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In the slumping economy, the show goes on

The economic downturn is reverberating among local arts groups more like a stage whisper than a Shakespearean bellow. No high drama yet. But many of these nonprofits are bracing for a stormy second act.

Several local arts institutions, including museums, theaters and dance companies, said their financial state has held steady or slightly improved this year - though they're behind in some areas.

The Virginia Arts Festival saw box office revenue rise 15 percent, to \$1.3 million, for the fiscal year that ended June 30. Attendance was down, executive director Rob Cross said, but a larger number of higher-priced events made up the difference.

At 40th Street Stage, a Norfolk theater company, ticket sales for the first half of 2008 increased 38 percent, said the managing director, Frankie Little Hardin. Donations have fallen, though she declined to say how much.

Other groups faced significant losses.

In the spring, the Virginia Stage Company lost hundreds of out-of-town patrons when tour bus operators canceled trips to performances because of spiking gas prices. That caused a \$20,000 loss, and the stage company, based in Norfolk, ended its fiscal year on June 30 with a \$68,000 deficit, said Keith Stava, managing director. Donations from businesses and individuals also

declined in the spring, he said.

The Virginia Symphony Orchestra has suffered a drop in \$1,000-and- less donations and in single-ticket sales, though subscription sales increased last season, said Carla Johnson, its president and executive director. She did not provide specifics.

Last month, the symphony laid off four of its 25 full-time administrative employees, she said. "We've done the stuff we can do without seriously affecting the orchestra."

Even groups that emerged relatively unscathed expect a discordant note in future financial performances.

The Virginia Opera ended its year with a \$211,000 surplus and a 3 percent increase in local attendance, said Gus Stuhlreyer, general director and chief executive officer. "We'd like to stay optimistic, but we're keeping an eagle eye. We generally think this could be a tough year."

At least one item will be missing from some groups' arts budgets this year: "nonstate agency" funding, which is appropriated directly by the General Assembly to a smattering of nonstate museums, charities and arts organizations.

In the previous two-year state budget, a total of \$13 million in such grants went to Hampton Roads

cultural groups. This year, local groups will get zero.

The symphony, which has a \$6.5 million annual operating budget, received \$50,000 to \$100,000 a year from the state, Johnson said.

More worrisome for arts groups is whether they can maintain support from businesses.

"We're going to have an uphill battle due to the economy," said Michael Bollinger, director of the Suffolk Center for Cultural Arts, which will reduce the number of artists it presents from 36 last season to 30. "Some of the corporate sponsors are going to pull back."

The Norfolk Southern Foundation, which offers about \$1 million annually in cultural grants, has no plans to cut funding to its five major local arts recipients - the Chrysler Museum of Art, the arts festival, the opera, the stage company and the symphony.

But discretionary grants to other arts groups will be scaled back significantly in favor of gifts for environmental and social service projects, foundation director Deborah Wyld said.

It's not just the larger donors the arts directors fear losing. The 40th Street Stage's Hardin said: "The businessman who last year bought a \$100 ad from me is going to go, 'Maybe I'll buy a \$50 ad this time.' "

Nonprofit arts groups tend to experience delayed after-effects from economic slowdowns, said Peggy Baggett, executive director of the Virginia Commission for the Arts. Businesses and individuals feel the pinch first and then decide whether to forgo a concert or pare a donation to a museum.

Statewide, "we're starting to hear talk of cash-flow problems," she said. But "I don't think there's anyone who has a good handle on how widespread this is and how many groups are affected."

The economy can't be blamed for all of the shortfalls, arts officials said.

The Contemporary Art Center of Virginia fell \$10,000 below its \$35,000 goal for donations in the fiscal year ended June 30, said its new development director, Amy Walton. That, she said, was due more to the Beach center's recent lack of a development director.

Higher rents at the new Sandler Center for the Performing Arts in Virginia Beach also set some organizations back.

At \$25,000 a show, the fees were more than double what the Virginia Musical Theatre has paid elsewhere in the past. Partly as a result, the company expected to end its fiscal year in July with a loss of at least \$125,000, managing director Mark Hudgins said.

Smaller groups such as his, Hudgins said, are at a disadvantage because they can't afford full-time fundraisers. The theater's executive producing manager and board members do the soliciting.

On the other hand, small companies often charge less for admission, which could be a plus in today's economy.

"People are going to look around and go, 'Maybe I'll spend \$10 and see this show at 40th Street

Stage instead of spending \$40 or \$50 or \$60 to see a Broadway rerun at Chrysler Hall,' " Hardin said.

Her 70-seat theater was filled for several performances of "The Pushers," a comedy show, last month, she said.

Other groups also hope to attract audiences with low ticket prices: The Virginia Stage Company will charge \$10 for its previews, and the Generic Theater is offering four tickets for \$55.

In keeping with the adage "the show must go on," some organizations are forging ahead with ambitious projects, despite the flagging economy.

The Virginia Arts Festival has raised \$7.8 million toward its \$10 million goal for a new building and endowment.

The Chrysler Museum increased its budget from last year's \$6.4 million to \$7.1 million to pay for costly exhibitions such as a Norman Rockwell show set for fall, said its director, Bill Hennessey. Attendance was up slightly in the year ended June 30, and he expects more visitors this year for the high-profile projects.

Ballet Virginia International, formed in the spring, is close to signing a contract for a headquarters and plans a season of performances blending students and guest artists, board President Hope Paryzek said.

"We are finding that there are generous donors out there," she said. "They are listening to our story and wanting to help."

Robert Lynch, president and CEO of Americans for the Arts, a national advocacy group, voiced confidence that patrons won't turn away from culture to save a few dollars. "It's something people want in their lives," he said, "and they're not going to back off of it easily, even in downturned times."

Some people classify cultural events as discretionary spending, said the symphony's Johnson - "unless you're a junkie, like some of us, and you'd rather go hear Mahler than eat dinner."

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