



Oregon Bach Festival: The Next Decade

Strategy Report 2015

Dr John Evans, President & General Director (2007-2014)

STRICTLY CONFIDENTIAL

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Introduction

This strategy paper on the future of the Oregon Bach Festival (OBF) was commissioned by Frances Bronet, Acting Senior Vice President and Provost of the University of Oregon (UO), on 6 October 2014, and has been researched and compiled over a period of three months. It is intended as a dossier to 'inform, educate, and [hopefully] entertain' (to paraphrase the mission statement of my former employer, the British Broadcasting Corporation), addressing the needs of the senior leadership of the UO, but conceived primarily as a reference point for my successor at the OBF, in his/her strategic discussions on the future of the OBF with Barbara Altmann, Senior Vice Provost for Academic Affairs, to whom the OBF now reports.

For this reason, the strategic report has both an important historical component, and the appendices include vital, sometimes lengthy materials. I felt that this would be necessary, as the search process for a new Executive Director has yet to begin, so it will be highly unlikely that the successful candidate will be in post prior to the 2015 Festival, let alone be available for discussions or any sort of formal handover prior to my departure in early April.

I am well aware of just how much of a disadvantage that can be, because I had no handover whatsoever on taking on this post in July 2007. Though the search process took five months, plus a further four months for me to extricate myself from employment and property commitments in the UK, my predecessor, Royce Saltzman, was not available to me (for health reasons) when I visited Eugene for the final, formal stage of the search process in January 2007; and when I relocated to Oregon in mid-June 2007, Royce was already focused on his final OBF season, so I could do little but trail him. The day after Royce's final season ended, he left town, and I hit the ground running, and only then discovered some of the many skeletons that began falling out of cupboards and office files. For instance, it was the then Director of Development for the Festival that gave me a copy of the damning Pappas Report on the Festival (see pages 37-53); and only then did I discover the town and gown animosity that had developed as a result of the report, and the reception it had received when leaked to the Register-Guard.

Another issue that has colored my tenure at the UO has been what I call the revolving door that is Johnson Hall. During my seven-and-a-half year tenure at the UO, I have worked under the regimes of now fewer than five Presidents or Acting/Interim Presidents, and will have reported to now fewer than seven Senior Vice-Presidents & Provosts/Interim Provosts/Vice-Provosts. Seven line-mangers in seven years! And during that time I received only two annual appraisals, at the tail end of my tenure, while all my staff had received annual appraisals, with agreed targets and goals, every year. Without wishing to labor the point, if you are bringing in a senior arts industry professional to run a performing arts organization within a public educational institution, then a fully professional handover and induction, and appropriate consistency in the line management of that director is the least one might expect.

In the preparation of this report I have consulted widely with senior colleagues and friends in the business, all leaders in their field. These have included executive/artistic festival, orchestral and venue directors on the west and east coast of the United States; festival and orchestral directors in Canada and the UK; broadcasting executives throughout Europe; and orchestral managers in Australia. While they were happy to share their thoughts and perspectives on the challenges facing today's music industry (frankly and sometimes with a passion bordering on despair) they would only do so if their identities remained confidential. For this reason, and this reason alone, they are not credited or quoted directly.

Dr John Evans
6 March 2015

Executive Summary

Key Recommendations

- UO Leadership and OBF's new chief executive should reach a clear agreement on the artistic and strategic vision of the OBF for the next decade that builds on its USP of the music and legacy of J.S. Bach, and a sustained commitment to education and the choral-orchestral repertoire.
- UO Leadership should take account of the implications inherent in having shared and equal leadership of the OBF, when the artistic director is an independent contractor, without any fiduciary responsibility, and resident in Eugene for no more than three to five weeks each year.
- UO Leadership and HR should support the OBF's next chief executive in improving the internal dynamics of the OBF Office.
- The time is long overdue for a repositioning of the 'The Board of the Friends of the Oregon Bach Festival', as OBF's 'Leadership Council', along the lines of the JSMA.
- A strategic discussion needs to be had between the new chief executive and UO Leadership, about the future of the Portland strategy and statewide touring policy.
- The OBF should continue to develop a strong and adventurously popular dimension to the festival program, as in recent years, in an attempt change old perceptions within the community about the exclusive, esoteric nature of the OBF, and attract a broader demographic to bolster our core audience.
- April Libman, the new Director of Marketing and Communications, must be supported by all the OBF directors in her strategy of developing a more contemporary marketing and communications message for the OBF, and in growing the social media shop window for the OBF.
- Given the industry-wide challenges in the performing arts, and the decline in funding and ticket revenue that every arts group is facing, the new chief executive and his/her team must be mindful of talent inflation, and aim to achieve an appropriate balance between large-scale 19th, 20th and 21st century scores, and the core baroque repertoire that has been at the heart of the festival for more than four decades.
- The festival urgently needs to stem the ebbing tide of funding from the corporate sector, public and private foundations, and individual donors, and look to its patrons lower down the pipeline, including second generations of original supporters from the Festival's inception in the 1970s, to become the Conductor's Society members and Gold Ticket purchasers of the future.
- Change is now inevitable, a fact of life, and if you don't take control of it, it will take control of you. For this reason, my successor will not have an easier time of it than I had, so appoint a grown-up, and preferably one with sophisticated management skills and broad experience in the real world!

Leadership Transition and the Search for Identity

Arts organizations that were founded and/or run by the same charismatic individuals for a generation or more are prone to turbulent transitions. One need only reflect on the challenge that faced the Aldeburgh Festival in the UK (after the deaths of Benjamin Britten and Peter Pears), or the Salzburg Festival (on the death of Herbert von Karajan), when these two renowned international festivals struggled to find a new identity. The solutions adopted by these institutions were quite different, but both misfired, for reasons I will now explain.

Herbert von Karajan was the very definition of a Maestro, and throughout the world his name was inseparably connected with the city of Salzburg, where he himself was born in 1908. It would be no exaggeration to say that he dominated cultural life in Mozart's birthplace for four decades. He made his opera debut with the Festival in 1948, became its artistic director in 1956, subsequently founding the Salzburg Easter Festival in 1967 and the Salzburg Whitsun Festival in 1973, and on his death in 1989 a leading obituary referred to him as 'the last absolute ruler'.

Karajan's successor at Salzburg in 1990 was La Monnaie's general director, Gerard Mortier, who is widely credited for modernizing the Festival and lightening its weight of tradition during the decade of his tenure. This was no walk in the park, and it proved to be an eventful ten years! Empowered to move Salzburg out of Karajan's titanic shadow, Mortier faced the implacable opposition of many traditional ticket buyers, the Salzburg gentry, much of the management, and the Viennese press. It was a period of noisy confrontations and adroit backstage maneuvers, yet he achieved much during tenure because he had a clear vision and an absolute determination. Since Mortier's departure in 2001, Salzburg has had a succession of four new directors in 14 years; the Easter Festival was hit by scandal in 2010, involving fraud and embezzlement resulting in \$5 million losses over an eight-year period; and in 2013 the Berlin Philharmonic ended a 45-year association with the Salzburg Easter Festival, to set up camp at the Festspielhaus Baden-Baden.

It would seem that titans, and even absolute rulers, have their place in the grand scheme of things! We mere mortals are more likely to be the victims of the ambitions of lesser mortals.

By comparison with Salzburg, Aldeburgh's turbulent transition was scandal free, and much less public, but it is of considerable interest here, because the circumstances and the lessons to be learnt are even more relevant to the OBF.

The British composer, Benjamin Britten, and his lifelong partner and principle interpreter, the tenor Peter Pears, founded that Aldeburgh Festival in 1948. Britten died in December 1976, and Pears a decade later, a decade during which he continued in his role as founding artistic director, but a decade that brought with it a rapid decline in his health. The solutions to this long-drawn-out transition were just as problematical in their own way as those at Salzburg. The one key similarity is that both institutions were dominated for decades, during the immediate post-war period of the last century, by the charismatic genius of an extraordinary individual, Karajan in Salzburg and Britten in Aldeburgh. By the end of their illustrious careers, Britten and Pears were high-ranking establishment figures, Britten, receiving a life-peerage and the title 'Baron Britten in the County of Suffolk' (the first British musician to become a Lord), and Pears (already a CBE) was knighted in 1978.

Though one would not immediately characterize Britten as an absolute ruler (and unlike Karajan, Britten shared the directorship of the Festival with Pears and a handful of like-minded musicians over the years), like Karajan he was the consummate professional in everything he did, and he invariably got his own way on most things that really mattered to him. When he died in 1976, he left an enormous void, because Britten was not only the most internationally respected British composer of his generation, but a consummate pianist and conductor, and a prolific recording artist for Decca (London) Records. He attracted to Aldeburgh some of the finest international composers and performing artists, including Aaron Copland, Zoltan Kodaly, Dmitri Shostakovich, Witold Lutosławski, Hans Werner Henze, Mstislav Rostropovich, Galina Vishnevskaya, Yehudi Menuhin, Sviatoslav Richter, Clifford Curzon, Murray Perahia, Elisabeth Schwarzkopf, Elisabeth Söderström, Janet Baker, and Dietrich Fisher-Dieskau, often collaborating with them in recital, in concert, and on disc.

Britten was a powerful magnet for the finest musicians, who considered it a privilege to be part of the Aldeburgh set. The first error in judgment following Britten's death, was the desperate attempt by the Festival management to shore up the artistic directorship of the Festival (perhaps with the good intention of providing better support for Pears in his declining years) and the names of the great and the good in the wider Britten circle were being thrown at the wall like spaghetti, in the hope that something or someone might stick and provide the solution management were seeking. When Britten died, the artistic director roster already included (in addition to Pears), Philip Ledger (director of music at King's College Cambridge), and the two artistic director of Britten's English Opera Group, conductor Stuart Bedford and opera director Colin Graham. Within two years these four directors were joined by cellist Mstislav Rostropovich, pianist Murray Perahia, baritone John Shirley-Quirk, and conductor Simon Rattle. To say that this was a dysfunctional family would be putting it lightly. There was also a rapid turnover of two general managers (the first of whom was responsible for this arranged marriage of eight incompatible musicians), which then left the door open to a third manager who took the festival off in a very different direction, underplaying the Festival long-established *raison d'être* of being the home for great performances of Britten's music. If you have a USP in a financially challenged and fragile arts market, it would not be a good time to underplay or disregard it, and for a time even the Britten-Pears Foundation was reluctant to make to great an investment in the Festival, and focused its philanthropy on the educational activities of the Britten-Pears School, a post-graduate academy modelled on the Tanglewood Festival in the US, the summer home of the Boston Symphony Orchestra.

Which brings us to the OBF, and the challenges it will undoubtedly face over the coming decade.

First one must consider the checkered history of succession played out over the last two decades at the OBF.

Founded in 1970 as a program of the UO School of Music & Dance, the Summer Festival of Music (as it was known for the first decade of its existence) was the brainchild of two musicians of extraordinary vision, Royce Saltzman (then Associate Dean of the School of Music) and the German organist and budding conductor, Helmuth Rilling, from Stuttgart, Germany. The Festival expanded its remit during the 1970s, when funding for the arts led to a boom here in the United States, and by the early 80s the OBF was known as one of the foremost choral-orchestral festivals in the US, and its artistic focus (like that of its founder artistic director) became the celebration of the music and legacy of Johann Sebastian Bach. As the Festival moved its core activities into the newly established Hult Center for the Performing Arts in 1983, Rilling's international reputation was such that he was on the guest conductor rosters of every leading European and American symphony orchestra, and the caliber of artist that he was able to attract to Eugene each summer, reflected his standing as one of the foremost Bach scholars and interpreters in the

world. And with the much larger and more sophisticated facilities at the Hult Center at the OBF's disposal, so the ambitions of its programming expanded well beyond the imaginings of its founders. In his own way, Rilling represented as potent a magnet for great musicians as Karajan and Britten had at Salzburg and Aldeburgh, though on a more modest scale, given the resources available to the OBF in those days. Nonetheless, leading international artists including soprano Arlene Auger, mezzo Frederica von Stade, tenor Ben Heppner, baritone Thomas Quasthoff, and pianists Robert Levin and Jeffrey Kahane, became part of the OBF family for a time, and many significant young European artists made their US debuts at the OBF, including Quasthoff (then soon to become an international super-star) in 1995.

After the 1994 Festival Saltzman retired from the OBF and the UO, assuming the title of Executive Director Emeritus. His successor, Neill Archer Roan, was recruited from the staff of the Hult Center, and lasted less than three years in the job, leaving the Festival in financial disarray that took more than a decade to reverse. To save his baby, Saltzman came out of retirement, and he and Rilling closed ranks for the next decade to protect their legacy.

The plan had originally been for Saltzman to retire first, and when a new executive director had found his feet, then Rilling too would retire. Only recently has it come to light that shortly after Saltzman's retirement, Rilling had approached one of his protégés, the Dutch conductor, organist and harpsichordist, Ton Koopman, suggesting that he consider taking on the OBF's artistic directorship. Koopman was at that time Portland Baroque Orchestra's guest director and artistic adviser (from 1986 till 1995) and was already famous as a baroque and period-performance specialist, having studied with the period-performance pioneer Gustav Leonhardt, and having founded his world renowned Amsterdam Baroque Orchestra in 1979.

So in the mid-1990s it was the plan of the founder directors of the OBF to retire, and over a period of three or four years to see a new executive director and artistic director in place by the Millennium. Saltzman was 65 on his retirement in 1994; and Rilling would celebrate his 65th birthday in 1998. And it's extraordinary to reflect that Rilling (never an enthusiastic proponent of historically informed performance practice on period instruments) was prepared to hand over his OBF legacy to Koopman in the mid-1990s, a musician that was at the vanguard of the movement in Europe.

However, to paraphrase Robert Burns, 'the best-laid plans of mice and men often go awry!', and indeed they did. Had the founders' strategy gone to plan then both would have served term of between 25 and 30 years; a new generation of directors would have been in place by the turn of century; and the Festival would have embraced the period-performance practice that was by then mature and pervasive throughout Europe and beyond. But the first step in that strategy had been wrong-footed, and because of a misguided local appointment (and not an altogether popular one, that, incidentally, divided the Board of the Friends of the Festival at the time), the process of succession was delayed for yet another decade. As a result, the Festival lost its momentum and a good deal of its international kudos, as it began to be perceived as being out of step with modern scholarship and performance practice. Meanwhile the programming (with some notable exceptions, including the Grammy Award-winning world premiere of the Penderecki *Credo* in 2003) began (in the words of the Pappas Consulting Group strategic assessment, see pages 47-57) to demonstrate 'staleness' resulting in what many patrons described as the 'repetitive nature of the Festivals.' Even more damningly, the Pappas report concluded that 'the marketing efforts of the Festival are inadequate, and the material is staid and does not appeal to younger generations of music aficionados.'

And so the Festival plateaued, and by the time the Pappas Consulting Group delivered its report in April 2006, the damage was done, the OBF had seriously lost ground, and it had an accumulated deficit on close to \$1 million. As a result of the report, Royce Saltzman signaled his decision to retire for a second time, and the UO launched an international search for his successor.

When I was appointed a year later, I submitted an aggressive and ambitious program of change that would not only recover the Festival's position and status after this ten-year hiatus, but also maintain an impetus of renewal in the context of a fast-changing arts scene. The end-game was to signal a rebirth of the institution in time for the 40th-anniversary in 2010, to pave the way for Helmuth to be celebrated as he should when he reached his 80th birthday in 2013, and have a worthy successor in the wings to take over the Maestro's mantle in 2014.

In essence this entailed:

- Restoring fiscal solvency and strong internal management, after a period that saw the Festival run-up an accumulated deficit within the UO in excess of \$800,000, that was fast rising to \$1M on my arrival
- Introducing annual appraisals for all staff (not a practice at the OBF before my arrival) that addressed skill-set and performance issues, to improve the professionalism of the team
- Restructuring the admin team, to rationalize the work portfolios of individual staffers, to better reflect their skill sets, to create efficiencies, and make the workforce more effective, launching, as necessary, a recruitment campaign to improve the professionalism of the staff base
- Rebranding the Festival in a more contemporary way, and making better use of electronic media
- Revitalizing the artistic program, diversifying the range of music and performance, and create more star appeal each season
- Extending the geographical reach of the Festival beyond Eugene, and significantly in Portland
- Leading fundraising activities in support of the Saltzman Sustaining Endowment Campaign, the Rilling Endowment, and the Berwick Academy Endowment
- Leading the search for the next artistic director, and managing the succession process and transition of directors through Rilling's 80th birthday year and retirement
- Secure the two founders as active supporters of the new regime, as Emeritus Directors

With the following results:

- All seven OBF seasons from 2008 to 2014 inc. closed in the black, while increasing the artistic budget by 50%, and breaking all box office records in the Festival's 45-year history, three times during a period of recession. (See Appendix H: OBF Wrap Press Releases, pages 63-78)
- All OBF staff received annual appraisals during my tenure, none were disputed by the staff members, and all goals were agreed by all parties to be achievable

- The administrative structure was reviewed together with the staff, and new portfolios were agreed and undertaken by staff. During the seven-year period of my tenure there was an 80% turnover of staff to strengthen the professional skill-base of the OBF, which was largely (though not entirely) positive.
- Some weaknesses still exist, with some old and new staff, and will have to be addressed by my successor. Notably, both the Artistic Administrator and the Business Accountant are tainted by experience, with little professional arts administration training, and an inclination to fall back on past experience and outdated solutions to fast-changing challenges
- The Festival was rebranded in 2008, thanks to Tinker Hatfield (head of Nike's 'Innovation Kitchen') and Nike's top graphic designer, Dave Gill, for the 2008 Olympic Trials OBF season, Nike funded this rebranding, valued conservatively to be in the region of \$30K
- A subsequent rebranding by Dave Gill paved the way for the change of regime in 2014, on the arrival of OBF's new artistic director.
- Both rebranding exercises made extensive use of new media, notably via the Digital Bach portal on the OBF website that showcased the Festival's educational activities encapsulated in the Conductors' Master Class program, the Discovery Lecture concerts, and the Hinkle Lecture and Seminar series.
- With the full support of Rilling, I was given free rein to program all the chamber music recitals, and the more popular events each season, in order to reach out to a wider demographic
- World stars and diverse musicians and ensembles that found a home in the new OBF schedules included Yo Yo Ma, Midori, Joshua Bell, Frederica von Stade, Thomas Quasthoff, Bobby McFerrin, Tony Award-winner Savion Glover, Cuban all-stars Tiempo Libre, the Pablo Ziegler Jazz Tango Trio, harmonica virtuoso Joe Powers, music education *animateur* Jamie Bernstein (elder daughter of Lennie), and Oregon's world renowned cabaret orchestra, Pink Martini, with Thomas Lauderdale, China Forbes, and Storm Large. (See Appendix H: pages 63-78)
- Over the past seven seasons the OBF has performed not only in its home base of Eugene, but also in Ashland, Astoria, Bend, Corvallis, Florence, Lincoln City, Newport, and notably, each year, in Portland, where it opened a second office at the UO's campus center, The White Stag, in 2011, the year in which the OBF received a Portland Music Award for 'Outstanding Achievement in Classical Music'.
- These past seven years have also seen significant advances in the Festival's fundraising efforts, including the successful conclusion of the \$10M Saltzman Endowment Campaign in 2010, the re-launch of the Rilling Endowment in 2013; now more than half way towards its \$2M goal; conspicuous success in collaboration with Hal Hinkle and the Hinkle Charitable Foundation in funding the Digital Bach project on the OBF website, and support for the premiere of the reconstruction of Bach's *St. Mark Passion* in 2014; and last but not least, the \$7.25M endowment gift from Andrew and Phyllis Berwick for the Berwick Academy, the Festival's new period performance orchestral program for graduate students and young professionals, to be launched during the 2015 Festival. (See Berwick Academy Press Release, pages 79-81.)

- The formal search for Helmuth Rilling's successor began immediately after the OBF's 40th anniversary season in 2010, and the British conductor Matthew Halls was selected by a search committee chaired by the Dean of the School of Music and Dance Brad Foley, with representatives of the OBF Board (past and present), major donors, other community leaders, and representatives of the OBF staff, orchestra and chorus.
- The 2013 season saluted Helmuth in his 80th birthday year (the year during which he also retired from the Bachakademie Stuttgart, where he was also founder/director) and celebrated, in festive style, his extraordinary achievement after 44 years at the helm of the OBF, as its creative force and elder-statesman. The OBF commissioned an *Alleluia* (after Bach) from Scottish composer, James MacMillan, in Rilling's honor, and he received a proclamation from the State of Oregon, Eugene's Arts and Letters Award, Chorus America's Distinguished Service Award, and the University of Oregon's Presidential Medal. Like Saltzman before him, Rilling is now one of the Festival's Emeritus Directors, and will return as guest conductor each year.

So the Oregon Bach Festival enters the important next stage in its history, with a new artistic director at the helm, and very soon, a new executive director too.

The OBF has largely caught up with itself, and with a better qualified staff base, sound finances, seven fiscally and artistically successful seasons under its belt, having already surpassed the half-way point in its \$22M campaign goal for the new UO campaign launched in October 2014, and a quasi-endowment reserve of \$600,000 in the bank, the future looks rosy. But the performing arts are going through a very tough time at the moment. The future looks just as turbulent, if not more so, and many believe the business models of most arts organizations are broken and unsustainable.

As will be ably demonstrated in the next chapter of this report, the first four months of the 2014 – 2015 season has been little short of disastrous, creating shock waves throughout the industry, across the four corners of the earth.

An Industry in Crisis

The US Recession of 2007-2009 had a devastating impact on the performing arts industry, the effects of which are still felt today. By September 2008 several arts institutions had closed or come close to closing, including the Baltimore Opera; the Santa Clarita Symphony, in California; and Opera Pacific, in Santa Ana, California. And the arts world has been firefighting ever since: the Delaware Symphony Orchestra cut back performance schedules; Seattle Opera projected a shortfall of \$1 million for their 2011-12 season; the Chicago Symphony Orchestra had a strike; and the Minnesota Orchestra and the St. Paul Chamber Orchestra locked out their musicians amid labor disputes. Closer to home the Oregon Symphony canceled its return trip to Carnegie Hall in May 2013, to save \$300,000. The symphony also cut three staff positions and reduced salaries by 4% for 22 of its 33 staff members. But perhaps, most socking of all, the world-renowned Philadelphia Orchestra, which emerged from bankruptcy in July 2013, reduced its roster from 105 musicians to 95, and cut their pay rates by 15%. This revered institution was the first major U.S. orchestra ever to file for Chapter 11 bankruptcy protection in April 2011.

Meanwhile, the international scene continues this volatile trend even today. Just consider the following calendar of emergencies that accompanied the first four months of the current 2014-15 season.

SEPTEMBER 2, 2014

In its annual report the **Royal Concertgebouw Orchestra** warns the Dutch government that it will lose a world-class asset if it does not increase state subsidy. Despite artistic success at home and abroad, the Concertgebouw ran up an annual deficit of €836,461. 'In two years' time, Holland may no longer have an international orchestra,' warns chief executive Jan Raes.

SEPTEMBER 5

The music director of the **Weiner Staatsoper** quits. In a letter to Vienna State Opera's Artistic Director Dominique Meyer, Franz Welser-Möst resigned his position as General Music Director of the Vienna State Opera, citing irreconcilable differences of opinion regarding the company's artistic planning and profile, which could not be resolved despite several meetings. Welser-Möst withdraws from all 34 of his planned new productions and revival performances in the 2014/2015 season.

SEPTEMBER 6

The contract between the **Atlanta Symphony Orchestra** and the Musicians' Union comes to an abrupt end, as a result of a breakdown in collective bargaining negotiations. Although the musicians remain employees of the ASO, they will not receive a salary until a new contract is ratified, and health care benefits continue only through to the end of September. The orchestra is locked out of its Woodruff Arts Center home.

SEPTEMBER 8

The national broadcaster of Denmark, DR, announced 161 million Danish kroner in budget cuts, the main casualty being the **DR Chamber Orchestra**, an ensemble of high caliber, which will cease to exist in January 2015.

SEPTEMBER 8

Han-na Chang, music director of the **Qatar Philharmonic Orchestra**, resigns with immediate effect, the morning after its BBC Promenade Season debut, and in the middle of a European tour; the second music director in three days to resign with immediate effect. Trouble had been brewing with the orchestra's German manager, Kurt Meister.

SEPTEMBER 13

The BBC releases attendance figures for the **2014 BBC Promenade Season**. Sold capacity at Royal Albert Hall concerts was 88% percent, 6% – 7% down on recent seasons.

SEPTEMBER 15

The **Ulster Orchestra** in Belfast, Northern Ireland, comes under threat. After a volatile period, with chief executives changing every other year, a consultant has recommended reducing the orchestra to just 45 players.

SEPTEMBER 15

Eric Montalbetti, artistic director of the **Orchestre Philharmonique de Radio France**, quits without notice after differences with the new Radio France regime.

SEPTEMBER 16

The Danish Minister for Culture, Marianne Jelved, abdicates all responsibility for DR's plan to axe its **Chamber Orchestra**, when questioned in the Danish Parliament.

SEPTEMBER 21

Riccardo Muti gives up the leadership of the two operas, *Aida* and *The Marriage of Figaro* in the coming season of **Rome's Teatro dell 'Opera**.

SEPTEMBER 22

Alexis Hauser, artistic director of the symphony orchestra at McGill University, fires off an open letter to the Quebec government, urging it to reconsider reported plans to close **Montreal's Conservatoire of Music**. The institution has accumulated debts of \$14 million.

SEPTEMBER 24

Nicola Luisotti announces that he will leave the Naples' **San Carlo Opera** after opening night on December 12. He has been music director there for just three years.

SEPTEMBER 24

The Arts in Belgium face 7.5% cuts. The culture minister tells the Belgian Parliament that institutions in the Flemish region must cut back with immediate effect.

SEPTEMBER 27

Daniele Rustioni, 30, one of the bright young talents on the Italian scene, resigns as music director of the **Teatro Petruzzelli in Bari**, Italy's fourth largest opera house. He's furious that two productions have been cut from his season. He will leave in January.

SEPTEMBER 30

The temperature rises at Radio France, where **Orchestre Philharmonique de Radio France** music director Myung-whun Chung, Mikko Franck, music director designate, and Daniele Gatti, music director of the **Orchestre National de France**, make known their disapproval of plans to merge the management of the two orchestras, as part of a broader reorganization of the music department by the new director of music, Jean-Pierre Rousseau.

OCTOBER 2

Rome Opera fires its orchestra and chorus, and plans to 'outsource' their function, thus saving €3.4 million by avoiding social and pension costs. 'It's the only way to prevent closure,' says the Sovrintendente, Carlo Fuortes. The media are informed that this is the reason for Muti's recent departure.

OCTOBER 5

Douglas Hertz, chairman of the Woodruff Arts Center that has engineered the lockout of musicians of the **Atlanta Symphony Orchestra**, gives a hardline interview for the Atlanta press. 'I disagree that the public has sided with the musicians. I think the artists' friends have sided with the artists. But I think the corporate community and the philanthropic community understands, like any businessperson would, we're not going to make an investment in a business that keeps losing money.... Again, we're criticized for not wanting a great symphony, right? But we signed [music director] Robert [Spano] to a five-year contract with a raise. And Robert's getting paid. And we signed [principal guest conductor] Donald Runnicles to a three-year contract. He's getting paid. So don't criticize WAC management or the WAC governing board for not wanting to put our money where our mouth is. Maybe Robert's feeling a little bit guilty because he's getting paid and the musicians aren't.'

OCTOBER 6

Musicians at the **Orchestre Philharmonique de Radio France** call a second one-day strike for October 10, to protest plans for a creeping staff merger with the **Orchestre National** and the departure of their artistic director, Eric Montalbetti. Paris is heading for a winter of maestro discontent. Paavo Järvi has already handed in his resignation at the **Orchestre de Paris**. Mikko Franck has said he won't sign concert contracts this season until he has assurances for the future of the Philharmonique and Daniele Gatti is unlikely to last long at the **National**, now he has been chosen as chief conductor at the **Royal Concertgebouw Orchestra** in Amsterdam.

OCTOBER 7

Six resignations in as many weeks, and the crisis will not stop there. Tughan Sokhiev, who recently became music director of the **Bolshoi Opera**, announces that he is to leave the **Deutsches Symphonie-Orchester Berlin**, and has given them 18 months to find a successor.

OCTOBER 8

Meanwhile, closer to home, Jacques Lacombe has made it known that he will not renew his current five-year contract with the **New Jersey Symphony Orchestra** in 2016.

OCTOBER 8

Figaro reports that the **Opéra of Montpellier**, serving the southwest of France, could be shut down in as little as three weeks. The regional council of Languedoc-Roussillon has failed to pay a promised €4 million subsidy. The company is €716,000 in debt, facing creditor demands. The auditor has warned that unless funds are raised within weeks he will have to shut down the company.

OCTOBER 8

Pedro Halffter is reappointed as music director in Sevilla. Despite a fierce campaign against him by the musicians and their union, the well-connected Halffter keeps his job. He will resume as music director of **Real Orquesta de Sevilla** and **Teatro Maestranza** at a salary of €250,000.

OCTOBER 11

The management of **Radio France** scraps plans to merge the administration of its two orchestras after strikes by the musicians. A replacement is to be hired to replace Eric Montalbetti. The head of music at Radio France, Jean-Pierre Rousseau, emerges from the dispute greatly weakened.

OCTOBER 13

Kent Nagano, the incoming general music director of **Hamburg State Opera**, gives a bleak prognosis to *Der Spiegel* on the future of classical music. The audience has grown old, he warns, and is not being replenished. 'In my experience, there are already two generations of people who have never come into contact with classical music; if young people today have no access to classical music, how will they ever know if they like it or not?'

OCTOBER 14

Chicago Symphony Orchestra's operating deficit soars to \$1.4 million from \$169,000 the year before. Operating expenses shot up from \$73.8 million to \$78.1 million.

OCTOBER 22

The musicians of the **Memphis Symphony Orchestra**, facing oblivion, agree to take a reported 38% cut in salary for the coming year.

OCTOBER 23

La Monnaie [opera house] in Brussels is ordered to cut its spending by €6.5 million, shedding 4% on staff and 20% on operating costs. The government is putting pressure on the Opera to merge its orchestra with the **ONB National Orchestra of Belgium**.

OCTOBER 29

The *Belfast Telegraph* reports that Northern Ireland ministers must trim £850 million from their departments by the following week. The **Ulster Orchestra**, facing insolvency within a month, is likely to be one of the casualties.

OCTOBER 30

West Australian Opera is losing artistic director Joseph Colaneri and chorus master Joseph Nolan after the current run of *Il Trovatore*. Neither was offered a new contract by the general manager, Carolyn Chard, who said the board was 'reviewing the structure of the company'.

OCTOBER 31

The general director of **Florida Grand Opera**, Susan T. Danis, writes to patrons saying its business plan is no longer viable, there is nothing left to sell, and there is no money for new productions. Unless vast amounts are donated, Florida goes dark. The critical paragraph in her letter reads: 'Since 2006 FGO has sustained only one break-even fiscal year. On average the company has not met its income projections annually, which has resulted in significant deficits. Our sole method for survival to date has been the sale of our assets. After the sale of our administrative offices in Doral is finalized, there will be nothing left to sell.'

NOVEMBER 5

Northern Ireland's Arts Minister, Caral Ni Chuilin, a Sinn Fein member, has never attended a symphony concert. Faced with the abolition of the **Ulster Orchestra**, which will run out of cash within a month, she says it's 'not my job' to help out the failing orchestra, echoing her counterpart in Denmark.

NOVEMBER 6

Cause or effect? Atlanta's public radio station **WABE FM** announces that it is dropping daytime classical music for news and speech. Meanwhile the **Atlanta Symphony Orchestra** remains in lockout.

NOVEMBER 8

After a ten-week lock-out, The Woodruff Arts Center, which tried to slash the **Atlanta Symphony Orchestra** to 76 players, makes a major concession on the 7th, allowing the players to vote on a financially tight four-year deal, but one that gives them a guarantee of peace with considerable honor. The new agreement calls for a six percent pay increase for the musicians over four years, and participation by the musicians in a new high-deductible healthcare plan, which will include increased premium contributions by the musicians and additionally provides substantial savings to the ASO.

NOVEMBER 14

Stéphane Dorin, a sociologist and professor at the University of Limoges, publishes the findings of his recent study on the demographics of concert audiences. A survey of 5,000 audience members at 110 performances by 19 orchestras revealed an average age of 61. A comparable survey in 1981 reported the average to be 36. The report concludes that the same people are still going to the same concerts, but there is little or no sign of renewal.

NOVEMBER 17

A turbulent weekend at the Teatro Colon in Buenos Aires, as musicians protest over wages and the physical danger they face in a crumbling orchestra pit. The **Buenos Aires Philharmonic Orchestra** shares its sentiments with their audience before a performance of Mahler's *Das Lied von der Erde*.

NOVEMBER 18, 2014

The Mayor of Rome posts a blog on the peace settlement reached with the orchestra and chorus at **Rome Opera**. The final sentence reads: The mayor underlines that Riccardo Muti will carry on as honorary conductor of the **Teatro dell'Opera di Roma**.

NOVEMBER 22

Kevin Ramach, 54, resigns as president and general director of **Minnesota [Opera]**, less than three years into the job. His predecessor, Allan Naplan, lasted no more than a year. Nina Archabal, former director of the Minnesota Historical Society, takes over as interim director.

NOVEMBER 26

Riccardo Chailly takes over as principal conductor at **La Scala, Milan**, on January 1, 2015 and will become its music director in 2017. In a wide-ranging interview with British arts journalist Norman Lebrecht, Chailly declared 'we want to be ambitious and money has to be found. We can't rely on private funding any longer.'

NOVEMBER 26

On 18 November the Mayor of Rome posted a blog on the peace settlement reached with the orchestra and chorus at **Rome Opera**. The final sentence reads: The mayor underlines that Riccardo Muti will carry on as honorary conductor of the **Teatro dell'Opera di Roma**. The **Opera** returns as staff members endorse a tough deal; everyone agrees to take a pay cut and commits to more productive employment terms.

NOVEMBER 29

The London *Financial Times* reports that George Osborne (Tory Chancellor of the Exchequer and Second Lord of the Treasury) is hinting at tax breaks for British orchestras in his forthcoming autumn statement. The sector complains its public funding from the Arts Council has dropped 14 percent in four years, and musicians' pay has fallen behind inflation.

DECEMBER 1

IMG Artists publishes its accounts for the year ended 31 December 2013. Turnover is down from £8.6 million to £7.2m and there's a pre-tax operating loss of £341,914. The company is carrying almost £3 million of debt due within a year and appears to be living off credit from its joint owners, the American Barrett Wissman, and the Russian Alexander Shustorovich.

DECEMBER 3

The Katie Wagner regime at **Bayreuth** is getting into its stride. Having got rid of her half-sister, Eva, and a Parsifal director, she's now cleaning out the backstage. First to go was the respected technical director, Karl-Heinz Matitschka. His Swiss deputy, Andreas von Graffenried, was prepared to step up, but he was told yesterday that his services were no longer required.

DECEMBER 4

Irina Tarasova, **Russian Arts Minister** announces a five-point tick-box that will be distributed to audiences at state-sponsored theatres from next year. She says that those theatres that get low audience ratings would be penalized with loss of subsidy.

DECEMBER 7

First, William Christie and **Les Arts Florissants** were stripped of €333,900 by the city of Caen in September; now Mark Minkowski and the **Musiciens de Louvre** are losing €438,000 from Grenoble.

DECEMBER 10

Hours after the confirmation that Denmark Radio is scrapping its chamber orchestra, Canadians learned that **Orchestra London**, founded in Ontario in 1937, will cease operations this month.

DECEMBER 10

The **Montpellier Opera** is in deep deficit. To keep it alive, up to 30 players in the orchestra have agreed 'voluntarily' to resign with immediate effect, lightening the wage bill and enabling performances to continue.

DECEMBER 10

Milan's **Orchestra Sinfonica di Milano Giuseppe Verdi** issued a statement, accusing the Italian Ministry of Culture of failing to pay a cent of its €3 million subsidy this year. 'The existence of the orchestra is gravely tested by the chronic absence of government funds,' it says.

DECEMBER 12

Resmusica reports the immediate resignation of the highly rated French conductor Ludovic Morlot as music director of **La Monnaie in Brussels**. He will leave at the end of this month. Ludovic Morlot said: 'the orchestra and I are unable to share an artistic vision. In their interest and in mine, I have decided to resign.' Morlot is the third music director to leave La Monnaie in six years. Kazusho Ono quit in June 2008. Mark Wigglesworth lasted just one season.

DECEMBER 16

Peter de Caluwé, head of **La Monnaie**, has announced 15 jobs losses and an end to the dance program – this, at the company that was Maurice Béjart's base. The opera program will also be shortened. De Caluwé says he has no choice. The government is clawing back 15 percent of its subsidy.

DECEMBER 22

The credit rating of the **Metropolitan Opera** was downgraded after a year of conflict and losses. The ratings firm Moody's gave it a negative outlook. That will make it harder for the Met to borrow money on, for instance, payday. The Met operating deficit hit \$22 million last July, up from \$2.8 million the previous year.

DECEMBER 31

Milan's **La Verdi** Orchestra is saved by the state, albeit two years late! The state had failed to pay €3 million, promised in 2013. A further subsidy of €950,000 is guaranteed for the coming year.

The themes common to all these conflicts are self-evident: reduction in state and/or philanthropic subsidy; broken business models with high fixed costs; talent inflation; dwindling audiences; open conflicts between the priorities of music directors on the one hand, and governing boards and their chief executives on the other.

In essence, these are the potential threats to the future of any performing arts organization, anywhere in the world in this day and age, and should be high on the list of concerns and priorities for the next chief executive of the Oregon Bach Festival.

Today's Performing Arts Environment

The Nation

According to a 2010 national study on *Arts and Economic Prosperity* done by Americans for the Arts, nationally, the average arts attendee spends \$24.60 (in addition to the price of admission) when they see an arts and culture attraction or event. These audiences funnel an estimated \$74.1 billion of revenue to local merchants and their communities. Non-local tourists spend twice as much (\$39.96 versus \$17.42) to see an arts event than do local attendees, demonstrating that when an organization attracts cultural tourists, it harnesses significant rewards.

The State

According to the National Endowment for the Arts, adults in Oregon attend more classical music, opera and jazz concerts per capita than in any other state and rank second in per capita attendance to the arts in general. Almost 17% of all Oregon adults attended a classical music concert in the year 2008.

City of Portland

According to a 2010 study by the Oregon Cultural Trust, approximately 3.9 million Portland residents (83.7%) attend the arts, along with 756,363 non-resident attendees (16.3%), an annual total of 4.6 million. Residents spend approximately \$17.72 (excluding admission) on event-related spending per outing, and non-residents spend \$43.13. Consumer spending on arts and culture in Portland contributes \$10.9 million to the state, and \$10.3 million to the local government. The City of Portland, with a population of 593,820, is the 29th largest city in the United States. Its residents are primarily white (76.1%), with Hispanic (9.4%), Asian (7.1%) and African American minorities accounting for much of the balance. The city's median household income is \$51,238, and its residents' median age is 35.8. The population is closely divided between males (49.5%) and females (50.5%). A high percentage of Portland residents, 43.1%, hold college degrees, with some attaining graduate and/or professional degrees.

City of Eugene

The City of Eugene's 2010 population was 156,185 (rising to 159,190 by April 2013), making it the second most populated area in the State of Oregon, and the 155th largest city in the United States. Eugene's population is 88% white and 5% Hispanic. Median household incomes average \$39,150, and 53.9% of the city's population has graduated from a four-year college course, with some completing graduate or professional degrees. With a median age of 34, Eugene's population can be further segmented: 37,900 are aged 20-34; 38,800 are 35-54; 17,100 are aged 55-74; and 9,400 are aged 75 and over. Eugene is comprised of 49% females and 51% males.

As reported by the Oregon Cultural Trust, total spending by non-profit arts and culture audiences in Eugene represents \$16.1 million, with spending by arts and culture organizations topping \$29.4 million. The industry supports 1,739 jobs, and generates \$34.8 million in household income. Its contributions to local government revenue are \$1.6 million, with \$743,000 in state revenue. Local attendees represent 85% of total attendance to arts events held in Eugene and spend approximately \$10.6 million per year (or

\$17.18 per event) on attendance-related expenses. Fifteen percent of attendees travel from outside the area, spending approximately \$5.4 million per year (or \$38.92 per event). There are roughly 796,000 arts attendees living in Eugene and surrounding areas in Lane County, and 141,000 non-resident attendees that travel to Eugene to see an arts and/or cultural event.

The Eugene community also boasts relatively high overall engagement with the arts: it ranks seventh in the nation in volunteer hours donated to the arts, fourth in the number of hours donated to the arts, and second in the number of people attending an arts event who say they are artists themselves.

The National Arts Market

The *2013 National Arts Index*, generated by Americans for the Arts, reported that the national arts industry is lagging behind the economic recovery, with many non-profits arts organizations still ailing financially (44%). In 2013, there were 95,000 non-profit arts organizations in the United States; 800,000 more arts businesses; 2.1 million artists active in the workforce; generating \$153 billion in consumer spending. In 2011, it was estimated that 33% of the total U.S. adult population had attended a live performing arts event.

According to the NEA's *Survey of Public Arts Participation*, for the first time since 1982, attendance rates have decreased for virtually all arts forms. The survey counted 408 million attendances to arts events, a decrease of 20% from 2002. Additionally, the average number of attendances per patron also declined from 6.1 in 2002, to 5.2 in 2008.

A summary of trends affecting the arts industry since 2008 makes for sober reading:

- According to an analysis undertaken by the League of American Orchestras, the U.S. arts audience, like the population as a whole, has grown older over the past decade, and participation rates have also declined between generational audience segments and within each generation as they age.
- According to the NEA, 50% of American adults have neither attended live events, nor use media to engage with the arts.
- Consumer spending on the arts remains flat at \$153 billion however, because total consumer spending has increased over time, the share of spending allocated to the arts has actually slipped from 1.88% in 2002 to 1.43% in 2011.
- Arts and culture is losing its market share of philanthropy. Overall donations to the arts dropped from 4.9% of total philanthropy in 2001 to 4.1% in 2011, while education, health and environmental organizations showed growth.
- From 2002 – 2008, 45-54 year-olds, historically the largest share of arts audiences, showed the steepest declines in attendance. However, they still comprise the highest number of attendees to the arts in general, and are more likely to attend the arts than younger adults or those over sixty-five.
- The *National Arts Index* reported that since 2009, the percentage of college bound seniors with at least four years of arts and music education declined to 17.6% from 2006, when it averaged 20%.

- In 2008, 67% of people with graduate degrees attended at least one arts activity, compared to 38% with some college education and 19% with only a high school diploma. While arts activity is directly associated with the level of education attained, even well-educated groups of Americans were participating in the arts less than in any other year measured.
- 55% of all people that attend at least one live arts performance each year are women, and almost 50% of all attendees of arts events have household incomes of \$75,000 or more.
- Arts attendance varies by geographical region: the overall percentage of people attending the arts was highest in New England and the Pacific Regions of the U.S, accounting for 42% of total attendance.
- International tourism for the arts remains strong – those attending concerts and theater performances have increased in five of the last seven years (up 17% since the year 2003).
- How consumers participate in and consume the arts is ever-changing. The digital age affords consumers the tools for personally curated arts events. Many Americans now use the internet to engage in artworks or performances. It's estimated that 4 in 10 U.S. adults who use the internet, do so to download, watch, or listen to music, theater or dance performances
- On average, arts events draw approximately 75% - 80% of their ticket buyers from within a 30-minute drive; 95% drive 50 minutes or less.
- Evidence suggests that for any given arts event, a majority of the audience (up to 40%) did not buy their own ticket (someone else bought it for them) or engage directly in the purchase decision. This implies a strong connection between social context and arts attendance. Types of groups that frequently come together to attend performances include: co-workers, college alumni groups, family groups and friends. Attenders that do not buy their own tickets (referred to as shadow audiences) are difficult to track in databases, and are therefore more difficult to market for repeat purchase.
- Industry-wide, the average number of tickets per order is 2.5
- Types of unsatisfactory event experiences that may hamper attendance may include past problems with programming, poor routine performances, but significantly issues such as parking, HVAC, poor acoustics/ambient noise, ticketing problems, and uncomfortable seating.
- Despite declining overall attendance, and waning consumer spending, arts organizations are still fostering creativity and innovation through new works. Between 2001 and 2011, audiences were treated to more than 9000 premieres: 100 operas, 342 orchestral works, 2531 plays and 5,000 films.

The Classical Music Market

According to the League of American Orchestras' *Audience Demographic Research Review* (2009), and consistent with national arts industry trends, the audience for live classical music in the U.S. is declining. The 2008 NEA *Survey of Arts Participation* noted that only 9.3% (or 20.9 million) of all adults in America had attended a classical music performance in the last year, down by 2.3% since 2002. The total number of people showing a preference for classical music, regardless of attendance at a live event, also decreased significantly: from 27.4% in 2002 to 25.7% in 2008.

A segmentation study done by the Knight Foundation (that included 11,250 consumers in 15 major markets) noted that 12% of potential classical music consumers were completely unaware of their local orchestra, and only 12% could name a classical music composer or composition.

Decreases in audience engagement and participation are seen across all generational segments, as well as within each segment as they age.

With regard to these trends, the live classical music audience is declining against three very specific metrics:

1. Overall participation rates have dropped (from 12.5% to 9.3%)
2. Unique audiences (the number of people who attend performances without regard to frequency) have declined by 13% (representing 3.3 million) between 2002 and 2008
3. Paid attendance has decreased by 8% between 2002 and 2008

Of the 20.9 million U.S. adults who have attended a classical music concert in the last year: 22.3% saw a symphony orchestra, 22.3% attended a classical music concert with a choir or vocal ensemble, 17.1% attended a music recital by a singer or instrumentalist and 12.5% attended a chamber music concert.

Other trends affecting the classical music audience include:

- As is consistent with the overall arts market in general, audiences are aging due both to the disproportional amount of baby boomers, and also the declining participation rates within each generation as they age.
- While some have argued that classical music is not, nor should it be elitist, the uncomfortable fact remains that live orchestral concerts reach only a handful of the population for this, among other reasons.
- Audiences for classical music are typically professional or retired, fifty plus years old, relatively affluent, well-educated and white. More women than men attend classical music performances, although men average slightly more performances per year. Most do not have children living at home. Less than 10% of the audience is under 35 years old.
- According to the Knight Foundation's *Classical Music Segmentation Study* of 15 major symphony markets, a reported 50% of subscribers are 65+ and 17% are 75 or older. Of the "potential classical music" audience questioned, only 8% said they are inclined to subscribe. The lack of subscriber potential is especially true in younger audience segments.
- The 2014 Culture Track *National Study on Attitudes, Motivators and Barriers of Culturally Active Audiences* states that loyalty for classical music continues to decline. Subscription audiences have decreased from 23% in 2011, to 10% in 2014. Memberships have decreased from 26% in 2011 to 15% in 2014.

