

I. ORCHESTRA FINANCING

1. Public / private funding in the current economic environment

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The Dallas Symphony had a substantial deficit the last 2 years.

Our response was to launch a \$50 million campaign to pay off our debt, avoid future deficits, and enhance the operations of the orchestra (regular touring and recording, additional musicians, increased compensation, a major festival) consistent with the high level that the orchestra is now playing under Music Director Jaap van Zweden.

Almost half of this amount has been raised thus far. We have paid off our debt and will have a good surplus this year.

To succeed with our sponsors and donors, we first created a strategic plan to show how the money would be used and how we would increase the size of our annual fund and our endowment to eliminate our structural deficit over the next 3-4 years.

We did not change our repertoire. We expect to increase our involvement with new music, but some will be popular music such as our series of original compositions from 5 of the leading film music composers. We listen to our audience, but also expect to play the full range of symphonic music.

We have also added shorter subscription series, as there is a trend to buy smaller amounts (of everything) and single tickets.

With our campaign, resources are increasing. Dallas is growing rapidly as a city (150,000 people per year) and will pass Chicago over the next decade as the third largest metropolitan area in the United States. It is already the leading city for corporate headquarters. We expect the fortunes of the Dallas Symphony to continue rising with the city and region.

However, we need to realize that orchestras are in a dangerous position because of our fundamental business model – we cannot sell our services at a profit and must rely on donations from the state, corporations and individuals. We should build a cushion or rainy day fund to protect against downturns.

We should also eliminate items that threaten our future, such as defined benefit pension plans. I say this from the perspective of being firmly on the side of musicians and wanting to preserve and enhance their future, as they are the heart and soul of the organization.