

# **Validation of Symphony Orchestras in the Twenty-First Century**

A Tri-City Evaluation Through Financial, Socioeconomic, and Marketing Technique Analysis

By Madeline Grimes

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## **Abstract**

The following research will examine and compare business practices of three symphony orchestras in the Midwest region of the United States. This endeavor identifies qualities and points of concern in each orchestra's budget and operations, marketing and community engagement techniques, fundraising and programming strategies, and changing attendance factors as American society progresses into the twenty-first century. To emphasize the unique differences in mid-size symphony orchestras with larger counterparts in geographic proximity, the Youngstown Symphony Society will represent these smaller institutions to be compared with operations of the Pittsburgh Symphony Orchestra and the Cleveland Orchestra. Through extensive analysis of financial documents, annual reports, scholarly research, and informational interviews, I conclude that the ability for a symphony orchestra to thrive and to remain relevant in modern American society is measured by its financial sustainability, effective marketing technique analysis, and ability to tailor engagement strategies to socioeconomic needs of its community.

## **Introduction**

As the arts industry has grown in both scale and output over thousands of years, it has attracted an audience of millions while enduring the technological, economic, and sociological challenges time has presented. Older business models embraced by established organizations that include subscriptions, revenue fueled by ticket sales, and untargeted advertisements mailed to

lists of patrons have been forced to rapidly adjust to a changing consumer base, and the rise of alternative means of entertainment as a result of information dissemination made easier than ever with growing technology. Instead of adapting to changes in the American market for symphony orchestras, these organizations have closed their doors as result of increased operating and administrative expenses, lack of engagement with the public, and failure to embrace socioeconomic factors specific to their respective cities. To revitalize the aging, expensive, and exclusive perceptions among the public regarding symphony orchestras, orchestras need to re-evaluate their marketing strategies, how they are responding to the needs of their cities, and how they can maximize their financial results of these operations.

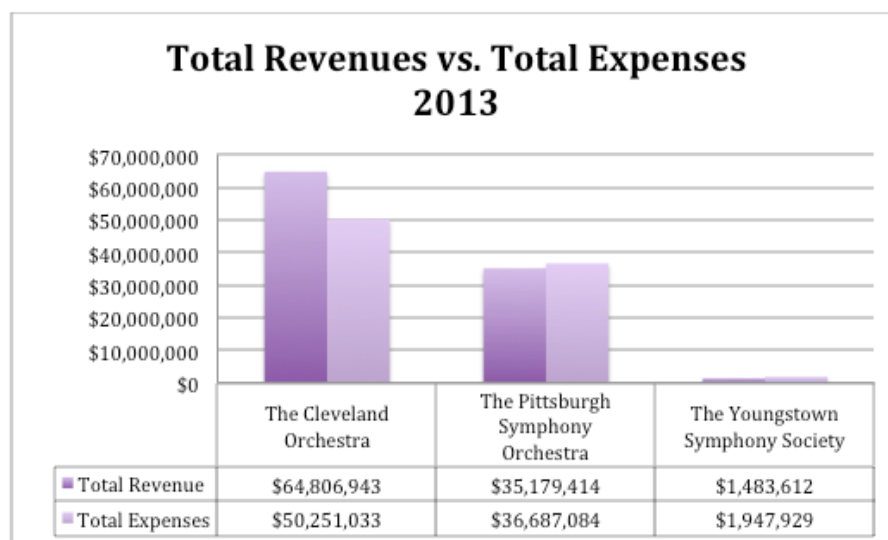
### **Financial Statement Analysis**

Although the success of a nonprofit organization is primarily evaluated by how closely it fulfills its mission statement, it is indisputable that the means of doing so necessitates control of funds. In addition to building strong, lasting relationships with potential donors of all giving levels, orchestras need sound financial statements to encourage confident investment decisions. Promoting transparency is accomplished by providing financial information on the organization's website and in annual reports, obtaining records via request, and by accessing online information systems such as GuideStar and Charity Navigator.

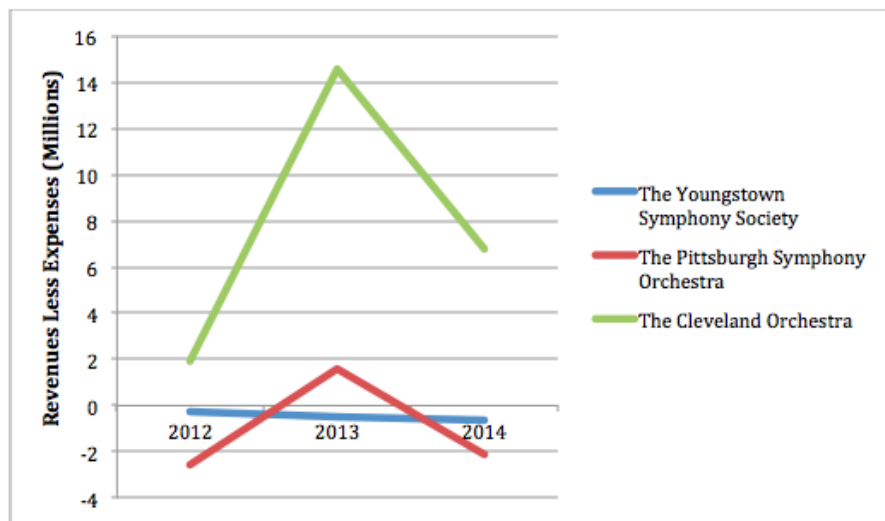
Annual reports, often used as a marketing tool, provide information regarding various business segments, operating budgets, government financial support, and descriptions of the organization's mission and core values. Form 990 documents are forms that must be filed annually by tax exempt organizations to the Internal Revenue Service (IRS). Often serving as the

sole information source for potential donors, these forms present the organization's programs and accomplishments through financial and personnel information. It is required by the IRS that an institution have at least three years of the Form 990 document accessible to the public at any point in time. Within the following financial statement analyses, I will primarily refer to statements of revenues and expenses and balance sheets gained from the Form 990 documents, as they are the only standardized documents provided by all three symphonies studied.

For nonprofits, expenses are divided among three main departments: programming, administration, and fundraising. Other reported expenses may be derived from travel, media, guest artists, production, dues and subscriptions, special performances, restaurant management, and various other miscellaneous expenses within and beyond administrative operations. Revenue is gained from a multitude of sources as well; fundraising events, government subsidies, cash and noncash contributions and gifts, concert revenue, broadcasts and recording, advertising, and more. To provide an example of financial differences between the examined orchestras, total revenues and total expenses are shown below from the year 2013.



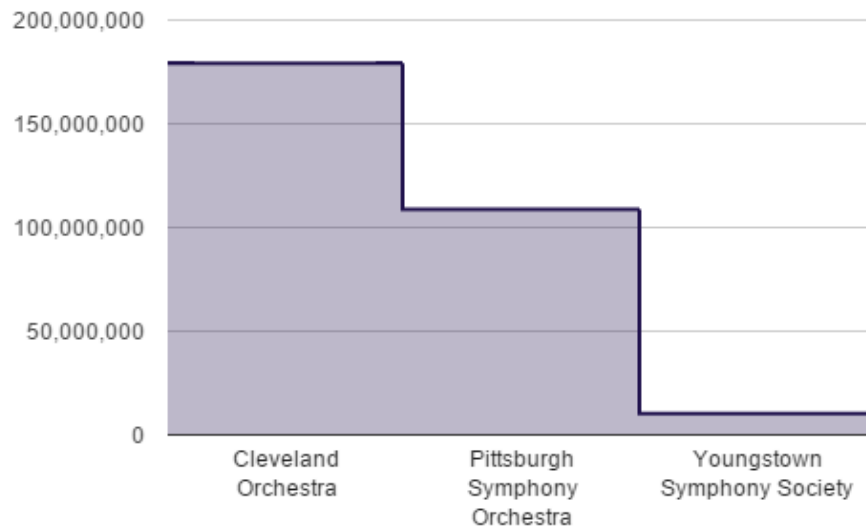
The Cleveland Orchestra - the largest of the three - is the only organization that yielded net revenue at the end of fiscal year 2013. Compared to the deficits of \$1,507,670 and \$464,317 of the Pittsburgh Symphony Orchestra and the Youngstown Symphony Society, respectively, the Cleveland Orchestra had performed substantially better in this respect.



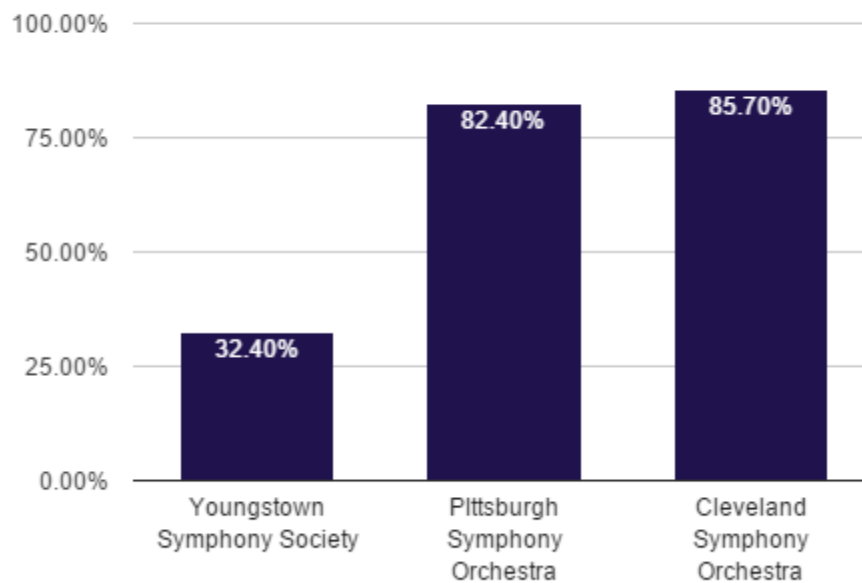
Although the Youngstown Symphony Society had been steadily suffering an increase in deficit, it is especially concerning for the Pittsburgh Symphony to experience a \$3.7 million loss in only one year's time. In addition, the Cleveland Orchestra had faced an even sharper decline of \$8 million within the same time frame. Although both of these orchestras were able to raise revenues less expenses between 2012 and 2013, losses faced the following year presented new challenges for all three of the organizations examined in this study.

As reported in the Statement of Activities on the Form 990 document, net assets is an important means of assessing an organization's financial stability and possible deficit between total assets and total liabilities. In 2013, the Cleveland Orchestra yielded the highest net assets at over \$179 million, showing an increase from the previous year. This amount is over 42% more

than the Pittsburgh Symphony's net assets and almost 95% of the Youngstown Symphony, as shown in the chart below.



In addition to assets, liabilities, revenues, and expenses, there are several other financial components that are integral to evaluate financial standing of nonprofit organizations. While fundraising events of the Pittsburgh Symphony Orchestra had reported over twenty times of a net loss in 2013 than did Youngstown, they had also received \$926,424 in revenue while Youngstown had reported none at all. As for program efficiency, or the percentage of resources consumed to provide program services, the Youngstown Symphony Society performed at a substantially lesser rate compared to the orchestras of Pittsburgh and Cleveland.



Days cash on hand, or the number of days an organization is able to pay its operating expenses given the amount of cash available, is another useful metric for evaluating the amount of funds immediately accessible to organizations. According to Elizabeth Keating’s North American Securities Administrators Association Training Guide, “How to Assess Nonprofit Financial Performance,” it is recommended that having at least three months of days cash on hand is desirable to pay bills if the organization were to stop receiving revenue (53). All three of the examined orchestras currently hold 365 days cash on hand, and only the Youngstown Symphony Society holds a current ratio less than 1 (current assets divided by current liabilities). Because of this, it is indicated that the organization would not be able to pay off its short-term debts if it had to do so immediately.

After compiling financial data of these symphony orchestras from 2012, 2013, and 2014, the Cleveland Orchestra performed most highly in terms of generating revenue, recovering after

experiencing a net loss, reporting net assets, and program efficiency. All three organizations had sufficient cash amounts to pay operating expenses if it were it to cease generating revenue for one year, and only the Youngstown Symphony Society lacked the ability to pay short-term debts if immediately necessary. Here we must note the relation between size and socioeconomic factors of metropolitan area and ability to allocate budget portions to program expenses and revenue-generating activities, which I will address in greater detail later in the following section.

By demonstrating sound control of funds and a positive response to financial downturns, institutions are more likely attract volunteers, advocates, board members, donors, and public support to fully embody their purpose. In turn, symphony orchestras are enabled to engage with potential arts consumers to ultimately give time, attention, and support to their organization by successfully executing concerts, programs, and plans for future productions far in advance,

Establishing a relationship-oriented approach with artists, arts supporters, and audience members will not only build donations from those of various affiliation, interest, and giving ability, but generate support for the arts that builds a sense of community within and beyond the concert hall. Furthermore, discussion among arts administrators will no longer be limited to financial issues and cash flows, but include the services the arts bring to communities and the importance of sharing arts experiences with others. This form of success translates into longevity and increased opportunity for not only sustainable income, but an enhanced reputation among non-audience members and the majority of the public that is yet to become involved. The bottom line of the income statement is to be viewed as both an end and a means, and remaining conscious of both financial necessities and the underlying mission of the organization are imperative for sustainability.



## **Society and Economy**

By its own nature, an economic problem of the arts industry is that it cannot improve worker productivity, as explained by Michael Kaiser at the Association of Arts Administration Educators Conference of 2010 (Internet Archive, 2010). As a result, there is a lack of adjustment to rising costs of inflation; the same number of dancers perform in Tchaikovsky's "The Nutcracker," and Mozart's Concerto in G is not played faster than it was the year before. In addition, venues automatically create an income cap when the buildings and a designated number of seats are constructed. When a concert hall reaches full capacity, it can no longer sell any more tickets and therefore cannot produce revenue from additional sales. In order to create an increase in real earned income, symphony orchestras must perform more, increase ticket prices, or create other means than sales, namely contributions from private and government institutions. These issues of a fixed income and rising costs have created a widening gap between income potential and ability to obtain it, and both board members and arts administrators are challenged with the pressure to increase efficiency in monetary spending every year.

Collecting data from the 2003, 2004, and 2005 seasons for 52 mid-size orchestras via the American Symphony Orchestra League, a recent study published in the Journal of Economics and Finance has provided evidence of determinants for annual concert attendance. Michael Toma and Holly Meads concluded that concert attendance is "positively affected by quality of the symphony, number of concert performances, and the proportion of the population with some college level education or better" (Toma & Meads 412). Factors that negatively affect the attendance rates of an orchestra include rising ticket prices, proportion of the population with very high income levels (as these are the only individuals who can attend these shows), the

number of competing orchestras in the surrounding region, and the decreasing number of concert performances. Although the “quality” of a symphony may not initially seem quantitative, Toma and Meads have defined and measured this by dividing expenditures on artistic personnel by the number of personnel, divided by 1,000 (416). Aggregate annual attendance during the performance season per 1,000 persons in the Metropolitan Statistical Area or country hosting the symphony was used as the dependent variable in the studies described below (413).

To identify drivers of supply and demand, data was organized in an empirical framework to evaluate multiple factors unique to each economic function. The supply function of a symphony is determined by ticket price per concert, average wage paid to symphony personnel (quality), number of performances during the season, and state income tax rates (416). Aggregate annual demand, or the number of concert tickets sold for attendance, is determined by ticket price per concert, local demographics including age of potential consumers, percentage of the population that has some college education or higher, percentage of the population that earns \$100,000 or more annually, number of other classical symphonies in the given area, and the quality of the symphony as previously described. The ages of consumers are broken down into three separate cohorts ranging from ages 18-49 to represent significant stages of life and their indicated social development. A group specific to individuals over the age of 50 were tested and found to be “insignificant in this sample of symphonies,” coinciding with the studies of Baumol and Bowen (1966) concluding that those over 60 were less likely to attend performances of fine arts (qtd. in Toma & Meads 419). This study highlights the rapid change of concertgoer demographics over a span of just over ten years (2005-2016) when present-day patrons are consistently reported to be older, serving as both the prevalent and quickly shrinking source of patronage and individual donations.

As a result of their studies, Toma and Meads found that greater and more dense populations of the youngest studied group, individuals aged 18-24, may increase per capita symphony attendance (419). Although it is necessary to appeal to older audiences to satisfy lifelong arts supporters and larger donors, their finding only reinforces the need to develop marketing strategies to younger audiences for an symphony's survival. Symphony concert attendance slightly declined in the ages of 25-34 as participants likely encountered the "child-bearing and child-rearing" stage of life, yet responses were positive in the following age group, 35-49. Having some college education was found to have little influence on symphony attendance when applied across all age groups, and the marginal effect from high income levels was shown to have a strong negative effect on concert attendance (419). This is partly due to higher opportunity costs these individuals may face, as well as the high likelihood of these "would-be patrons" of smaller cities and markets instead choosing to travel to larger cities with higher quality orchestras (419). Because of the geographic proximity threat to smaller organizations to their larger counterparts, administrators should focus attention on acquiring and maintaining a higher quality of artistic personnel to compete with larger markets. Promoting arts education in public schools and creating a tailored, localized approach to potential consumers of younger ages will also assist in growing market expansion efforts. Regardless of age or geographic location, it is integral to identify the value sets of differing generations - from boomers to millennials to Generation Z - to accurately assess contrasting social influences of these groups.

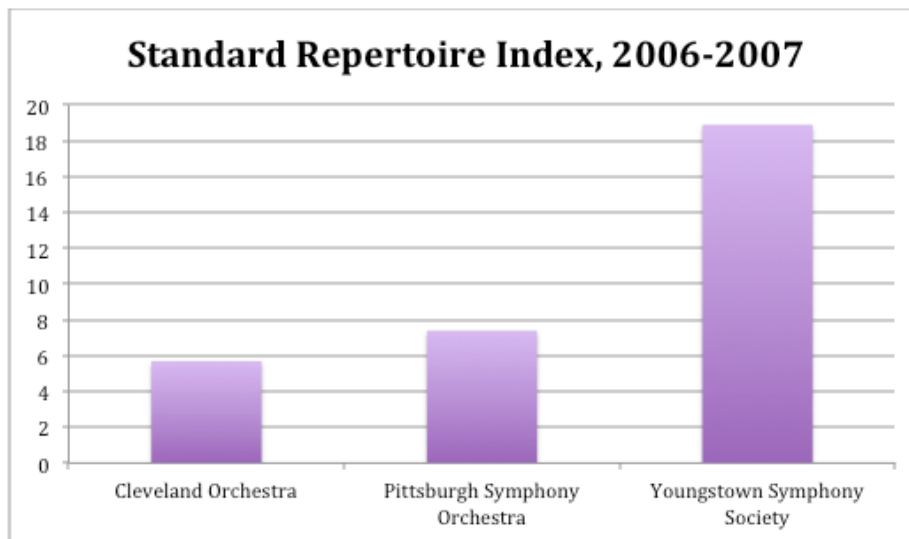
Because arts organizations in the United States receive a large portion of their support from private contributors of the top income ranking, there is often pressure for administrators to cater to these specific donors when deciding event programming. Artists, who may often wish to

commission new works by emerging composers, are often stifled by the fear among the board of trustees and administrators that these lesser-known pieces will attract fewer audience members. Consequently, standard repertoire is more frequently scheduled, a quality of “playing it safe” in hopes of filling the concert hall. According to a study conducted in 2010 by Jeffrey Pompe, Johnathan Mun, and Lawrence Tamburri, “Factors that influence programming decisions of US symphony orchestras,” a symphony orchestra’s conductor does not have a large impact on “the degree of program conventionality,” and that programming nonstandard repertoire is a result of increased ticket sales, receiving endowments, and local government funding (167). When a symphony orchestra’s board of directors decides expansionary programming material, inclusion of the conductor with decision limitations may provide increased connectivity with audience members and balance between the extremes of too much or too little repertoire risk-taking.

Studying the conformity of symphony orchestra programming, Pompe, Mun, and Tamburri found symphony orchestras commonly performing a small number of musical works a large percentage of the time (171). Likely in response to dwindling attendance across the country, programs are appearing more similar than ever in an effort to gain audience attention. To determine whether an orchestra’s programming is more or less innovative, they examined the propensity of symphony orchestras to perform “standard repertoire,” which is defined by the top ten most frequently performed compositions in the United States between 2001-2008 as provided by the League of American Orchestras (170). Using the standard repertoire index (SRI), the uniqueness of an orchestra’s programming is measured by the average number of times a work is performed by one symphony orchestra compared to those performed by all orchestras (171). For example, an SRI of 1 shows that only the orchestra examined performed a particular work,

whereas an SRI of 8 indicates that seven other orchestras performed the same piece. The higher the SRI, the more often the repertoire is performed (171).

From a list of eighty-four American and three Canadian symphony orchestras who provided information to the League of American Orchestras in the 2006-2007 season, the estimated SRI values were determined for the Cleveland, Pittsburgh, and Youngstown symphonies (173-175):



At the very bottom of the supplied list, the Youngstown Symphony Society reported an SRI of 18.9, a substantial difference between those of Pittsburgh and Cleveland. Similar to their financial statements, Cleveland demonstrates the most favorable numbers, indicating originality and openness to performing works of younger, lesser-known composers. The Youngstown Symphony Society, on the contrary, exhibits the highest SRI reported in Pompe, Mun, and Tamburri's study. An even greater pressure to accommodate programming to donors exists within symphony orchestra management when government funds serve as the smallest source to the arts and private donations the largest (Pompe, Mun, & Tamburri 176).

Although the symphonies of Cleveland, Pittsburgh, and Youngstown possess similar qualities in geographic location and institution, several economic factors are necessary to consider when evaluating each organization's overall success. As provided by the United States Census Bureau, Youngstown's estimated population of 65,184 in the year 2013 is noticeably smaller than those of Cleveland and Pittsburgh - 390,113 and 305,841, respectively. However, Youngstown's rate for persons living below the poverty level from 2009-2013 is 1% higher than that of Cleveland and almost 14% more than that of Pittsburgh's. Reported by the Associated Press in Bloomberg Business to have the highest rate of concentrated poverty in the United States (2011), citizens of Youngstown face much larger economic challenges than regularly attending symphony orchestra concerts.

Exploring the widening socioeconomic achievement gap between low- and middle-income families, Alexandra Andreassen of Villanova University explains that much of the inequality is due to factors outside of school and in the community. These primarily include lack of parental spending on education, parenting styles, and poor housing (39-40). Although statistically less likely to participate in after-school programs, students of lower-income families engage in fewer risk behaviors and dropping out of school when involved with programs that promote non-cognitive skills such as discipline, interpersonal relationships, and dealing with authority (40). With an 80.4% high school graduation rate in Youngstown (compared to 88.5% of Cleveland and 90.4% of Pittsburgh), investment in after-school programs and a decreased gap in opportunities and resources for children of low-income families will raise graduation rates, provide life-changing help to children who require it most, and increase likelihood that children will participate and support the arts in some capacity throughout future adult lives (United States Census Bureau).

Throughout the first decade of the new millennium, programs in public schools have been reduced or even cut with increased emphasis on standardized testing and other fields of study. In 2015, however, the Every Child Achieves Act replaced the No Child Left Behind Act of 2001, recognizing music and the arts as core subjects of the public school curriculum (National Association for Music Education, 2015). Although additional obstacles continue to be faced by inner-city school districts, the inclusion of arts programs in curricula will encourage a diversified and opportunistic environment for children to succeed in various areas and provide the impetus for talented students to make their way. “Music energizes and elevates, it makes schools better, and it creates better employees and citizens,” said Michael Butera, NAFME Executive Director and CEO, who advocates the integration of music education in public school systems for the success of all American students (2015). However, it is no longer enough for advocates to explain that the arts are “wonderful” in school systems or “help the learning process”; the arts must be perceived instead as an indispensable component of education, motivation to children that would otherwise be disinterested in school entirely, and an enrichment to the human experience. With continual Congressional and public support, students will not only reap the benefits and joys of inclusion in the arts for their years of public education, but extend the habit of involvement for the rest of their lives.

### **Marketing Strategies**

Even among patrons with longevity of interest in the arts, it is necessary to maintain and expand attention of not only the donors that financially support an organization, but also the audience that fuels the symphony orchestra’s existence. As marketing communication strategies

for potential consumers grow away from mailed concert season schedules, radio, and generic advertisements posted in public venues or in newspapers, arts organizations are now more capable than ever to create more in-depth and tailored marketing segmentation strategies to specific groups and consequently broaden their scopes of potential audiences. With the ability to create more detailed descriptions and messages, marketers may provide information about new, less-recognized ventures and works, as well as why they are worthy of exposure.

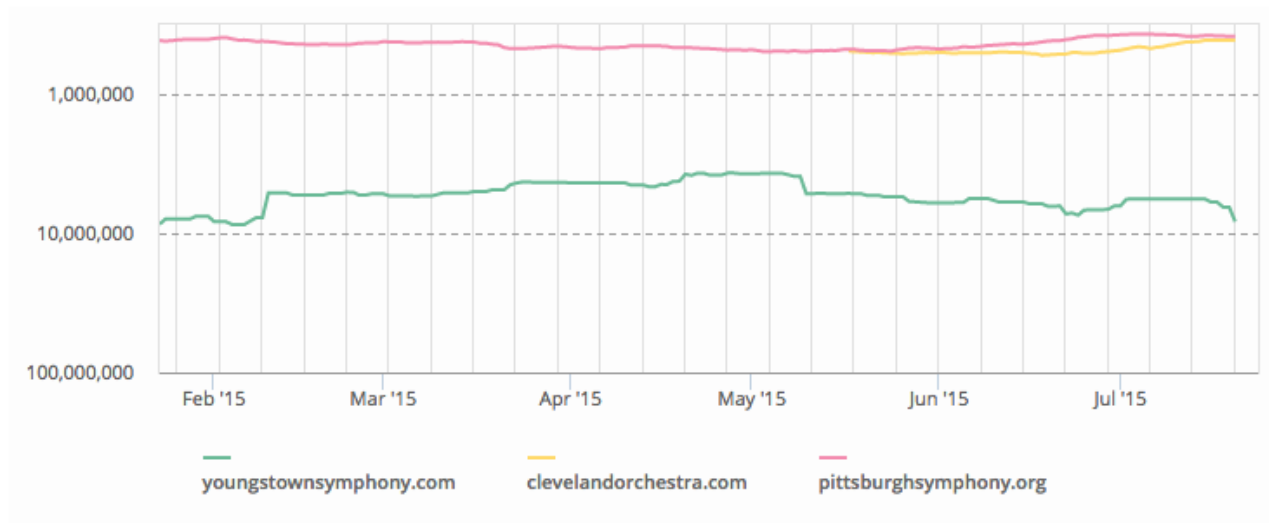
Although the decline of the subscription model has increased the marketing costs of programs, i.e. having to advertise for individual shows in place of a single bundle of the concert season's events, computer technology has immensely helped to minimize the financial damage (Kaiser 25). In fact, the transition to electronic means of reaching out to potential patrons via email blast, social media, and website updates saves the organization a great deal of expenses when facing virtually no advertising cost (Kaiser 26).

In a world where technology is produced with a turnover rate measured in months rather than years, a new challenge awaits for arts administrators in twenty-first century America. After all, why go to the concert hall to hear Beethoven's Fifth Symphony when one can look up a desired excerpt performed by the world's greatest artists on YouTube for free? We no longer have to be seated in front of our televisions to watch a baseball game at a specific time when we can easily record it to watch later, and it is no longer necessary to call a friend on the phone when it is much less time consuming to send a tweet in 140 characters or less. When consumers are given increased accessibility to information, marketers must compete to not only grasp the fleeting attention of consumers with fragmented content, but also to maintain it and continue to adapt marketing strategies to establish loyalty to their organization.



Cited as a determinant of the economic supply function for symphony orchestras as identified by Toma and Meads, holding more performances in the concert season will significantly increase concert attendance. As explained within Michael Kaiser's publication, "Curtains? The Future of the Arts in America," arts organizations gain name recognition by hosting a multitude of concerts and performances (Kaiser 28). Given effective advertising techniques and exposure to multiple market segments, familiarity among consumers is increased. Coinciding with frequent website and email updates that accompany event marketing, current and potential patrons of the online community are compelled to revisit sites and view updated information as it is provided. When information is rarely updated by smaller organizations that offer only a few concerts per year, audience interest is much harder to capture - let alone maintain - and the individuals who do view these websites are unlikely to visit again. By creating an online presence that is accessible to the tweeting, Facebooking, fast-paced schedules of the modern American, a large advantage to increasing performance attendance is within reach to twenty-first century arts marketers.

Using information provided by web analytics service Alexa, visitors for the Youngstown, Pittsburgh, and Cleveland symphony orchestra homepages have been tracked through the months of February-July 2015. Gathering from direct sources, Alexa produces estimates derived from their global traffic program, which collects data from millions of Internet users with over 25,000 browser extensions. Each site's estimated average of daily unique visitors combined with its estimated number of page views over the most recent three months, a global ranking system measures how well sites are doing compared to all others on



the web, which are indicated below for the three orchestras studied (Alexa Internet).

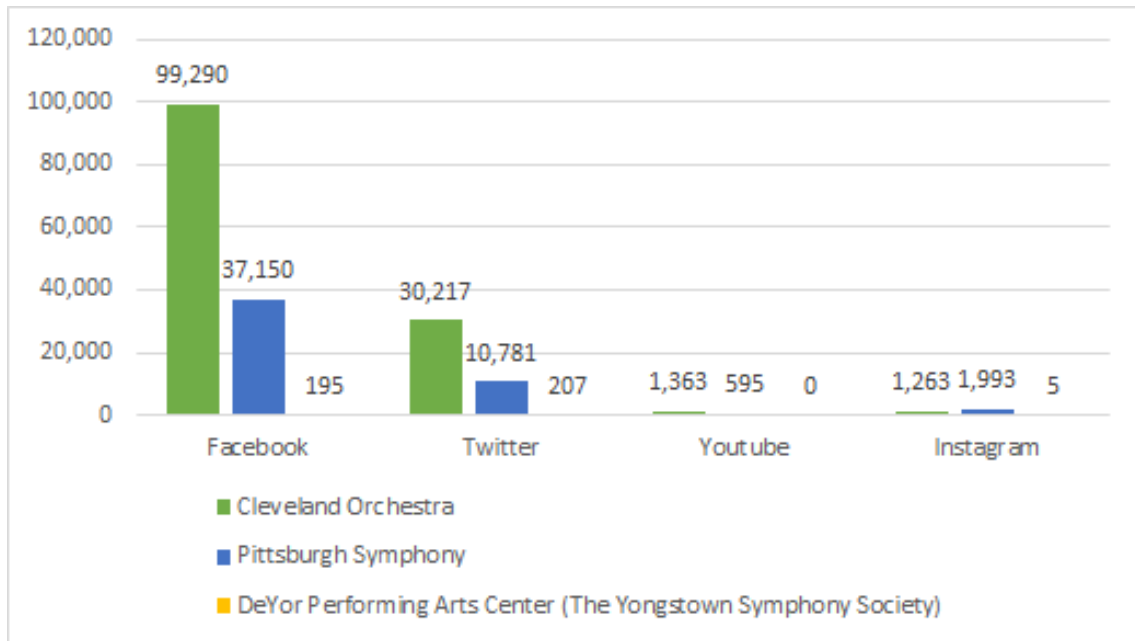
Although traffic information before May 17, 2015 for the Cleveland Orchestra’s website proved unavailable when the comparison was made in July 2015, estimated visitors to this domain clock in slightly below those of the Pittsburgh Symphony. Both of these organizations are consistently and substantially ranked higher than the Youngstown Symphony Society.

Influx of website visitors and their likelihood to return are due to a number of factors. In 2010, a Microsoft research team found that increased change of Web content and its revisitation are positively correlated. Although researchers have reported a significant amount of change in website content - ranging from 35% of websites changing over 11 weeks to 65% in 5 weeks -, subtle website changes often remain unnoticeable to Web users (Teevan, Dumais and Liebling 1). To investigate revisitation patterns and their implications, this longitudinal study instructed thirty people to use a web browser specifically designed to provide awareness of website change for one month by highlighting the modifications on the page. Users provided both initial and follow-up insight regarding how valuable they expected the web browser tool to be, how they perceived their own revisitation patterns, and how they perceived the pages they visit to change,

which were all measured by ratings on a 5-point scale. These empirical values showed an increase from the initial to follow-up responses, participants declaring the tool much more valuable than they had originally expected (Teevan, Dumais and Liebling 2). By having their attention drawn to the changes, participants became more aware that they had occurred more than what was initially noticeable (Teevan, Dumais and Liebling 2). This indicates that increased awareness of updates on the Web can yield positive effects, including more frequent revisitation patterns and information use (Teevan, Dumais and Liebling 4).

As web content perpetually grows, the content that is changed must be done so in a way that it is easier to navigate and use, resulting in improved consumer engagement when these changes are more pronounced and perceivable (Teevan, Dumais and Liebling 4). Creating this awareness may be subtle and simple, however, and may be accomplished by utilizing multiple, diverse social media platforms. A study conducted by L2 Think Tank analyzed 247 top global brands and 15 social media websites, finding that most top brands maintain an active presence on five to nine social media platforms. Of the brands studied, 99.6% were active on Facebook, and Twitter and Youtube remained the next popular platforms at 95.5% and 95.1%, respectively (Mahapatra 2013).

The chart below provides the amount of followers/subscribers the orchestras of Cleveland, Pittsburgh, and Youngstown possess as of July 30, 2015. Although all three orchestras had content with their hashtag searches on YouTube, only subscribers to their official channels are shown below.



The more organizations engage with viewers, posting website updates of blogs, calendar events, media, and other content, the more often they will appear on Google searches. As previously mentioned, these social media updates are brief, yet powerful representations of the symphony orchestra's identity - accessible, relatable, instantaneous, and time efficient to the modern American - and maintaining this dimension of visibility is crucial for the organization to remain relevant to the public.

## **Evaluations**

For the potential donor and resident of the tri-city area of Youngstown, Pittsburgh, and Cleveland, I find the choice remains clear to choose the organization that will invest donation dollars for the highest return. The Cleveland Orchestra demonstrates sound financial operations, the ability to generate a large margin of revenue within its budget, the administrative assertion to not only recover, but to prosper after a downturn, and the initiative to explore new and exciting

programming while pleasing those who appreciate staple pieces as well. Cleveland displays a strong connection to its online audience and the public, generating interest by incorporating events and organizations city-wide. For example, all members of the orchestra took part in the Cleveland Cavaliers' NBA Finals appearance in June 2015 by playing the beginning bars of Orff's "Carmina Burana" in a 77-second promotional video, generating friendly banter on Twitter with the opposing team's symphony in San Francisco. Although not all orchestras have the opportunity to embrace their home sports teams as such, it is this form of engagement that deters the public from viewing the symphony as a stuffy, rigid, aged entity of their city and instead as a part of culture that is diverse, fun, and accessible to patrons of a broad range of demographics. By fostering genuine relationships and connecting with a cause they can support even in economically challenging times, private donors become convinced that they can contribute to the vision of the nonprofit of their choosing.

Despite the symphony's overall success, many citizens of Cleveland still remain in poverty after it had been declared one of the nation's poorest large cities in 2004. As reported by Rich Exner of the Northeast Ohio Media Group, "about one in three city residents remains in poverty; the rate exceeds 50 percent for children." For these children, education is far less likely to be cultivated at home and participation in after-school activities is severely diminished. To close the achievement gap between low- and middle-income students, the Cleveland Orchestra will benefit its city by maintaining presence in local public schools for children from pre-Kindergarten to high school levels. Programs such as PNC Musical Rainbows family concerts, Learning Through Music, which partners the symphony with local metropolitan school districts, and various education concerts held specifically for schools are only a few examples of how this institution is bringing music education to life in the classroom and introducing students to

Severance Hall. Although arts education faces its own challenges that are beyond the nonprofit's control, it is inevitably promoted through the field trips and programs children participate in, no matter how occasional they may be.

Pittsburgh, a city slightly smaller than Cleveland, is home to an orchestra that is at a critical point in its existence. Its expenses exceeding revenues by about \$2 million as of 2014, the organization has managed to begin to repair damages after a large decrease in revenues in 2012 and may be able to recover once again. However, the large fluctuations in deficit must be noted as a sign of change and possible instability, especially when a \$3.7 million loss is enduring within only a year's time.

In 2014, the PSO administered about 12,000 free tickets to fill seats throughout their 21-week concert series with only 57% of their total audiences paying customers, the other 43% of seats not generating revenue at all (Bloom 2015). W5, a marketing research firm based in Durham, North Carolina, conducted a motivational study beginning in June 2014 to find opinions individuals in the Pittsburgh area had regarding symphony concerts and the people who attend them (Bloom 2015). In light of previous development of a strategic plan to address financial concerns, the goal of this \$100,000 project was to help administrators understand how to attract new audiences within their current struggle to do so.

Six focus groups we examined to conduct this study, consisting of 45 total people in three locations and an online survey. The demographics of these people were similar - married, white, ages 40 to 65, and an income of \$75,000 or greater -, but they had not attended a PSO concert within the past year. What was found were views of the symphony such as "boring," "old," "a total drag," and "something I would only do once a year." Classical music is described as "soothing," "sleepy," "long," and that "older people, musicians, and rich people were the sorts

who attended [these performances]” (Bloom 2015). As reported by the Pittsburgh Post-Gazette, one person said that there are “so many good things offered by the city of Pittsburgh. Why would I go to the PSO when there’s other, better choices available to me?”

For an ideal evening out, a couple may decide to spend money on dinner, drink, opportunities for social engagement, and some form of engaging or uplifting entertainment. When specifically choosing to attend an orchestra concert, expenses will likely include transportation, parking, high ticket expenses, box office handling fees, and possible sitting expenses at home, not to mention meals and appropriate dress for the performance. Having recently emerged from the economic recession of 2008-2009, Americans are simply too busy to devote their time and money to the symphony when bills are to be paid at home, children are simultaneously involved with academic and extracurricular activities, leisure time is to be set aside after a long day at work, and so forth. In order for organizations to draw away from the image of an older, elitist environment while preserving attractive qualities of the classic symphony orchestra setting, the Pittsburgh Symphony had been advised by W5 to capitalize its marketing efforts and special events on this mindset (Bloom 2015). To maintain this balance, marketing and communications of the PSO must remain multifaceted, flexible, and continually innovative with their means of expanding their patron base. Pops concerts, family programs (represented by mascot, “Fiddlesticks”), presence and concerts at the city’s Three Rivers Arts Festival, student side-by-side programs with orchestral musicians, orchestra training for minority groups, and events such as “Classical BBQ” are all versatile representations of how the symphony can positively create an impact on its community, and a tailored approach to the social and economic identity of Pittsburgh will yield even greater results to this organization seeking to

improve its numbers. In turn, orchestral musicians must also be willing to be flexible in these new endeavors for the greatest collective efforts possible.

In contrast, the Youngstown Symphony Orchestra must strive to retain their audiences and win them over from traveling elsewhere. Significantly smaller than Pittsburgh and Cleveland and geographically between both of them, potential patrons choose instead to attend symphony orchestra concerts at these larger and more widely-known institutions. With the highest concentrated poverty level in the nation and a median household income of \$26,901 - a number only \$3,537 above the national threshold -, the Youngstown Symphony Society also faces the challenge of tailoring engagement methods that are sensitive to its precipitous economic stature.

Since September 19, 1977, Youngstown had been forced to rebuild and redefine its economic epicenter with the closing of Youngstown Sheet and Tube, the city's largest employer (Wagreich 2013). With the loss of approximately 50,000 jobs within a few short years, Youngstown had also become one of the top cities in the country for arson and crime by the early 1980's. Downtown venues such as the State Theatre had closed their doors and been demolished, and blight spread throughout the area at an alarming rate. As a result, Youngstown was found by the U.S. Census Bureau to be the top city to lose its population in June 2013 since the census in 2010, over two percent of its population leaving the city (Posey 2013). With this suburban sprawl phenomenon, inner-city employment opportunities dwindled and economic revitalization projects continued to fail as the middle class had discarded what was once a prosperous manufacturing juncture for the entire nation.

Despite its dismal past, Youngstown has begun to show signs of growth with the emergence of the twenty-first century. The Youngstown Business Incubator, a nonprofit organization dedicated to facilitating entrepreneurial and technology business development, is



currently named the world's best business incubator associated with a university by the University Business Incubator Index (Smith 2014). Additive manufacturing and 3D printing in Youngstown have contributed to the nationwide movement, attracting engineers and business innovators with America Makes and the National Additive Manufacturing Innovation Institute. Supported by the Business Incubator, audience response firm Turning Technologies is currently the global leader in response technology (Turning Technologies 2015). Youngstown State University, recently receiving a spike in enrollment applications after hiring a new university President, was ranked among the top 20% of over 2,000 four-year colleges in the United States on Forbes' annual list of "America's Top Colleges" in 2015 (Dick 2015). Cultural and university-affiliated festivals are hosted downtown, restaurants are extending their hours to accommodate live local music, and performance venues such as historic Stambaugh Auditorium, the Butler Institute for American Art, the Ballet Western Reserve, and the Covelli Centre attract patrons from across the region.

It is imperative for the Youngstown Symphony Society to take full advantage of these sparks of optimism for the city's rebuilding process after many years of struggle. The symphony in a critical state itself, it must choose to invest its human capital in its marketing strategies and community outreach. The city's history unique from most across America, the Youngstown Symphony must take part in the city's reinvention of itself, as its success is directly related to the socioeconomic state of its residents. Although its staggering rate of concentrated poverty will take many years to diminish, business and employment growth will provide the impetus for citizens to once again take interest in their community. Painted as a bleak ghost town that was well past its potential for prosperity for decades, Youngstown demonstrates potential economic

growth involving entrepreneurs across various industries in the wake of its current challenges and recreation.

Its expenses twice its revenues as of 2014, it is necessary for the organization to identify which sources of expenditure are viable to be cut and what must remain for future return.

Musician pay, administrative expenses, and external operating costs (ex. those of adult programs, concessions, gift shops) are all first to be discussed when making these decisions. According to its website, the Youngstown Symphony Society serves over 10,000 children annually through their Young People's Concerts and in-school programs; an emphasis on direct involvement in the community through public school systems and their advertisement, increasing online presence to publicize events, and presence at festivals and downtown events will assist the Youngstown Symphony succeed in its turnaround. Without collective, proactive involvement, time will tell for the organization to accept responsibility for its declining status.

## **Conclusion**

For an orchestra to maintain its vitality and relevance to community, it must ensure that its financial stability, socioeconomic environment, and marketing strategies are sound, current, and competitive to similar organizations in its region. As examined, the twenty-first century paradigm of orchestral performance demands to eradicate the traditional mindset of what has been previously established by the aging donor and patron base and instead adopt that of the modern entrepreneur. Repertoire must be versatile across style and generation, and it is no longer sufficient to advertise the virtuosity of musicians because Americans have and will continue to respond differently in the midst of their fast-paced and technological lives. With perpetually

expanding technological advancement and growing competition for entertainment sources, symphony orchestras cannot afford to be viewed simply as “wonderful,” “nice,” or even “relevant” with discussion ending at these descriptions.

Instead, music must be implemented into the lives of its potential patrons to be experienced live, unapologetic, and incomparable to the accessibility of YouTube and on-demand television. This is important not because this is the way it always has been, but because the arts are and have been able to withstand challenges society has presented for centuries. Classical music will never see negation, but the platform it is conveyed must be flexible to the needs of its ever-changing audiences and relative social conditions.

Although some symphony orchestras will find rebirth and adapt to this exciting new era, others will honorably close their doors for the last time to leave its constituents to new endeavors. Embracing openness to new music, abandoning an elitist image, engaging in ventures involving some risk, and creating education programs without limit to demographic will greatly enhance not only the prosperity of symphony orchestras, but their very mission of connecting a passion for music and the arts with everyday life. Unique to the cities they inhabit, symphony orchestras remaining conscious of differing financial, socioeconomic, and marketing needs of potential audiences will elevate connectivity, genuine institutional support, lasting relationships, and accessibility of the arts to as many as possible.

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