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On a string and a prayer

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By Kathleen Dayton,
Staff Writer

The Charleston Symphony Orchestra plays to businesses to keep doors open

The Charleston area is known for its history as well as its renowned hotels, nationally recognized restaurants, award-winning golf courses and more than 5.1 million tourists a year.

Last year, it also became known for its struggling symphony orchestra.

Is it possible that a city regarded as a cultural mecca could be at risk of losing its 70-year-old orchestral ensemble, and what will it take to save the orchestra?

The local business community hopes it has the answer.

"We as business people didn't realize what level of support the symphony was getting and that most of the contributions to the symphony were given by individuals," said Tommy Baker, owner of Baker Motors and a member of the orchestra's board of directors. "The business community was not heavily involved. I just told the board members, if we would have known, we would have fixed this, because this is fixable."

Since becoming more aware of the orchestra's plight, donations have begun to emerge, including a \$75,000 pledge from McCrady's restaurant to sponsor next year's pops concerts and \$62,500 to sponsor the remainder of the pops concerts in the 2006-07 season. The Ginn Co. has sponsored the masterworks series, and The King & Queen Co. has donated office space to the orchestra for the next four years. The town of Kiawah Island contributed \$50,000.

"We are headed in the right direction," Baker said. "Once we get over this crisis, we will build a business model so we don't have to go through this again. We will not lose our symphony. It will thrive and grow."

Financial crunch

The Charleston Symphony Orchestra needs serious contributions to fix a serious problem. The orchestra, which is the only fully professional orchestra in South Carolina and the largest performing arts organization in the state, ended its fiscal year with an operating deficit of \$179,069 and \$84,445 in cash.

The CSO needs \$500,000 to cover previous expenses by March, when new money will begin coming in through advanced ticket sales for the 2007-2008 season. The orchestra spent the money it made from advanced ticket sales last spring to cover expenses incurred during the previous season. Essentially, the orchestra used cash flow for its current season to fund the prior season.

"We spent it too early, and that was to avoid getting into debt," said Laura Deaton, the orchestra's chief operating officer.

The orchestra is still counting fall 2006 pledges, which so far have come to \$359,000. That means the orchestra needs to come up with about \$141,000 in order to make its payroll through the end of its fiscal year in June.

"We need it so we don't have to borrow money that's coming in this year and steal from next year," Deaton said. "That will break the cycle of taking advanced ticket sales for next year and spending them this year."

Almost 70% of the orchestra's expenses come from its payroll for 46 full-time musicians, whose average income is about \$22,000. There are six people on the orchestra's full-time staff who manage all aspects of music production, ticket sales, fundraising and marketing for more than 100 concerts in more than 30 area locations each concert season. The annual budget for the orchestra's administrative staff is less than \$300,000.

The symphony has grown tremendously since the mid-1980s, when it had 14 full-time musicians and a budget of a little more than \$600,000. Twenty years later, the orchestra's budget is slightly more than \$2.5 million.

Aggressive cost cutting last year eliminated three smaller concerts for the current season: two at Wando High School and a rock 'n' roll tribute at the Charleston Music Hall. The orchestra is also cutting "import" musicians, which are often hired from other symphony orchestras to supplement the orchestra when it performs repertoire that requires a larger ensemble.

"We wanted the community to see that we are closely watching our bottom line and ensuring that we are as cost-conscious as possible," Deaton said.

The CSO's musicians took pay cuts three years ago that were restored this year, adding \$200,000 to the orchestra's operating expenses.

Committed to the cause

Charleston Mayor Joseph P. Riley has been holding weekly meetings with small groups of area business leaders to ensure that the business community knows what is at stake, and those meetings have led to pledges of support.

"He's committed to us and has said he will make this a priority for the next three years, because he understands this is not a one-year deal," said Ted Legasey, the CSO's vice president of finance. "Next year there will still be pressure on expenses. This is not something you do in just one season."

About 40% of the orchestra's revenue is from earned income including ticket sales, Legasey said. About 10% of revenue comes from grants for which the orchestra has to compete and about 50% of revenue comes from contributions, which are largely from individuals.

"We see that as an opportunity to communicate the business case for the Charleston Symphony to the business community and seek their support," Legasey said. "It's not like we're passing the hat or have a hand out. They need to invest in the richness of the community. Probably they haven't been properly asked in the past, so as we're making this case, it's resonating."

The CSO has tackled a number of frequently asked questions that potential benefactors may have and has issued a statement in response to business leaders who may feel that classical music does not benefit their companies' business goals.

CSO officials say the orchestra has helped put the greater Charleston area on the map and cites research indicating that skilled workers choose to live in dynamic, vibrant communities with diverse cultural amenities.

"The notion here is that the symphony is a real asset to the broad community and that both business and local communities need to invest in the local symphony so it can continue to be a valuable piece of the culture," Legasey said.

Most people think of the orchestra in terms of its public concerts, but don't realize that it reaches more than 25,000 school children annually through education programs such as its In-School Ensembles and Adopt-a-School programs, Deaton said. Those programs, as well as the orchestra's Kinder Konzerts, Young People's Concerts and CSO Youth Orchestra, introduce students of all economic backgrounds to live instrumental music through music lessons, workshops and concerts.

Economic impact

Economist Al Parish of Charleston Southern University, who is on the orchestra's trustees council, did an impact study for the orchestra in 2005, which revealed the orchestra was responsible for 252 area jobs with an income of \$8.18 million. Many of the orchestra's musicians work full-time for the orchestra and also are on the faculty at local colleges and universities. Those jobs generate a total economic impact of \$14.72 million, contributing \$372,858 in taxes to state and local governments annually, according to Parish's study.

"We looked at what kind of impact it would have if the orchestra went away, and we assumed you would lose the spending that these folks do and the symphony itself does in the community," Parish said.

Parish said CSO members annually contribute an average of 41 hours a year to charity, performing at area fundraisers and other events where they play for free.

"I hate to sound so blunt, but people are remarkably ignorant as to what they have," Parish said. "The people that go to the orchestra understand what they're getting, but in our survey of the public, most of them did not realize these are professional musicians whose only full-time job is working for the symphony.

"They thought they were part-time (musicians). For a city that is a cultural mecca as Charleston is and a city for which tourism is the No. 1 industry for economic impact, for us not to have a symphony that can sustain itself is amazing to me."

Culture, art and history are among the reasons tourists visit Charleston and also among the reasons many people retire here, Parish said.

"The type of tourist we get here comes here for the culture, whether they go to the symphony or not," Parish said. "Not having one says something about the culture of the city and it's going to impact tourists.

"We have more tourists than ever before and the arts are more important to the community economy, and for the symphony to have the problems it has is really sad."

'New and creative ways'

Since its beginning in 1936 as the Charleston String Symphony, the orchestra has had its ups and downs, but fresh challenges have come in recent decades.

"There's more competition for what to do on a Saturday night," Parish said. "There's the Imax Theater, there's the (S.C.) Aquarium, there are more arts festivals and more cultural-based festivals. There's just so much competition for the entertainment dollar."

Music director and conductor David Stahl, who has been at the helm of the CSO since 1984, said the problem is not unique to Charleston.

"Our problems are the same as other larger and smaller orchestras, as well as other performing arts organizations like operas and ballets," Stahl said. "We're up against iPods and CDs and TiVo. We must find new and creative ways to get people out of their homes and into theaters, offering them not just music, but an experience that will be indelibly imprinted in their memories."

For the past 10 seasons, Stahl has split his time between Charleston and Munich, Germany, where he is music director and chief conductor of the Staatstheater am Gartnerplatz.

In Europe, orchestras are state-supported, he said, and have more stability during difficult times than their U.S. counterparts.

"I can tell you that symphonies our size receive much stronger support (in Europe) from all sectors of the corporate community, including manufacturers, real estate developers, banks and other significant locally and regionally based corporations," Stahl said.

The CSO also has challenges some orchestras do not have. The CSO does not own its own concert hall and cannot sell box seats to companies or individuals, a source of revenue for orchestras that own or use halls with boxes.

There are other financial challenges that all arts groups and nonprofit organizations are facing.

"We had Sept. 11, then we had the tsunami and then Hurricane Katrina," Deaton said. "There are fewer government dollars going to non-disaster-based organizations as a whole."

Deaton said the CSO has different challenges compared with Charleston's two-week-long Spoleto Festival USA, which had its most profitable season ever last spring. That festival receives donations from supporters across the United States and around the world.

"A festival that is time-limited and short-term is very different from an organization that offers 46 musicians full-time employment for a 38-week season," Deaton said. "We rely on the region to support this symphony."

Orchestra officials are optimistic for the CSO's future, especially if it can continue to gain corporate support.

"We're rapidly building the base we need to ensure a stable future for the Charleston Symphony Orchestra," Deaton said. "It's actually going to be up to the corporate community to make sure we're here in the years to come."

Kathleen Dayton is a staff writer for the Business Journal. E-mail her at kdayton@charlestonbusiness.com.

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