



**TCG**

THEATRE COMMUNICATIONS GROUP, INC.

# **CENTERPIECE**

## **FOCUS ON:**

# **DEVELOPMENT & MARKETING**

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## **A CONVERSATION WITH MAJOR SUPPORTERS OF THE ARTS**

### **WHAT CAN THEATRES EXPECT IN THE AFTERMATH OF SEPTEMBER 11?**

**BY ROSLYN BLACK**

Following the tragic events of September 11, there has been unprecedented altruism from the American public with over one billion dollars raised in under a month for those families and businesses experiencing inestimable losses. It has been reported that this has been the largest outpouring of charitable giving in the shortest period of time in the history of this country, with 70 percent of Americans having some form of charitable involvement.

While recognizing the enormous need for support to those directly impacted by the terrorist attacks, nonprofits outside the health and social services network are concerned. The Independent Sector, a leading service organization, announced a national survey conducted by Wirthlin Worldwide that measured charitable giving in the wake of the attack. The findings indicated that 73 percent of givers to the September 11 relief efforts will continue to contribute to other charities, but 50 percent of those Americans polled will reduce their giving because of the slowing economy.

At the last TCG teleconference for Development Directors — where colleagues from nonprofit theatres across the country commiserate on the challenges and tribulations of fundraising — the session was devoted to the aftershocks of the tragedy, and its impact on all aspects of our fundraising goals and procedures. Traditionally, the final quarter of the year produces the most contributed revenue, and given the faltering economy and rising needs — projections are spiraling downward.

Development & Marketing *Centerpiece* Curators: Roslyn Black, Director of Development, McCarter Theatre Center; Jim Royce, Director of Marketing & Communications, Mark Taper Forum/Ahmanson Theatre. Copyright © 2001 by Theatre Communications Group, Inc. All articles reproduced by permission of the authors. No portion of this publication may be reproduced in any form, or by any means, including photocopying, without written permission from the publisher or author. Theatre Communications Group, Inc., 355 Lexington Ave., New York, NY 10017, telephone (212) 697-5230, fax (212) 983-4847, website: [www.tcg.org](http://www.tcg.org). Ben Cameron, Executive Director; Joan Channick, Deputy Director; Christopher Shuff, Director of Management Programs; Rachel Ford, Management Programs Associate.

There is a seeming paranoia within the development community as evidenced by questions posed at the teleconference session: Is it insensitive to ask for money for the arts, when other social and medical needs are so pressing? Will the economy and the “competition” from September 11 causes have an impact on our direct mail campaigns (not to mention the anthrax scare)? If we mention our economic plight will we appear opportunistic? Should we scale back our gala benefit out of respect for those who believe this is not the time to celebrate? With ticket sales down and attendance shrinking, will this diminish the support we have been garnering from the community over the years? And finally, what can we expect from those major funding institutions of the theatre and their commitment to the arts? I would like to focus on this last question and to report the responses from some of the most prominent institutional supporters of the theatre.

As an addendum to this *Centerpiece*, you will also find an interesting study conducted by AMS Planning and Research that looks at the initial impact of September 11 across performing arts disciplines.

**RB: It has been reported widely that arts organizations across the country have been experiencing a serious ripple effect from the events of September 11 and the economic downturn that has been exacerbated by the political and social climate following the tragedy. Has your foundation modified its focus, policies, or attitudes to address the needs of disaster relief efforts and victim services? If so, will it affect your funding to the arts? Has your foundation linked its funding of arts organizations to programs addressing the tragedy’s impact on their communities?**

## **THE NATIONAL ENDOWMENT FOR THE ARTS**

❖ **Gigi Bolt, Director, Theater and Musical Theater:** The Arts Endowment has been following closely the serious effects of the September 11 tragedy and its aftermath on arts organizations and artists nationwide. We know that the impact is complex, multifaceted and difficult to fully assess or predict at this time. We are committed to providing all possible assistance and support in both the short and long term. We will be expediting the receipt of funds for those New York and Washington organizations awarded grants this year.

Our staff is currently studying the immediate and ripple effects of this new environment and consulting with arts and service organizations across the country. We are working to identify strategies and initiatives that will allow us to respond effectively to areas of greatest need. Support opportunities available this year under grants to organizations and *Challenge America* will be available again next year. Any new programs that may be created would be offered in addition to current funding categories.

The world and our lives have changed. We know that the work of our artists and theatres will reflect and respond to the forces affecting all of us. Their work will be an invaluable resource as the country begins to heal, affirm its spirit and shape its future. The Endowment is committed to helping the national arts field in every way possible as we move forward.

## **THE DORIS DUKE CHARITABLE FOUNDATION**

❖ **Olga Garay, Program Director for the Arts:** The Doris Duke Charitable Foundation has taken a cautious approach to how we respond to the September 11 tragedy. In the arts program, we are meeting and seeking to join forces with other funders to address needs in the performing arts. We are looking at a proposal that includes emergency/stabilization grants to meet the needs of artists affected by the tragedy. I have been meeting with arts funders to discuss other emerging opportunities. Our overall findings are that it takes time for the recipients of funds to get organized, to identify what will be covered by existing sources of public and/or private funding, and to determine where the remaining, critical needs and gaps exist.

## **THE FORD FOUNDATION**

❖ **Lynn Stern, Program Specialist, Media, Arts, and Culture:** While the economic downturn has prompted staff to scrutinize current programs, the Foundation’s deep commitment to arts and culture remains unchanged. We do not envision any change to our current focus in the arts and our budget for that program is in a steady state.

## **THE PEW CHARITABLE TRUSTS**

❖ **Marian Godfrey, Director, Culture Program:** The Pew Charitable Trusts invests its grant funds based on rigorously designed, results-oriented program strategies, and it will continue to maintain its commitments to those strategies. Therefore, the events of September 11 will not result in changes to our ongoing programs and initiatives in arts and culture. We do anticipate that the significant downturn in the market will result in modest decreases in the Trusts’s overall grants budget during the next several years.

## PHILIP MORRIS COMPANIES, INC.

- ❖ **Marcia Sullivan, Manager of Corporate Contributions:** Philip Morris has committed \$10 million over and above its current charitable giving budget to go specifically toward disaster relief for the September 11 tragedy. We are in the process of making grants to a number of large and small service organizations that have been called upon to support these relief efforts. In addition, part of these funds will be directed to individual organizations, including arts groups that were directly — either physically or financially — impacted. Fortunately, the majority of the \$10 million was funded by the company's corporate advertising budget. As a result, the philanthropic giving budget has not been adversely affected.

Our support of the arts remains steadfast. Our key program themes of innovation, creativity, and diversity continue to be our cornerstone — with a focus on contemporary and multicultural visual arts, dance, and theatre. While we don't know for certain what next year will hold for arts organizations, we do anticipate a greater need for stabilization and general operating support and are prepared to respond to that. In addition to our commitment to contemporary work, Philip Morris has always encouraged arts organizations to work with their communities to build partnerships with social service organizations; and in fact, we have developed a grantmaking initiative called *Community Connections* that supports these kinds of programs. Of course, we are also encouraging arts organizations to get involved with community initiatives, as appropriate to address the impact of September 11, but we aren't necessarily advocating the development of new programs in response. In these difficult economic times, it will be challenging enough for groups to maintain their regular programming that is so vital to the well being of us all.

## THE ROCKEFELLER FOUNDATION

- ❖ **Joan Shigekawa, Associate Director of Creativity and Culture:** The Rockefeller Foundation will continue its support of theatre through the Multi-Arts Production Fund. We will additionally support the arts and cultural community in the downtown New York area through some special funding being provided from the President's budget. This is additional support and will not diminish the grants budget for the arts.

## THE SHUBERT FOUNDATION

- ❖ **Vicki Reiss, Executive Director:** The Shubert Foundation's primary focus is, and always has been, on supporting theatre companies across the country. The

terrible events of September 11 make that commitment more, not less, important than ever. We take great pride in The Shubert Organization's contribution of \$1,150,000 to relief organizations and services, an obligation the organization felt deeply, but that will not prevent the foundation from keeping faith with our grantees. Our board of directors believes that the economic downturn prior to September 11, along with the anticipated economic repercussions of the tragic events of that date, combine to make our funding more critical than ever. For more than fifty years, The foundation has provided a steady stream of general operating support to not-for-profit, professional theatres nationwide. This support will continue.

**RB: Fundraising and marketing professionals in the arts have been reporting significant losses in ticket sales, year-end direct mail campaigns, gala benefits, and institutional support, which reflect the public's shifting priorities and their moods and reactions to this extreme human catastrophe. What is your opinion about the short- and long-term fiscal stability of the arts constituency that you support?**

- ❖ **Gigi Bolt, NEA:** The weeks immediately following the attack appear to have been marked by downturns in both earned and unearned income for most theatres around the country. In addition, an economy in or near recession can be expected to pose challenges to each facet of an institution. That said, my recent conversations with managers and artistic directors indicate that the fiscal impact to date varies considerably by location, size, and type of company.

Clearly New York City theatres, and particularly those companies regularly attracting tourist or suburban audiences, have experienced substantial distress. Tourist destination theatres around the country may be similarly affected and many institutions with active school matinee programs have experienced the cancellation of school bus trips. Fall subscription campaigns are reported to be down though it is certainly possible that numbers will rebound by spring. It is too soon to reliably assess corporate, foundation, government or individual giving though each of these areas is of potential concern. One clear loss relates to time — time taken away from planned work, activities and fundraising — with a likely impact down the road. And it is, once again, the midsized organization with fixed costs but limited flexibility that is most vulnerable.

Arts organizations face a delicate balancing act. On the one hand, they need to manage their resources and commitments responsibly to assure the institution's current and future well being. Responsible oversight may dictate difficult decisions and cutbacks. On the other hand, as

Michael Kaiser, Executive Director of the Kennedy Center, said in a speech to the National Council on the Arts on November 2, reductions in the areas of artistic initiatives and marketing may undermine the very strengths that could propel the company forward. Successful negotiation of this unpredictable time will demand even more of the flexibility, strategic planning and resourcefulness that have always been the hallmark of the field.

- ❖ **Olga Garay, Duke:** We are in the process of contacting the more than 60 organizations that are current grantees of the DDCF (this does not include organizations we support through re-granting programs.) We created a list of questions addressing programmatic, organizational and fundraising issues. In many cases, it was difficult to separate the effects of September 11 from the general economic downturn, but it was clear that the crisis only increased field-wide perceptions of instability and concern. To date, we have heard that ticket sales were significantly off mark during the weeks following the events. This has tapered off since then and grantees are generally getting back to more normal patterns.
- ❖ **Lynn Stern, Ford:** As mentioned above, the foundation does not anticipate any change to the level at which we currently support the arts. As a national and international foundation, we are concerned about the long-term impact of September 11 on arts organizations across the country — particularly mid-size arts organizations — that will feel the effects this catastrophe and the economic downturn most acutely.
- ❖ **Marian Godfrey, Pew:** We anticipate that many arts organizations, in Philadelphia where the Trusts support a broad array of cultural activities as well as throughout the country, will feel the destabilizing effects of revenue losses

and the shifting attention of audiences and donors. The Trusts provide substantial support for management technical assistance and capacity building for Philadelphia organizations, and we hope that this support will help organizations overcome the acute short-term difficulties they may face, and prepare for and manage the longer-term economic impacts of recent events.

- ❖ **Marcia Sullivan, Philip Morris:** I think arts organizations, particularly the small, emerging groups, will be especially challenged in the next 18 months because of the current economic climate and projections for the future. I am hopeful that the arts community can pull together to leverage resources collectively as much as possible, and to evaluate carefully all programs with an eye toward stabilization and sensible thoughtfulness about growth. I do hope, however, that this does not significantly impact the creative process and the ability for artists to pursue new work during this uncertain time. Historically, Philip Morris's giving has not wavered during economic downturns, and we expect to maintain our level of giving next year.
- ❖ **Joan Shigekawa, Rockefeller:** As to the strength of the constituencies, especially the small and mid-size theatres, based on the current information it is too early to tell, especially in a situation that seems to be changing daily.
- ❖ **Vicki Reiss, Shubert:** As we are dealing with rapidly changing circumstances in uncharted territory, I think that any opinion I could render today about tomorrow would be premature. Certainly I hope that the impact on our constituency will be minimal as the American public recognizes — now more than ever — the uplifting and unifying power of live theatre.

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As we all brace for the fundraising challenges ahead, it is reassuring to know that major national funding institutions recognize that the arts community is struggling to maintain their audiences and supporters. We rely on their continued generosity now more than ever. Further, these philanthropic organizations and others believe that the spiritual health and vitality that arts groups provide to their communities have become particularly relevant. Theatre provides us with a place to find comfort, to reflect, to be entertained, and to gather as a community to begin the healing process together. We applaud the insight and generosity of the major arts funding institutions that will set the tone for charitable giving in the turbulent times ahead.