Visions of Orchestras

As the League of American Orchestras marks its 75th year, **League President and CEO Jesse Rosen** considers the enduring values and sweeping changes in the art and business of orchestras.


Chris Lee

Jesse Rosen, President and CEO, League of American Orchestras

"Did you ever stop to think of one of those dog sled teams? The lead dog is the only one that ever gets a change of scenery." Bob Hope to Bing Crosby in **The Road to Utopia.**

Twenty five years ago in this magazine, then-League President and CEO Catherine French began her reflections of the first 50 years of the League by debunking yet another prediction of the demise of orchestras. Indeed, the period from 1942 to 1992 was a period of unprecedented and well-documented growth not just for orchestras, but for much of the non-profit performing arts industry. The arts were on the nation's agenda with major government, foundation, and corporate philanthropy leading the way, and with national broadcast and electronic media helping expand the audience.

But the next 25 years saw a profound change in the external environment, hurling new challenges and opportunities at orchestras. That quarter-century is the time when audiences began to change their patterns of attendance and public and private philanthropy began shifting their priorities. Arts and culture turned toward multiculturalism and the digital revolution exploded with all its myriad disruptions. It has also been a period of tremendous compositional evolution and variety and a breaking down of rigid demarcations of genres, tastes, and even the "Berlin Wall" separating uptown and downtown composition came down.

When I think of this quarter-century, that Bob Hope line comes to mind. The scenery changed and the leadership work was to notice and to bring others along. Since we humans don't usually harness others behind us, the bringing-folks-along part can be fraught. But the League did carve out a leadership role for itself, as did many orchestras. Together, we have tried to look dispassionately outward to see the change and acquire the courage, perspective, knowledge, and information needed to adapt: risky work for a field steeped in tradition. We didn't always get it right and we did not always agree, but the trajectory of orchestras over the past 25 years has been upward, and I am more optimistic than ever.

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Changing Perspectives on Orchestras

The League's landmark and highly controversial 1993 publication *Americanizing the American Orchestra* reframed the work of orchestras, proposing that orchestras take on the tough issues of diversity and inclusion, experiment with the concert experience, technology, and multidisciplinary work, and challenge the culture of conflict experienced by so many orchestras. The report contemplated the orchestra as "an institution that is

- Dedicated to the goal of providing music of excellence and beauty to a rapidly changing, democratic, pluralistic society;
- Representative of the cultural and racial diversity of that society;
- Infused with musical energy and creativity;
- Pioneering in spirit and willing to take intelligent risks;
- Responsive to and inclusive of its community."

Today, this picture seems normal. In 1993 it triggered a fierce pushback from several influential field leaders and a brutal *New York Times* attack: "In bringing the racial politics of the streets into the concert halls, [*Americanizing*] may very well Americanize the orchestra into extinction." The report nonetheless set the stage for the big pivot that was to come years later: the turn outward, a view of orchestras that anchored them firmly in the creative and civic context of their communities.

During the economic expansions of the late 1990's and again from 2002-2007, orchestras were nonetheless becoming increasingly fragile. Two major longitudinal studies released in 2009 revealed troubling long-term audience trends: the National Endowment for the Arts' 2008 *Survey of Public Participation in the Performing Arts* and the League's *Audience Demographic Review* conducted by the McKinsey consulting group. They indicated that

- Classical music audiences, contrary to popular belief, were not always old; the median age of a classical music concertgoer went from 40 in 1982 to 49 in 2008.
- The proportion of the population attending classical concerts declined by 13 percent from 2002 to 2008, though actual attendance numbers suffered less, due to population growth.
- The attendance of college-educated adults, the biggest predictor of classical music attendance, declined by 39 percent between 2002 and 2008.

While these findings were indeed troubling, there was some promising news as well:

- 40 million Americans, or 18 percent, report listening to classical music recordings and broadcasts (terrestrial and on-line).
- Amateur classical music performance increased from 1.8 to 3 percent.
- The Hispanic audience was growing.

The main significance of all this information was that it set in motion an incredibly robust period of reflection, research, and experimentation in concert formats, pricing and packaging, programing, alternatives venues, and patron development.

One major piece of audience research, conducted by the Oliver Wyman firm, examined the rate of churn among first-time concert attendees (churn is generally defined as the rate at which first-time ticket buyers do not become concert regulars). The aggregated churn rates across orchestras in nine major markets was 80 percent. The good news is that the newcomers weren't fleeing the music. It was the customer experience that kept them from coming back. Among the oft-cited reasons were the marketing and fundraising assault that immediately followed attendance, poor parking, and difficulty exchanging tickets. The study also, through simulated tests, identified ways to get the first timers back. Many of these were tested by orchestras with good results, and the League tracked the impact over two seasons. The churn study, along with the its offspring, the Patron Growth Initiative, was an important step in the shift from the transactional to the relational way orchestras now engage with their audiences.

What constitutes a great concert? What does it take to have musicians perform at their best? Are we clear about what artistic leadership means for today?

Defining the Public Value of Orchestras

In 2009 the League commissioned a study of the public perception of orchestras among influentials, i.e. policy makers, members of the media, etc. Most of the news was good: orchestras got high marks for representing values of excellence and of a commitment to educating young people. But orchestras did not fare well on the subject of serving a broad cross-section of the community. Some would say "so what"—orchestras never did. But the League saw in these findings significant vulnerability for orchestras, and developed resources to help talk the talk—the Public Value Tool Kit—and to walk the walk—the Community Engagement Diagnostic Tool called *Your Orchestra, Your Community: Roadmap to Success*. These issues gained traction when policy makers at federal, state, and local levels began challenging the tax-exempt status of certain non-profits, particularly those that were not viewed as providing public value. The issue continued to ripen as policy makers on both sides of the aisle began considering reductions to incentives for charitable giving, a major threat to orchestras, which derive nearly 40 percent of their income through private contributions.

In the midst of this period, when everyone was discovering they were "not in Kansas anymore," a small group of managers, musicians, and board members had been working together since 2003 to find a new path forward. They concluded that working harder and smarter at current practices of marketing and fundraising would not be sufficient for achieving long-term sustainability. With support from the Andrew W. Mellon Foundation they commissioned Stanford economist Robert Flanagan to review the long-term trends of orchestra finances. Flanagan's study of 17 years of data from 50 orchestras examined the relationship between orchestra finances and business cycles, and concluded that orchestras finances were indeed cyclical, but also structural. He re-affirmed the Baumol and Bowen "cost disease" theory that performance costs will grow at a faster rate than performance income, requiring increased philanthropy, since productivity gains are not an option in the performing arts.

This cross-constituent group, dubbed the Elephant Task Force, turned some of this thinking on its head, positing in its 2008 report, *A Journey Toward New Visions for Orchestras,* that financial deficits might be due to non-monetary deficits in the artistic area, in community relations, and internal culture. The report imagined a new way to frame the work of orchestras as a virtuous circle of four inextricably related elements:

"• **Community Relationships**: The ability of the orchestra organization to connect meaningfully to its community and create true public value; the orchestra sees community engagement as the core mission, is motivated by enlightened self-interest, is responsible first to the community, moves from a delivery system to a service culture, understand it's not always just about the music, inspire people to make music, and believes the community offers inspiration for artistic discovery and can stimulate innovation, discovery, creativity, and fun.

- **Internal Culture**: The ability of the orchestra constituents to work together in mutually supportive and cooperative ways; the orchestra embraces a culture of partnership and mutual responsibility, values and invests in personal and professional growth, reinforces individuals' accomplishments and contributions to organizational health, and operates as a true partnership led by a managing partner.

- **Artistic Activities**: The ability of the orchestra to deploy artistic resources broadly and effectively in service of the art form, the community, and individuals in the organization; believing that responsibility for artistic growth and quality is shared throughout the organization and have imaginative and accountable artistic leadership, providing fulfillment and contributing to the artistic growth and development of everyone in the organization, investing in research and development, and producing and/or promoting a broad range of significant artistic activity beyond the concert hall.

- **Financial Structure**: The ability of the orchestra to match cash resources with expenditures either to maintain the status quo or to achieve financial viability or financial robustness. The orchestra is revenue driven rather than expense driven, ensures adequate resources for future partners in the organization, balances aspirations with proven financial capacities over time, adopts a financial structure that smooths out fluctuations caused by the economy, and shares risks and rewards."

Like much of this kind of work, finding straight-line impact is not easy. Nonetheless, we have seen the continuing movement toward a refreshed and deeper connection to community and less hierarchical organizational designs that promote this more holistic approach to orchestra work. The close partnership among the musicians, trustees, and managers that made up the Elephant Task Force was itself a model of collaborative leadership that resonated through the field.

Recession—and Recovery

The Great Recession came next and it put to the test much of this new thinking about orchestras. Warren Buffett's famous line, "When the tide goes out you see who's been swimming without a bathing suit," was spoken more than a few times. The recession actually helped advance the discussion of capitalization in orchestras.

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Breaking even and growing endowments had been the primary financial imperatives of many orchestras. In the recession neither of these proved sufficient, as endowments were both illiquid and many were "under water." Breaking even was not the recipe for growing reserves to protect against the inevitable downturns. Capitalization conversations became more nuanced, taking into account issues of organizational life cycle, the role of facilities, and local market conditions as they relate to cash reserves, risk capital funds, and endowments. This work was aided by some terrific research by TDC which the League subsequently incorporated into a capitalization diagnostic tool (the Strategy and Money Alignment Readiness Tool, or SMART) that gained wide use throughout the field.

The recession also tested the ability of orchestra constituents to "work in mutually supportive and collaborative ways" when it came to collective bargaining. Some succumbed to the intense pressures of cost reduction and cultures of mistrust, and endured painful and long work stoppages. Others, and that includes the vast majority, navigated through with a spirit of "shared ownership and shared sacrifice."

The League's major longitudinal study *Orchestra Facts 2006-2014* confirmed that orchestras did in fact recover from the recession, with the proportion of orchestras reporting deficits dropping from 40 percent in 2010 to 18 percent in 2014. While revealing a 5 percent drop in attendance at classical series from 2009-2014, *Orchestra Facts* also noted an 18 percent increase in the number of households subscribing over the same period. And the shift toward greater service to community was well documented: from 2009-2014 ticket prices fell, free concerts increased, and 38 percent of the participants in orchestras' education and community engagement activity were African American, Hispanic/Latino, Asian American/Pacific Islander, or American Indian/Alaskan Native.

And what about the music? In the course of the League's strategic planning conversations in 2006, Jane Moss, Artistic Director of Lincoln Center, said to me, in effect, "People in orchestras never seem to talk about music. You talk about the business—but why don't you talk more about music?" I thought then and think now that she had a point. We default to our favorite term, "artistic excellence," and agree we are committed to it. But what does that mean? While I have never seen a word written about this foundational value of orchestras, I think what people mean is those things that contribute to orchestras sounding their best: quality of instruments, acoustic environment, and caliber of musicians, soloists, and conductors. We believe if we get these things right, we will have great concerts. Nothing wrong with that, and no reason to stop. But, given the many opportunities of our current moment, isn't it time we bring the same degree of reflection and re-imagining of our artistry that we have brought to how we run the business?

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The Art

My own experience of listening to performances and talking with musicians and audience members strongly suggests we need to pay attention to some significant trends. I recall a concert by the Saint Paul Chamber Orchestra of Beethoven's *Eroica*, played without a conductor—a performance of staggering power. You could practically see the energy waves emanating among the musicians. While admittedly most of the time orchestras need conductors, the lesson seems to be that giving ownership of the musical results to the musicians can yield tremendous artistic benefits. Or, listen to the Facebook Live recording of the Seattle Symphony concert dedicated to music of the seven countries impacted by the White House's proposed travel ban. Even online you can't miss the poignancy and beauty of this performance, which was initiated by the musicians. And this is not just about a musician-led initiative; the event elevated the orchestra to a major platform for civic expression, and its audience engagement is off the charts.

Last month I heard musicians describe what makes them play at their best, and it wasn't a great-sounding hall or a brilliant conductor. It was the connection to the audience. These were three of the Houston Symphony's Community-Embedded Musicians describing how the less-than-optimum neighborhood performing conditions required them to get really clear about their musical intentions if they were going to have any impact. They have no audience pre-disposed to appreciating them and no proscenium or orchestra to hide behind—they are on their own to win over the audience.

This leads me to think that the great concert is not yet complete until we have tended to the experience that takes place among the musicians and between the musicians and the audience. There is much more to making this work than our traditional definitions of excellence.

There is a framework developed in Australia to help performing arts organizations reflect on and refine their artistic work. The *Artistic Vibrancy Framework*, developed by the Arts Council of Australia, suggests that an artistically vibrant organization

- strives for artistic excellence, referring to how well the organization practices its craft
- stimulates its audience: they are inspired to question, think, feel, relate, and experience wonder

- brings a fresh approach to the preservation and/or the development of its art form
- develops artists
- is relevant to communities which extend beyond its audience

The Australians are quick to add that every company is unique, and there is no "just add water" recipe for how to make an organization artistically vibrant. It's a good thing they add this caveat as we Americans tend to recoil at anything that hints at rules, checklists, or prescriptions. They also asked leaders in the performing arts for examples of artistically vibrant companies, and concluded there was a set of key indicators that included:

"• strong artistic leadership and governance
- shared artistic purpose in the company
- openness to feedback from peers, staff, audience, wider community, other artists, funders
- organizational mechanisms to receive feedback and engage in dialogue
- self-awareness, an ability to undertake self-reflection and listen to feedback from others"

I would add my own belief that artistry is enriched and stretched and made even more excellent by facing outward to the enormous creativity circulating through the wider and very diverse world beyond our concert halls. This is not about community engagement; this about a fundamental belief that our core work of orchestral concerts in our halls can be imagined at its best when infused with all the different and sometimes opposing ideas, music, people, and perspectives that make up our communities. They have a name for this in the U.K., the *Creative Case for Diversity* developed by the Arts Council: "*The Creative Case for Diversity* is a way of exploring how organizations and artists can enrich the work they do by embracing a wide range of diverse influences and practices. *The Creative Case for Diversity* provides the catalyst for an arts-centered approach to diversity. It is not a policy or a piece of work to be viewed in isolation. It is a way of approaching how we as organizations or individuals embrace diversity in our everyday practice."

Today, we take for granted that as many women as men play in our orchestras, and that marketing directors will welcome a chance to promote a new work, rather than hide it. Programming for young people has gone deep and makes real impact, while youth orchestras continue to grow in numbers and breadth. There is a renewed will in orchestras to aggressively address diversity, inclusion and equity, and at least so far, "bringing the racial politics of the streets into the concert halls" has led to a more vibrant and thoughtful engagement with our communities and the issues of our time. There is lots more work to do, as our recent study *Racial / Ethnic and Gender Diversity in the Orchestra Field* makes abundantly clear. But much has been accomplished and I'm sure the best is yet to come. S
