

## Major arts groups upbeat on year ahead

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New York's largest performing arts institutions have come through the biggest financial crisis since the Great Depression relatively unscathed. In fact, they are thriving, they said on Wednesday at a *Crain's New York Business* conference on the performing arts.

The Metropolitan Opera and the New York Philharmonic, boasted of record attendance and beating their budget forecasts.

"We planned a bang up season to say goodbye to (recently departed music director) Lorin Maazel two to three years ago," said Zarin Mehta, president of the Philharmonic. "(After the crisis hit) we wondered if we'd be able to sell tickets, but the people are there if you provide passionate music."

Indeed, the Philharmonic sold 91% of its house last season, its best ever.

The Met sold a record \$2.5 million worth of tickets the first day the box office opened this season, said general manager Peter Gelb. He did not release numbers because they haven't been audited yet, but he expects the opera to end up with more revenue than budgeted for the fiscal year that ended in July.

City Opera, which had many pundits questioning its very survival, raised \$12 million last year, \$1 million more than expected, said general manager George Steel. He added that *Esther*, which some considered a poor choice for a season debut, has become City Opera's number one selling production and he is considering adding performances.

All of the groups speaking at today's conference scrambled to take action when the economy crumbled last fall, immediately shaving millions off their budgets in administrative expenses and finding new ways to market themselves. The Philharmonic cut 5% of its budget by cutting advertising, travel expenses and reducing artist fees. At the same time, the orchestra kept subscription prices constant and began offering flexible pricing online for individual tickets.

In an effort to reach larger audiences, Alvin Ailey dancers appeared on the hit TV show, Dancing With the Stars, last April. During that time, the company's US tour attracted record audiences. The dance organization has also beefed up its offering of dance classes to the public. Started three years ago, Ailey now offers 22 different types of dance classes from hip hop to Samba, which more than 30,000 people have attended.

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

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 LLP 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 November 5 is being sponsored by LVMH.

Though Broadway ticket sales are off by as much as 15% this year, according to Nina Lannan, chairman of the League of Broadway Theaters, she said the industry is faring better than other sectors of the economy.

“Broadway has actually weathered the recession pretty well,” said Ms. Lannan.

Even small Off Broadway theaters are experiencing success despite the downturn.

The Barrow Street Theater’s *Our Town* production, which opened in February, has surpassed all expectations, said its producer, Scott Morfee, who predicts that it will pull in as much as \$3 million in revenues this year.

“We probably had the biggest year of our lives,” said Mr. Morfee at the conference, which took place at Columbia University’s School of the Arts.

The weak economy has shut a number of shows this year, though one production, Avenue Q, has made the risky bet of moving to a smaller, off Broadway theater, the first time that a show has made such a reverse move.

“This could revolutionize the business,” producer, Ken Davenport. “Why can’t a Broadway production downsize and go to a smaller theater?” he asked. Mr. Davenport pointed out that 50 jobs were saved because the production will continue.