contributions:

The **Boise Philharmonic**, a 70-member professional orchestra with an administrative staff of 9 employees, is Idaho's largest and oldest performing arts organization. The orchestra maintains a vast array of educational programs, including classes for young

children, a Family Concert series, annual *Children's Concerts* with full symphony orchestra performing for 15,000 school children in 9 free performances, *Musicians in the Schools*, *Ensembles in the Schools*, *Conductor in the Schools* and the *Joker Eagle Schools* music project. The Boise Philharmonic has presented *Classic Collaborations*, a series of concerts accompanied by related educational activities. Each concert in the series integrated symphonic music with vocal music, theater, or dance along with participating area opera, theater, and dance companies, embodying the collective strength of arts disciplines coming together.

Private support to the **Boston Youth Symphony Orchestras** (BYSO) is 53% of total revenue and directly funds a total of 118 jobs (16 full-time with benefits and 102 part-time). These employees are artists, teachers, and professional arts administrators. The BYSO enriches the lives of youth and serves surrounding communities by providing 450 children ages 6-18 with high quality arts programming. These children come from Boston, over 120 communities and all 6 New England states. Public concert programs attract attendance by more than 10,000 individuals. Contributed revenue is the only source of support for the BYSO's outreach program which provides all services free of charge.

The **New World Symphony**, a 23-year old orchestral academy whose 750 graduates now perform in over 176 orchestras across the country, is also committed to serving America's youth. In addition to connecting musicians and artists around the globe, the orchestra provides instruction and mentoring to schools by making its performances available to school systems across South Florida. The *Musician Professional Development Program* offers performances, coaching, and community outreach activities as a means to prepare more than 80 gifted young musicians each year for musical leadership positions in the orchestral field. These young musicians have the opportunity to experience music at multiple levels of engagement and leverage the skills of highly trained coaches to develop their own professional careers in music.

At the **Kalamazoo Symphony Orchestra**, vital private support represents 59% of total revenue, and individual giving is the lifeblood of the organization. Through public concert programs, including free summer concerts, the Kalamazoo Symphony Orchestra reaches more than 20,000 people per year and the orchestra's education programs last year reached 40,000 children. The education initiatives, which serve not just Kalamazoo but the entire Southwest Michigan region, are almost exclusively free of charge to the schools and the students, and donations are the only source of their support. Along with Youth Concerts, the orchestra provides in-depth preparation materials, linked to state and national standards, which many music teachers use as the backbone of their lesson plans for the year. The level of service provided to the educational community is profound and is supported nearly entirely by private donations. And, those education programs and donations also have an impact on employment. Contributions to support the recent expansion of education programs

resulted in an Artist-in-Residence program, which added 10 full-time positions to the orchestra as well as 1.5 full time equivalent positions on the administrative staff. These are jobs with benefits that exist exclusively as the result of private donations, and all of the orchestra's jobs (a total of 17 full-time and 65 part-time positions, between administrative and artistic staff) would not exist without substantial private support.

Utah Symphony | Utah Opera (USUO) regularly provides high-quality musical programs to over 820 organizations in Utah and surrounding states. Of these 820 cultural partners, nearly 675 are educational institutions statewide that have received USUO performances, classes, public programs, tours and resources. Community partnerships extend to community-based organizations, senior groups, and libraries. The Utah Symphony | Utah Opera performs for more than 155,000 students and 7,000 teachers each year, in Abravanel Hall, Capitol Theatre, and in schools throughout the state.

With 10 full-time staff and approximately 70 part-time musicians, the **Albany Symphony Orchestra** is keeping living American composers at the center of its mission. The production of the orchestra's *American Music Festival* nurtures and supports the work of living composers like Joan Tower, Zhou Long, and Michael Daugherty. Festivals such as this one are essential to assuring that orchestral music remains a part of the American cultural experience and that opportunities can be presented to composers to have their works shared.

The **New Jersey Symphony Orchestra's** (NJSO) mission states, "We commit with equal passion to artistic excellence and engagement with our communities." Over 30,000 students and families are served annually through a diverse array of high-quality comprehensive education programs and performances, including the Greater Newark Youth Orchestras which serve underfunded Abbott districts, and the Early Strings program in Newark, through which the NJSO annually brings Suzuki violin instruction to 600 second through fourth graders in the Newark Public Schools. NJSO offers 12 different concert series in seven outstanding venues throughout New Jersey, bringing live symphonic music to more than 150,000 people each year. The NJSO counts on 56% of its operating revenue from contributed income.

Orchestras extend their reach beyond their immediate cities and towns, bringing unique musical experiences to communities that would not otherwise be able to enjoy them. The **Bremerton Symphony Orchestra** employs 11 full-time and part-time staff, and with 120 volunteer orchestra and chorale members, is presenting an "Inspiring Virtuosity" concert with violinist Marié Rossano. In addition to the concert itself, the orchestra will help make the concert accessible to the Hispanic and Tribal populations of the Kitsap Peninsula as well as low income families of Bremerton. Individual contributions are a vital part of the support system that enables orchestras to showcase

our society's rich array of cultures and to engage and connect with the diverse audiences around them.

In addition to widening access to our country's cultural diversity, orchestras aid in the remembrance of key moments in our American history. To commemorate the 10th anniversary of September 11th, the **New York Philharmonic** commissioned a new work, "One Sweet Morning," by American composer John Corigliano. The orchestra, which employs 192 full-time and 353 part-time or seasonal staff, along with 190 volunteers, presents this poignant artistic perspective, incorporating texts on war and peace by American lyricist E.Y. "Yip" Harburg, Lithuanian-American poet Czeslow Milosz, the Ancient Greek poet Homer, and Tang Dynasty poet Li Po. Millions of Americans attended memorial orchestral concerts in venues ranging from large concert halls to tiny village squares in the unforgettable days and weeks following the horrific events of September 11, 2001. Some were staged specifically for the moment, like the National Day of Prayer and Remembrance at Washington National Cathedral, while others were adaptations of previously scheduled performances. In all cases, orchestras, their musicians and their music became a source of strength and pride, as well as a vehicle for community unification and reflection.

The United States relies upon the nonprofit community to provide many public services in fields ranging from education and health care to arts and culture. America's nonprofit arts organizations promote access to the arts, are important participants in education for children and adults, and support jobs and economic growth. Thank you for this opportunity to express the value of individual contributions to the communities served by orchestras across the nation. The orchestras profiled in this statement represent just a fraction of the artistic activity, civic engagement, and creative workforce supported by the more than 1,800 orchestras across the country. On behalf of the full range of American orchestras, I urge the committee to preserve tax incentives for charitable giving.