The Landscape of American Orchestras: A Guide for New Board Members df American Orchestras

February 4, 2025

League Contact



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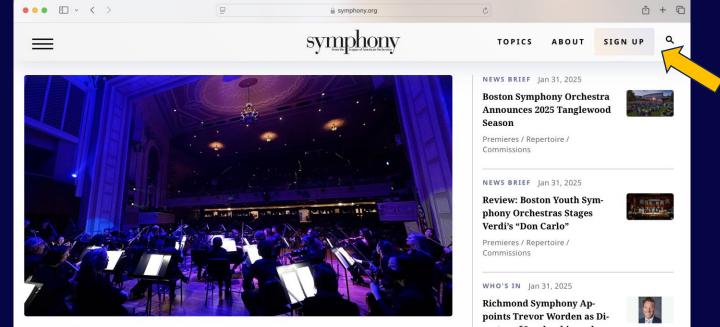
Housekeeping

- » This webinar will be recorded. The recording, transcript, and slides will be made available by the end of the week.
- » Please ask questions in the Q & A as we go along. The presentation will last 60 minutes, and we will continue with questions for a further 15 minutes at the end.
- » We have provided additional useful information our website under the "Resources" tab here:



Access Benefits from the League

- » Your orchestra's membership in the League provides you free access to a wealth of governance resources and orchestra field research at <u>www.americanorchestras.org</u>
- » Some of our member-only website resources require you to sign up and login with your own personal account
- » If you don't already receive our latest articles and news emails, please sign up for *Symphony* at: <u>www.symphony.org</u>



FEATURE STORY Jan 17, 2025

Time Travel

The concert times, they are a' changin'. Orchestras nationwide are embracing earlier start times for performances to accommodate post-pandemic lifestyle changes across multiple demographics.





rector of Leadership and **Planned Giving**

Musical Chairs - Industry Moves

NEWS BRIEF Jan 30, 2025

Rediscovering Edmond Dédé, America's First Known **Black Opera Composer**



Premieres / Repertoire / Commissions

NEWS BRIEF Jan 30, 2025

League of American Orchestras: Leading, supporting, and championing America's orchestras and the vitality of the music they perform

Benefits of League Membership for Orchestra Board Members

"The League connects us, strengthening our community to leverage our collective power to learn from one another, to speak with one voice, and to advance the artists, the art form, and the organizations that bring the orchestral experience to nearly 25 million Americans each year."

> -Douglas M. Hagerman, Board Chair, League of American Orchestras; Past Chair, Milwaukee Symphony Orchestra

League of American Orchestras

Your orchestra is part of a vibrant community of 1,600 organizations and individuals across North America that belong to the League of American Orchestras—the only national organization dedicated to orchestras and their communities. Our diverse membership includes world-renowned orchestras, community groups, summer festivals, student and youth ensembles, conservatories and libraries, businesses serving orchestras, and individuals who love symphonic music. We thank you for being one of the nearly 9,000 orchestra board members across the country.

Founded in 1942 and charted by Congress in 1962, the League helps orchestras acknowledge and address the most critical issues head on: leading in times of rapid and profound change, responding to changing audience patterns and tastes, understanding and adapting business models and practices, and deepening relationships with communities. Led by President and CEO Simon Woods with a 30-person staff headquartered in New York City, the League is a \$7-million organization funded about 30% by membership dues, including dues your orchestra pays, and 70% by fundraising and other earned revenue. The League is truly grateful to orchestra board members for their service to their orchestra and for their major giving support to the League, and we always insist that their home orchestra remain their top priority.

The work of the League is both broad and deep:

Mission: To champion the vitality of music and the orchestral experience, support the orchestra community, and lead change boldly.

Vision: A thriving future for orchestras and their communities that celebrates creativity, artistry, and inclusion.

Find answers to questions and guidance on almost any aspect of orchestra governance and management on our website, americanorchestras.org, or by contacting:

David Styers, Board Member Liaison – <u>dstyers@americanorchestras.org</u> – 646 822 4033 Erica Green, Director of Major Gifts – <u>egreen@americanorchestras.org</u> – 646 822 4060 Elizabeth Arnett, Senior Director of Major Gifts - Midwest Region – <u>earnett@americanorchestras.org</u> – 646 822 4061

Simon Woods, President and CEO - swoods@americanorchestras.org - 646 822 4046 Doug Hagerman, Board Chair - doughagerman@gmail.com



Hosts



Doug Hagerman

Immediate Past Chair, League of American Orchestras

- Past Chair, Milwaukee Symphony Orchestra
- Retired Senior Vice President and General Counsel, Rockwell Automation, Inc.



Simon Woods

President and CEO, League of American Orchestras.

- Interim Executive Director, Grand Teton Music Festival
- Chief Executive, Los Angeles Philharmonic
- President and CEO, Seattle Symphony
- President and CEO New Jersey Symphony Orchestra
- Chief Executive, Royal Scottish National Orchestra
- Vice President of Artistic Planning and Operations, The Philadelphia Orchestra

Agenda

- 1. Welcome
- 2. Introduction to the Orchestra Field
- 3. Governance of Orchestras
- 4. Issues and Trends
- 5. League Programs and Resources
- 6. Q&A

Doug Hagerman

Simon Woods

Doug Hagerman

Simon Woods

Simon Woods

Doug Hagerman



1. Introduction to the Orchestra Field

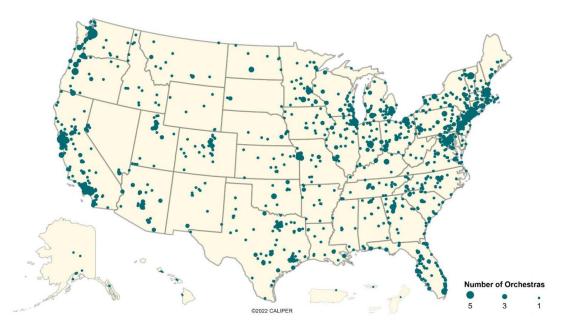
Orchestras at a Glance

October 2024



Orchestras serve communities large and small

There are approximately **2,200** professional, community, and youth orchestras in the U.S. which exist in all 50 states and perform in communities of all sizes. Annual budgets for orchestras range from less than \$30,000 to more than \$100 million; **77% of all orchestras had budgets under \$300,000 in 2022.**^{1&II}



Orchestras are a vital part of America's musical landscape

America is brimming with extraordinary musicians, live concerts, and orchestras as unique as the communities they serve. Orchestral musicmaking is flourishing in our country, encouraging creativity and bringing people together to share the experience of live music, as orchestras implement new strategies to diversify participation in the art form. Orchestras provide **lifelong musical experiences and participation in the creative process**. **26,000** orchestra performancesⁱⁱⁱ

> **28%** of performances were completely free^{iv}

> > 22.6 million

total orchestra attendanceⁱⁱⁱ

Teal boxes represent data from the 2022 - 2023 Season, unless noted otherwise

Orchestras are significant contributors to the creative workforce and fiscal health of communities

\$2.5 Billion

direct orchestra expenses went back into local economiesⁱⁱⁱ Orchestras' economic impact far exceeds direct expenses -- as orchestras create jobs, engage in commerce with local businesses, and spur local expenditures on related goods and services (hotels, restaurants, parking, and more).

Orchestras contribute to the creative, civic, and educational vitality of communities

Orchestras contribute to healthy societies through their active participation in civic life, as communities with orchestras draw together musicians, volunteers, philanthropists, and other civic-minded stakeholders. Orchestras enhance the quality of life in their communities by collaborating with school systems and other local partners to deliver programs on and off the stage. Orchestras offer <u>a wide</u> <u>variety of programs tailored to meet community needs</u>, including pre-school learning, in-depth residencies in schools, afterschool partnerships, educational classes for seniors, and health and wellness programs.

6,500

educational and community engagement concerts

1.8 million

attendance at education and community engagement concerts^{iv}

Orchestras deliver on their nonprofit mission thanks to charitable contributions from a broad base of donors

Orchestras are 501(c)(3) nonprofit organizations. Individual and institutional donors are critical to helping orchestras make music and services available to their communities, and contributions far outweigh ticket sales as a revenue source. The charitable gifts that make the work of



orchestras possible come from donors across the economic spectrum, with 72% of the charitable gifts to orchestras from the general public were under \$250, demonstrating that community members with a wide range of economic means find value in their local orchestras and invest in their sustainability. Given rising costs and the ongoing constraints on earned revenue throughout the pandemic, charitable giving is an even more critical source of support.

Orchestras of All Shapes and Sizes

- » Everything from full time 52 weeks salaried to per service to volunteer
- » Lines of business: classical/pops/specials/education
- » Venues: own/manage/lease/rent per concert
- » Many but not all are members of the American Federation of Musicians
- » Staff size from 1 to 1,000
- » Budgets from \$30,000 to \$150M
- » Urban, suburban, rural, all 50 states
- » Smaller orchestras: all concerts conducted by a music director who is an employee or independent contractor, often living in community. Large orchestras: music director conducts a third or fewer of concerts, usually visits a few times per year.

League Members







- 491 adult orchestras
- 106 youth orchestras
- 13 international orchestras
- 15 collegiate

- 684 individuals
- 113 business partners
- 110 institutions
 - (as of June 30, 2024)

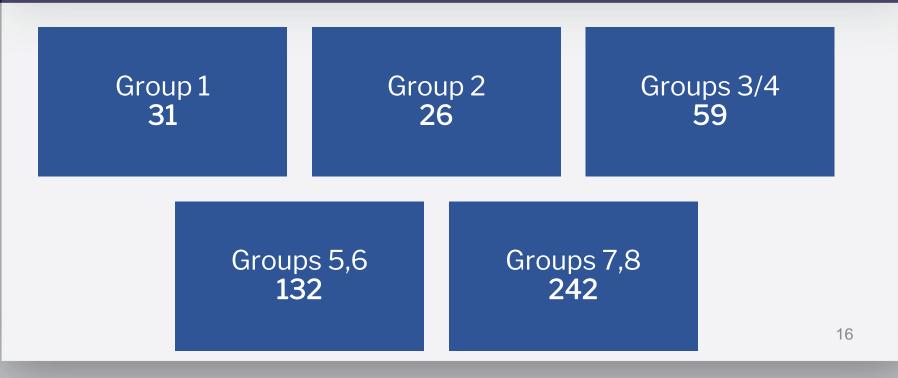
Budget Categories

| Group Number | Operating Expenses |
|--------------|--------------------|
| Group 1 | Above \$20,000,000 |
| Group 2 | \$7,000,000 |
| Group 3 | \$3,500,000 |
| Group 4 | \$2,200,000 |
| Group 5 | \$1,100,000 |
| Group 6 | \$700,000 |
| Group 7 | \$225,000 |
| Group 8 | Below \$224,999 |

15

Number of Member Orchestras

League of American Orchestras



2. The Governance of Orchestras

Ten Unique Things About Orchestra Nonprofit Board Governance

- 1. Three-headed leadership model
- 2. Variations in reporting lines for the three leaders
- 3. Orchestra musician representatives on board and committees
- 4. Some unique committees Community Engagement; Equity, Diversity and Inclusion; Artistic
- 5. Lack of clarity of board role in artistic matters
- 6. Difficult business model with widespread structural deficits, dependency on heroic philanthropy, and (often) undercapitalization
- 7. Equity, Diversity, and Inclusion as an imperative for our field
- 8. Combatting perceived elitism/narrow value
- 9. Unique processes for selecting CEO and Music Director, influenced by Collective Bargaining Agreement (CBA) if have one
- 10. Need for constructive relationships with musicians: involve them in governance

Background

» Constituencies of an orchestra

- Musicians
- Staff
- Board
- Volunteers
- Donors
- Audience
- Community
- Students

» Sources of governance authority: state statutes and by-laws

Orchestra Leadership Model

- » CEO reports to Board Chair
- » Music Director (MD) sometimes reports to Board Chair, sometimes to CEO
- » Board Chair doesn't have sole power to hire and fire CEO or MD
- » Musicians and others almost always involved in CEO selection and MD selection
- » CEO and MD share leadership and must adopt a collaborative relationship
- » Job Descriptions: CEO and MD evolving roles
- » Strong relationship between CEO and Board Chair is essential: Thought partners
- » Board should represent the community and take an external vantage point

What Does a Board Do?

» Act as representatives of the public to maintain:

- The mission, vision, and values of the organization
- The integrity of the organization
- » The Board's purpose is to take community investment and translate it into public value

Board

- Oversight: Set metrics and accountability processes
- Make policies
- Provide input to and approve strategy
- Evaluate and give feedback
- Collaborate with CEO and ask strategic questions

Staff

- Management: Plan, organize, execute, direct
- Implement policies
- Plan and budget to execute strategy
- Report progress and outcomes
- Collaborate with board and keep them informed

Board's Collective Responsibilities

- » Shape and clarify values, vision, and mission
- » Set strategic direction and ensure effective planning
- » Select, evaluate, and support the chief executive and music director
- » Monitor performance and impact of programs and services
- » Ensure adequate financial resources networking and fundraising
- » Protect assets and provide financial oversight
- » Build and sustain a competent board
- » Ensure legal and ethical integrity
- » Enhance the organization's public standing

Board Members' Individual Responsibilities

- » Understand and support the mission
- » Follow trends and developments affecting orchestras
- » Participate in development activities: Be an ambassador, advocate, asker
- » Make a personally significant annual gift
- » Prepare for and participate in board meetings, committees, and other activities
- » Review financial statements and budgets
- » Act knowledgeably and prudently when making recommendations about how funds should be spent
- » Respect abilities of chief executive and music director; assist when asked
- » Identify and cultivate potential board members; mentor new members
- » Be an advocate for the organization

of American Orchestras

▶ INSIDE

Overview of This Guide Why Do EDI and Antiracis Matter to Orchestras? Answering Common. Questions Moving Forward Endnotes Acknowledgments

Introduction

This guide is intended to help the orchestra field take action to become more inclusive and welcoming of all people and all differences. It is offered amid America's current reckoning with 400 years of oppression against Black people, underscored by the recent police killings and the disproportionate impact of the COVID-19 pandemic on Black and Brown Americans. It follows the League's <u>Statement on Racial Discrimination</u> issued in August 2020. The League will offer further resources to support orchestras on their journeys toward antiracism and equity, including the upcoming re-launch of the EDI Resource Center.

Making the Case for

A Guide from the League of

In Orchestras:

American Orchestras

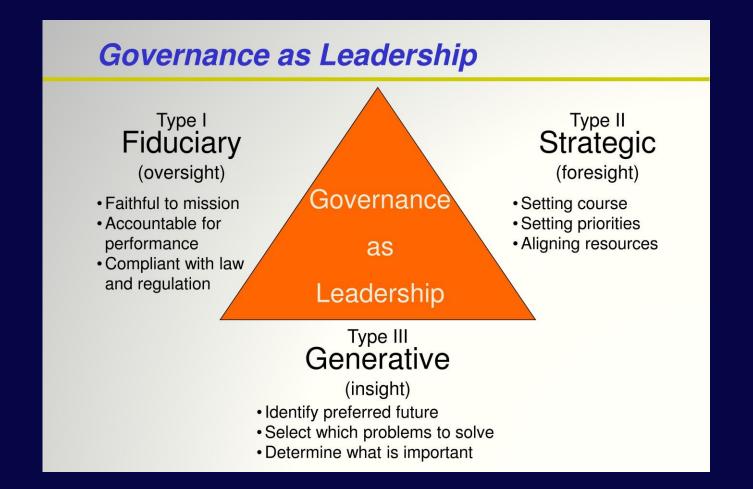
Equity, Diversity, and Inclusion

"Diversity is not our problem, it's our promise. It's our promise because it leads to unparalleled heights of creativity, expression, and excellence. It's our promise because it leads to higher performing and more sustainable institutions. And it's our promise because it allows us to live by our democratic ideals of fairness and equality."

The Honorable Elijah Cummings, speaking at the League of American Orchestras 2016 National Conference Orchestras have a long history of discrimination¹, and data on their recent past reveals no change in representation of Black musicians in orchestras for 25 years, hovering at 1.8 percent² Board and staff representation is similarly static and well below that of nonprofit peers. This is despite various programs intended to increase onstage racial representation³ and the oft-espoused desire of orchestras to reflect their communities. Today, a continuation of the status quo poses a serious threat to orchestras, as stakeholders demand that nonprofits supported by federal tax policy fully reflect their communities.

Why does equity, diversity, and inclusion matter to orchestras?

- » Enriching to the musical performances that are at the heart of the orchestral experience
- » Essential to the long-term sustainability of orchestras in the context of the changing demographics of the country
- » Vital in attracting and retaining talent
- » Central to a culture of innovation and collaboration
- » Imperative for authentic relationships with communities



3. Issues and Trends

Key Themes in the Field

- » Growing audience base, broadening demographics, relevance, building deeper connections in the community
- » Programming, creativity, and new forms of presentation
- » Financial and organizational sustainability
- » Youth development and participation
- » Accelerating pace of change in equity, diversity, and inclusion
- » Internal alignment
- » Tension between past and future, tradition and adaption: change leadership

Audiences

- » Audiences are slowly getting younger: from 2019 to 2023, Millennial and Gen X purchases increased significantly
- » In 2024, ticket revenue rose significantly above pre-pandemic levels
- » Single ticket revenue was 25% higher in 2024 than in 2019
- » Subscription and membership revenue increased across the performing arts, but the **growth was larger in orchestras:** contributing factors include increase in per capita spending, specials concerts, and new orchestra membership programs
- » Anecdotally: despite broad increases in sales, there are **concerns about audiences for classical series**

TRG/League Benchmark: https://americanorchestras.org/learn/resources-data-and-research/data-partnerships/trg-arts/

Fundraising

- » Between 2019 and 2024, revenue from individual donations fell by 12%
- » Between 2019 and 2023, Gen X and Millennial patrons increased their giving, but this has not fully offset the decline in income gifts from older donors
- » Generational transfer of wealth to younger family members and the aging-out of longstanding donors are significant concerns for all "legacy" art forms
- » Foundations and corporations are moving away from major arts organizations

Finances

High-level financial performance indicators from FY23 Orchestra Statistical Report (165 orchestras):

- +6.7% Average Change in Net Assets
- 4.8% Average Endowment Draw
- +5.69% Average Return on Investments
- 28 Average Weeks Expense in Liquidity
- **31%** Subscription Sales: Average % of Performance Revenue
- 52% Single/Group Ticket Sales: Average % of Performance Revenue
- **\$0.12** Average Cost of Fundraising per Dollar Raised (including staff)
- **\$0.51** Average Cost of Sale per Dollar of Tickets Purchased (including staff)
- **\$32** Average Performance Revenue Per Attendee

Equity, Diversity, and Inclusion

Programming

- Dramatic increase in performances of music by women and composers of color
- In 2023-24, women and composers of color accounted for 23% of U.S. orchestras' programming, up from just 5% in the 2015-16 season
- Proportion of works by living composers grew from 12% in 2015-16 to 23% in 2023-24
- Occurred across all orchestra budget groups and all regions

Staff and Board

- Staff members are the most diverse areas of orchestras, but not in top positions
- **Executive Directors** are roughly 50/50 men to women, but men dominate in larger orchestras
- **Board diversity** has improved significantly in last decade, and 1 in 6 now identify as people of color
- But boards are still less racially diverse than nonprofit organizations in general, and women are still under-represented

Artists

- Significant increases in women conductors and conductors of color in last decade
- But most **music directors** are still white, and only 1 in 9 music directors are women
- Approximate gender parity among musicians
- Increase in Asian and Asian-American musicians, but Black and Latino representation has barely moved in last 20 years



4. League Programs and Resources

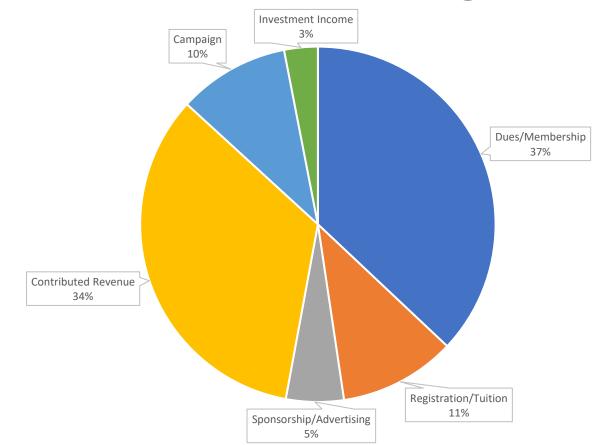
History of the League

- » The American Symphony Orchestra League was founded in 1942, initially as a network for smaller civic orchestras
- » After World War II, the League's executive secretary, Helen M. Thompson, brought large orchestras into the coalition
- » First League Conference 1942
- » First Orchestra Statistical Report 1946
- » First Orchestra Management Seminar 1952
- » League was Chartered by act of Congress in 1962

About the League

- » 26 full time staff plus contractors
- » HQ in New York, but largely virtual
- » Staff in New York, Boston, Rochester, Detroit, Cleveland, Grand Rapids, Milwaukee, Austin, Houston, Philadelphia, Washington DC
- » \$6.5M annual budget

Revenue – FY25 budget



35

Vision and Mission

Vision

A thriving future for orchestras and their communities that celebrates creativity, artistry, and inclusion

Mission

To champion the vitality of music and the orchestral experience, support the orchestra community, and lead change boldly

League Board

- » National board all major regions of country represented
- » 54 directors
- » Largest sub-group within League board is board members of orchestras
- » Others from across music business, including musicians, conductors, soloists, staff, composers, educators
- » Field representation: ex-officio members represent CEO Groups 1, 2, 3/4, 5/6, 7/8, Youth Orchestras, and Volunteer Council

Leadership Team



Simon Woods President and CEO



Marlah Bonner Vice President, Development



Andrew Clark Vice President, Finance & Administration



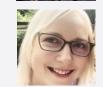
Heather Noonan Vice President, Advocacy & Communications



Rachel Rossos Gallant Vice President, Marketing and Membership



Caen Thomason-Redus Vice President, Inclusion and Learning



Karen Yair Vice President, Research and Resources

BY THE NUMBERS 2023-2024

ONE GOAL: TO SERVE THE FIELD

Orchestras bring people together to create musical experiences that are powerful, moving, and transformative. It's the way we at the League of American Orchestras see our role, too: creating spaces for things that can only be achieved through collective action and national leadership.

Numbers can't tell the whole story, but they can give you an idea of how hard the League works for its members, the orchestra field, and the artform.

ANA MEMBERSHIP

25,000

Members receiving benefits individually or through a member orchestra Member orchestras in all 50 states, Canada, and 7 countries worldwide

630

321

27

KNOWLEDGE CENTER

334

Requests fulfilled for vital data, information, and resources Orchestras participated in studies by the League and its partners, providing essential data to the field

TEAM

72

Board and Emeritus Board members representing orchestras across the country

Staff serving the organizations and people of the orchestra field

advocacy

348

210

Requests fulfilled for help with visas, international travel, and building stronger advocacy skills Members of the U.S. House and Senate engaged with critical arts policy issues, with member orchestras mobilized by the League

CONVENINGS AND WEBINARS

1,085

Delegates gathered for the League's 2024 Conference in Houston

LEADERSHIP PROGRAMS

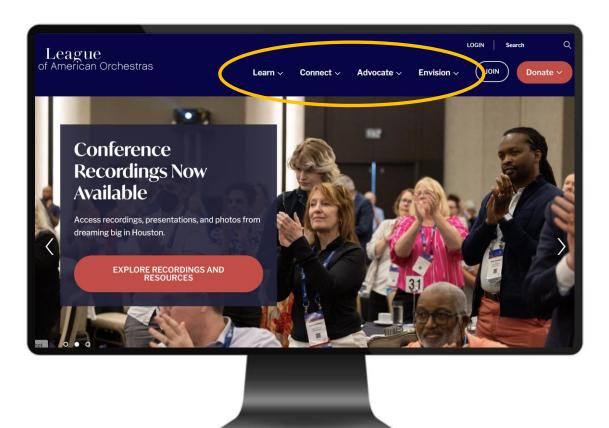
862

Alumni of League professional development programs, many now in leadership positions at orchestras

467 Grants over 5 years totaling \$4,800,787 to support the future of orchestras¹

¹Total does not include \$1,597,768 in National Alliance for Audition Support partnership grants

League of American Orchestras



Learn

In Person

- National Conference
- Midwinter Managers Meeting
- Seminars/Webinars
- Essentials of Orchestra Management
- Catalyst Incubator
- Toulmin Women Composers Program
- Anne Parsons Leadership Program



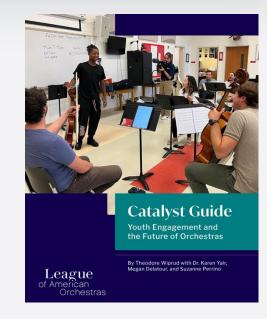


Learn

Publications

- Knowledge Center
- Noteboom Governance Center
- Equity, Diversity, and Inclusion Resource Center
- Finance Resource Center
- Orchestra Statistical Report
- Demographic Report
- Salary & Benefits Survey
- Research Reports
- Case Studies

League of American Orchestras

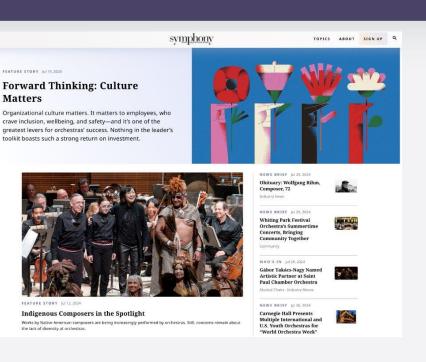


Connect

- Symphony
- Media Relations
- Social Media
- Publications
- Website
- Convenings
- Constituency and Affinity Groups

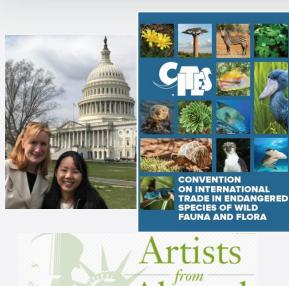
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 Member Hotline 646 822 4010 or member@americanorchestras.org



League of American Orchestras

Advocate

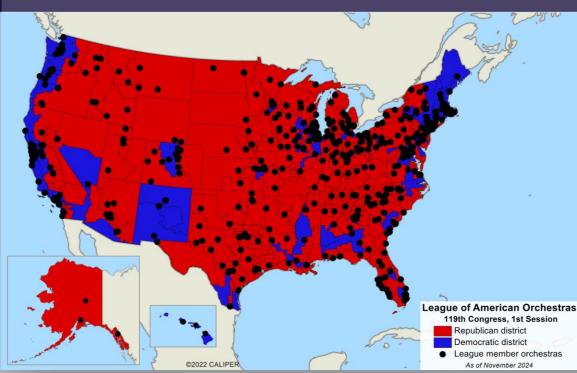


- **Speaking Up:** Representation before the White House, Administration, Congress, and Nonprofit Sector
- A Lifeline of Assistance: COVID-19 Relief, Visa Support and www.artistsfromabroad.org, Travel with Musical Instruments, and Charitable Giving Trends
- Building Orchestras' Advocacy Capacity: Music Education Advocacy Tools, Public Value Toolkit, *Playing Your Part* Guide

Complete guide to immigration and tax requirements

Member Orchestras by Congressional District – 119th Congress (202<u>5</u>)

League of American Orchestras



The League represents orchestras in 313 out of 435 Congressional districts, plus D.C., and Guam, and in every state.

Together, we reach 100% of the Senate and 72% of the U.S. House of Representatives!

And with our members evenly represented by both parties, continued bipartisan support for issues that impact orchestras remains critical. (As of November 2024)



- Nonprofit & Artist Tax Policies
- <u>Music Education</u>
 Visas & International Exchange
- Ticketing Policies
- Music Licensing & Distribution
- National Endowment for the Arts
- More Key Issues

<u>Travel with Musical Instruments</u> Nonprofit and Artist Tax Policies

Orchestras work in close partnership with the broader nonprofit and arts sectors to improve incentives for charitable giving and promote fair tax policies for artists.

Asks: Restore and expand charitable giving incentives for all taxpayers with a permanent universal charitable deduction for non-itemizers. Enact the Artist-Museum Partnership Act and reinstate the performing artist deduction. Public Value Toolkit, League Tax Policy Action Center

Music Education

Orchestras partner with communities to support more music education in schools. The federal government can grow arts education funding and improve equitable access to arts education through implementation of the Every Student Succeeds Act.

Asks: Fully fund the Arts Education programs in the FY25 Labor-HHS Education appropriations bills. Require the U.S. Department of Education to comprehensively report the status of arts education in America's public schools. Co-sponsor the Arts Education for All Act. <u>Music Education Advocacy</u> <u>Tools, Contact Congress Today</u>

Visas for Foreign Guest Artists and Cultural Exchange

The League is a global leader in helping the arts sector navigate the U.S. visa process and tax requirements for international artists. National performing arts organizations are urging U.S. Citizenship and Immigration Services (USCIS), State Department, and Treasury, to improve the climate for international cultural activity.

Asks: Make USCIS and consular visa processing more affordable and reliable. Fully fund the State Department's cultural affairs programs. Improve withholding and tax identification procedures. Visa and Tax Assistance, ArtistsfromAbroad.org, League Advocacy Influences Visa Fee Increases

Travel with Musical Instruments

Orchestras and individual musicians travel with instruments to bring live music to audiences in every corner of the globe. Rules for travel should be common-sense and support mobility.

Asks: Ensure that policies for travel and trade with musical instruments with rare materials support both conservation efforts and international cultural activity. Airlines must fully implement and enforce laws protecting musical instruments in-cabin and as cargo. <u>Know Your Bow: Tips for</u> <u>Pernambuco Bow Owners, How to Navigate CITES Permit Requirements, Tips for Traveling by Air</u>

Ticketing Policies

Following years of policy action at the state level, the Federal Trade Commission and U.S. Congress are turning attention to proposals that would set new national rules on ticket sale transparency and other policies for concert ticket sales on the both the primary and secondary markets.

Asks: Enact the Fans First Act to prohibit predatory ticket sales practices and support access to performances and events. <u>FTC Issues New Ticketing Rules, League Ticketing Overview</u>

Music Licensing and Distribution

Orchestras are a part of the music creation and distribution ecosystem, innovating to provide live arts experiences, online performances, and learning opportunities to their communities nationwide.

Asks: Advance policies that will support the interests of orchestras, composers, and the audiences they serve. Support the creative community in policies regarding artificial intelligence. Bots Disruption Comments to U.S. Copyright Office, League Joins Human Artistry Campaign

National Endowment for the Arts

Through direct grants, support to state arts agencies, and national leadership initiatives, the National Endowment for the Arts (NEA) is a critical source of federal support for orchestras nationwide. The NEA's FY24 Grants to Organizations included 97 grants to orchestras and communities they serve.

Asks: Increase FY25 funding to support the creation, preservation, and presentation of the arts in America. NEA Grants to Orchestras and Application Tips, League Testimony to U.S. Congress

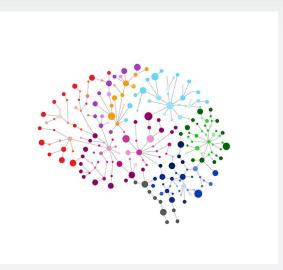
Additional Priority Key Issues:

LGBTQIA+ creative expression and freedom, Government-wide support for the arts, Disaster relief & preparedness, Creative workforce and the economy

Envision

- Imagining the future of orchestras
- Thought leadership
- Leading by example
- Showcasing innovation across the field
- Bringing new thinking to members

"...and lead change boldly"



5. Q and A