

## FUTURE OF NEW YORK CITY PERFORMING ARTS

# Creative solutions from arts execs

## Rewriting budgets last fall has paid off for star players

BY MIRIAM KREININ SOUCCAR

NOT LONG AFTER WALL STREET'S stunning collapse last fall, top managers at New York's largest performing arts institutions quickly and decisively cut their budgets and refocused on their core creative missions.

Take a bow, folks: Many of these organizations have come through the biggest financial crisis since the Great Depression relatively unscathed. Indeed, they are thriving, arts executives said last week at *Crain's* Future of New York City conference on the performing arts.

Leaders of the Metropolitan Opera and the New York Philharmonic even boasted of record attendance and beating budget forecasts.

"We planned a bang-up season to say goodbye to [recently departed music director] Lorin Maazel," Zarin Mehta, president of the Philharmonic, said at the conference, which was co-sponsored by Columbia University's School of the Arts. "[After the financial crisis hit] we wondered if we'd be able to sell tickets. But the people are there if you provide passionate music."

In fact, Mr. Mehta said, the Philharmonic

sold 91% of its available seats last season, its best sales performance ever.

The Met sold a record \$2.5 million worth of tickets the first day the box office opened this season, General Manager Peter Gelb reported. He declined to release full numbers, saying they haven't been audited yet, but he expects the Met to wind up with more revenue than budgeted for the fiscal year that ended in July.

At New York City Opera, which has had many pundits questioning its chances for survival the past few years, \$12 million was raised last year, \$1 million more than expected, General Manager George Steel said. He added that *Esther*, which some critics considered a poor choice for a season opener this fall, has become City Opera's No. 1 seller—and he's considering adding performances.

All of the arts players speaking at the conference scrambled into action when the economy crumbled last fall, immediately shaving millions in administrative expenses from their budgets and finding new ways to market their products.

The Philharmonic sliced 5% by cutting advertising, travel expenses and artist fees. Meanwhile, the orchestra capped its subscription-series prices and began discounting individual tickets online to boost last-minute sales.

Alvin Ailey dancers appeared on the hit TV show *Dancing With the Stars* last April, a midlebow move that helped attract record audiences to the company's U.S. tour. The dance organization also has expanded its public

dance classes: Ailey now offers 22 types of classes, from hip-hop to samba. More than 30,000 people have attended.

"This is no time for arrogance or elitism," said Sharon Gersten Luckman, Ailey's executive director. "We can't afford to lose one fan. Arts organizations that will survive in this recession have to instill passion in their audiences."

The success of these institutions is even attracting the attention of corporate donors, despite the downturn in corporate giving. The Metropolitan Opera recently signed Bloomberg LP as a sponsor of its HD broadcasts of live opera into movie theaters around the world, which reached 1.8 million people last year. City Opera's opening night gala on Nov. 5 is being sponsored by LVMH. ■

## Theater on the cheap

By acting like airlines, venues transform ticket sales

BY LISA FICKENSCHER

IT USED TO BE THAT LOYAL PATRONS who bought season tickets to the Metropolitan Opera or Jazz at Lincoln Center got the best available prices.

But that's no longer the case. The performing arts community is struggling to adapt to the same online-reservation model that hotels and airlines have used for years—with some of the best deals available at the last minute.

The weak economy has only compounded the pressure on arts executives to offer discounted tickets to the masses. "Performing arts subscription sales have changed in ways that development offices are still struggling with," Kate Levin, commissioner of the city's Department of Cultural Affairs, said last week at *Crain's* Future of New York City performing arts conference. The trend started during the dark days after Sept. 11, 2001, she says, but has intensified because of consumers' hunger for deals these days.

"Our subscribers are beginning to catch on that they can wait and then buy a cheaper ticket at theatermania.com," said Todd Haimes, artistic director of the Roundabout Theatre Co., which operates five theaters in the city. Sales of Roundabout's subscriptions, which cost between \$300 and \$400, have declined over the past year.

Even some of the most popular Broadway shows, such as the musical *Mamma Mia*, are selling half their tickets during the week of the performance, said Nina Lannan, general manager of *Mamma Mia* and chairman of the League of Broadway Theaters.

The last-minute crowds are also diminishing advance group sales, which in the past could rake in as much as \$4 million, giving a show a financial cushion, she added.

Some theater directors are bucking the trend by only rewarding customers who purchase their tickets early. "When you slash ticket prices, you're telling your audience, 'This show's unpopular—nobody bought tickets,'" said Linda Shelton, executive director of the Joyce Theater Foundation.

"We're trying to train our audience to buy early [instead]," she said. "We have tickets for as little as \$10, and when those sell out we'll bump up the [lowest available] price by \$5."

But most arts executives are adopting the new discount model—and some embrace it because they say it allows them to expand their audience base.

The New York Philharmonic now sells 50% of its tickets online—allowing it to offer more flexible pricing, according to the orchestra's president, Zarin Mehta. "If a concert has 30% left to sell," he said, "we can reduce the ticket prices for those seats."

Even funders of the arts say that institutions need to lower their prices to attract new patrons.

"When you remove the economic barriers, people come," said Robert Marx, managing director of the Fan Fox & Leslie R. Samuels Foundation.

Hilary Potkewitz and Miriam Kreinin Souccar contributed to this report.

**\$5.8B**  
ECONOMIC ACTIVITY  
generated by city's  
arts sector. Arts-  
motivated tourism  
adds another \$5.4B.



**SHOW BUSINESS, NOT SLOW BUSINESS:** 1. Orpheus Chamber Orchestra's Graham Parker. 2. NY Philharmonic's Zarin Mehta. 3. Metropolitan Opera's Peter Gelb. 4. League of Broadway's Nina Lannan. 5. Joyce Theater's Linda Shelton. 6. Arts über-funder Stephanie French. 7. Foundation exec Robert Marx. 8. NY City Opera's George Steel. 9. Alvin Ailey's Sharon Gersten Luckman. 10. Harlem Stage's Patricia Cruz. 11. Cultural Affairs Commissioner Kate Levin. 12. First Deputy Mayor Patricia Harris.