Looking Forward - Acting Now

League of American Orchestras
Conference 2014
Session Agenda

Subscription, ticket buying, and donation trends

Panel Guests:
- Anne DeMesa  Director of Major & Planned Gifts, New Jersey Symphony Orchestra
- Sherri Prentiss  Vice President of Marketing, Cincinnati Symphony and Pops Orchestra
- Delta David Gier  Music Director, South Dakota Symphony Orchestra

Open discussion
Data Source

Patron Growth Initiative

- Database of all classical concert purchases and donations for 10 large orchestras from FY05-FY11 (N = 772,000 HHs)

Current Analysis:

- orchestras offering Fixed and CYO subscriptions in all years from FY06-FY11 (ATL, BSO, CSO, CIN, HOU, NYP, POA, PSO)
- total buyer households (N=625,912 HHs)
- generational analysis from survey data (N=16,000 HHs)

Note: Projected household trend lines in reported in this document are based solely on the average constant rate of change observed between FY06 and FY11 for the above orchestras. These are provided as a very rough estimate of what the distribution of buyer households might look like in 2020. Orchestras are encouraged to develop their own projections based on their data.
### Generational Cohort Aging Trends

<table>
<thead>
<tr>
<th>Age in:</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Silents</td>
<td>75-84</td>
<td>80-89</td>
<td>85-94</td>
<td>90+</td>
</tr>
<tr>
<td>Late Silents</td>
<td>65-74</td>
<td>70-79</td>
<td>75-84</td>
<td>80-89</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>45-64</td>
<td>50-69</td>
<td>55-74</td>
<td>60-79</td>
</tr>
<tr>
<td>Generation X</td>
<td>30-44</td>
<td>35-49</td>
<td>40-54</td>
<td>45-59</td>
</tr>
<tr>
<td>Millennials</td>
<td>15-29</td>
<td>20-34</td>
<td>25-39</td>
<td>30-44</td>
</tr>
</tbody>
</table>
“Sustaining an audience is hard. It demands a consistency of thought, of purpose, and of action over a long period of time.”

Bruce Springsteen
Total Buyer Households

Total audience is growing - buyer households are up 13% since FY06.

Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO)
Total Buyer Households by Buyer Type

Fixed Subs are on rapid decline; CYO and STB HHs are up.

- NYP accounted for 66% of CYOs in FY06; CYO +190% with NYP excluded
- NYP STBs +55%; STBs +22% with NYP excluded

Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO)
Distribution of Total Buyer HHs

Fixed Subs are 26% of all Buyer HHs, down from 38% in just five years.

Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO)
Status Quo Projection of Buyer HHs

At FY06-11 rate of change, Fixed Subs could represent 4% of all buyer households by 2020.
Fixed Subs continue to account for the bulk of ticket revenue, but down 19% by FY11.
# of Concerts Purchased and Average Spent/Yr
Fixed Subscribers

Core Fixed Subs maintaining high concert purchases and spending more for tickets.

Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO)
Average # of concerts and spending much lower for CYOs but ticking up.

**Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average #</th>
<th>Avg. Ticket Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY06</td>
<td>4.6</td>
<td>$420</td>
</tr>
<tr>
<td>FY07</td>
<td>4.7</td>
<td>$433</td>
</tr>
<tr>
<td>FY08</td>
<td>4.8</td>
<td>$440</td>
</tr>
<tr>
<td>FY09</td>
<td>4.8</td>
<td>$455</td>
</tr>
<tr>
<td>FY10</td>
<td>4.7</td>
<td>$439</td>
</tr>
<tr>
<td>FY11</td>
<td>5.1</td>
<td>$498</td>
</tr>
</tbody>
</table>

*Note: Data represents Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO)*
Vast majority of STBs purchase one concert with very low average ticket sales. Flat through FY11.
Fixed Subscriber Migration Pattern
FY06 Fixed Subscribers

Fixed Subs more likely to lapse than purchase CYOs or single tickets. Strong cumulative effect.

N=53,137 HHs

Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO)
Distribution of Total Buyer HHs
Generational Cohorts

Boomers account for greatest share of HHs, Millennials showing growth. Average age declining.

Mean Age: 57.5 55.4 54.0 51.5 54.0 53.4

Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO)

Δ 06-11
+100%
+11%
-4%
-19
-27%
Status Quo Projection of Buyer HHs
Generational Cohorts

By FY2020 Millennials could make up almost one-third of buyer HHs and Early Silents just 2%.

Based on avg. constant rate of change per year
Silents spend at much higher rates than younger generations. Little indication of significant increases as Gen Xers/Millennials age.
Donation Trends
Despite erosion, donation revenue among buyer households comes largely from Fixed Subs.
Donations by Buyer Type
% Donating and Average Donation Amounts

Donation rates and donation amounts are significantly lower among CYOs and STBs.

<table>
<thead>
<tr>
<th></th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed</td>
<td>$442</td>
<td>$484</td>
<td>$499</td>
<td>$487</td>
<td>$513</td>
<td>$535</td>
</tr>
<tr>
<td>CYO</td>
<td>$216</td>
<td>$243</td>
<td>$233</td>
<td>$224</td>
<td>$242</td>
<td>$249</td>
</tr>
<tr>
<td>STB</td>
<td>$179</td>
<td>$227</td>
<td>$226</td>
<td>$204</td>
<td>$223</td>
<td>$241</td>
</tr>
</tbody>
</table>

Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO); Average Donation based on 5% trimmed mean
Fixed Subscriber Migration and Donation Patterns FY10-FY11

Donation rates decline as Fixed Subs migrate from their fixed subscription.

Fixed Subscribers FY10
(N=42,597)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY10 Percentage</th>
<th>FY11 Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Subscribers</td>
<td>81%</td>
<td>50%</td>
</tr>
<tr>
<td>CYO Subscribers</td>
<td>3%</td>
<td>35%</td>
</tr>
<tr>
<td>Single Ticket Buyers</td>
<td>2%</td>
<td>23%</td>
</tr>
<tr>
<td>Lapsed</td>
<td>14%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Fixed and CYO Subscriptions Data (ASO, BSO, CSO, CIN, HSO, NYP, POS, PSO)
Total Donation Revenue
By Generational Cohort

Silents still represent largest share of donation revenue. (fluctuation due to major gifts)

Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO); PGI Survey Data
Donations by Generational Cohort FY06-11
Percent Donating

Donation rates lower with each generation.

- Early Silents
- Late Silents
- Boomers
- Gen X
- Millennials

Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO); PGI Survey Data
Average Donations
By Generational Cohort

Donation amounts lower with each generation.

<table>
<thead>
<tr>
<th>Generational Cohort</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Silents</td>
<td>$364</td>
<td>$371</td>
<td>$422</td>
<td>$426</td>
<td>$392</td>
<td>$369</td>
</tr>
<tr>
<td>Late Silents</td>
<td>$331</td>
<td>$328</td>
<td>$328</td>
<td>$312</td>
<td>$304</td>
<td>$318</td>
</tr>
<tr>
<td>Boomers</td>
<td>$245</td>
<td>$268</td>
<td>$262</td>
<td>$219</td>
<td>$237</td>
<td>$234</td>
</tr>
<tr>
<td>Gen X</td>
<td>$140</td>
<td>$164</td>
<td>$151</td>
<td>$141</td>
<td>$162</td>
<td>$196</td>
</tr>
<tr>
<td>Millennials</td>
<td>$102</td>
<td>$141</td>
<td>$132</td>
<td>$117</td>
<td>$142</td>
<td>$174</td>
</tr>
</tbody>
</table>

Fixed and CYO Subscriptions Data (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO); PGI Survey Data

5% trimmed mean
Younger generations have far less propensity to give. Within each generation competition is significant.
Giving rates of Early Silents starting to plateau.

- Giving rates in 2010 by generational cohort:
  - Millennials: 3%
  - Generation X: 7%
  - Baby Boomers: 11%
  - Late Silent Generation: 15%
  - Early Silent Generation: 2%

- Arts institutions (other than orchestra)
- Educational institutions
- Public radio
- Public TV
- Health/human services
- Orchestra
- Medical research
- Political organizations
- Environmental organizations
- None of these

Fixed and CYO Subscriptions Orchestras (ASO, BSO, CIN, CSO, HS, NYP, POS, PSO); PGI Survey Data
Likelihood of donating strongly correlates with subscriptions across generations.

A young fixed sub is more likely to donate than an older single ticket buyer.
Strong relationships are at the core of commitment

Graph showing the percentage of patrons in different categories:
- One-time Buyers
- Lapsed Subscribers
- One-time Donors
- New Subs/Multi-buyers
- Loyal Donors
- Loyal Subscribers
- Extreme Patrons

Legend:
- Would miss them terribly if went away
- Always recommend them to friends
- Feel strongly connected to
- Think about them often
- Feel like a part of the family

Patron Growth Initiative
People don't buy what you do, they buy why you do it.

Simon Sinek, Ted Talk
Most organizations talk about what they do and how they do it.

- **why**: Why you exist, why should anyone care
- **how**: How you do it
- **what**: What you do
Great organizations and leaders think, act, and communicate in the same way - starting with the why.

- **why**: Why you exist, why should anyone care
- **how**: How you do it
- **what**: What you do
The Golden Circle and Purposeful Brands

If we can internally articulate the real why, what we do and how we do it might change.

If we communicate the why, we’ll give more people reason to believe.

why

Why you exist, why should anyone care

how

How you do it

what

What you do
Looking Ahead, Acting Now

Anne DeVivo DeMesa,
Director of Major and Planned Gifts
Development Plan – Looking Ahead

• Raise more planned gifts now
• Stewardship and cultivation with a very high touch
• Feasibility study indicated our audience is ready
The Centennial Legacy Challenge

• Planned Giving demystified
• Our hybrid approach to major & planned gifts
  • Re-focus on endowment growth
• Customizing each ask to the donor’s situation
  • Integrating the message into all efforts
THE CENTENNIAL LEGACY CHALLENGE
Enriching lives through music for generations to come

When you peek behind the New Jersey Symphony Orchestra’s curtain, you won’t find a wizard. What you will find is a wonderful team of world-class musicians, professional staff and visionary trustees who have made NJSO the home of the best classical music in the state since 1922.

As the NJSO makes plans to celebrate its 100th anniversary in 2022–23, its challenge is to continue to bring the live musical experience and the sense of community it fosters to the entire state. As you think about your own financial and philanthropic goals, please consider how you can embrace the NJSO’s mission to enrich lives through music as part of your own personal legacy.

Created in March 2013, in honor of the NJSO’s upcoming 100th anniversary, the Centennial Legacy Challenge fortifies the Orchestra’s future by building its endowment through planned gifts, while simultaneously securing cash gifts to the annual fund from Challenge donors.

We have witnessed firsthand how the brains, courage and heart of the NJSO’s growing family of Centennial Legacy Challenge donors will propel the NJSO into its next century of music making through their extraordinary generosity.

Join us. We welcome deferred or cash gifts of any size, suited to complement your personal financial and philanthropic goals.

For more information, please visit www.njsymphony.org/plannedgiving or contact Anne DeVivo DrMena, Director of Major & Planned Gifts, at adervivodrmena@njsymphony.org or 973.735.1724.

All information is strictly confidential and implies no obligation.
Cash Challenger

Legacy Donor Planned Gift

10% match

Annual Fund $10,000

Endowment $100,000
The Weston Challenge
Results to Date/Conclusion

$8 million* documented planned gifts for the endowment
$680,000* annual fund gifts from the match
*final number for FY 14 t.b.d.
Senior Residences/Bus Project

- Anonymous donor has generously funded a bus program to bring people from senior residences all over the state to our matinees
- Stewardship has grown with this group- expanding our outreach through existing contacts
Marketing/External Communications

- Framing events around concerts
- Giving single ticket buyers a reason to get more engaged and to return (#OrchestraYou, Heroes Night, From Sochi to Strauss, Beatles sing along, pre-concert dancing, ask a musician)
- Key to future audience development
Thank you!
Deepening Engagement
Sherri Prentiss, VP of Marketing
So marketing and development got together…

- **More focus on intermittent rewards**
  - Surprise & delight: involves entire organization, including musicians
  - Subscriber thank you cards on seats from musicians
  - Musicians call donors to thank them

- **Benefits Task Force**
  - Integrated benefit structure across the spectrum of engagement
  - Joint events: Expose subscribers to donor benefits
So marketing and development got together...

- Joint planning on migration strategies
- Identified sub-segment ripe for cultivation

<table>
<thead>
<tr>
<th>CSO/POPS RETENTION PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUBSCRIBER RETENTION PLAN</strong></td>
</tr>
<tr>
<td><strong>TIMING</strong></td>
</tr>
<tr>
<td>Date/Frequency</td>
</tr>
<tr>
<td>Every CSO &amp; Pops concert</td>
</tr>
<tr>
<td>1x/year</td>
</tr>
<tr>
<td>1x/AnnCSO concerts; every Pops</td>
</tr>
<tr>
<td>Monthly</td>
</tr>
<tr>
<td>Every 2 weeks</td>
</tr>
<tr>
<td>2x/year</td>
</tr>
<tr>
<td>1x/year</td>
</tr>
<tr>
<td>Sept-Nov</td>
</tr>
<tr>
<td>All concerts</td>
</tr>
</tbody>
</table>
How is it working? In last 5 seasons…

- CSO average attendance up 27%
- Pops average attendance up 21%
- CSO subscription households up 8%
- Pops subscription households up 9%
- Donor households increased by 1,742 (80%)
- Subscriber-donor households increased 10%
And yet...

Some of our biggest successes have little to do with with subscriber-donor relations
One City, One Symphony involves over 40 community partners

- Born out of cross-departmental Patron Experience Committee
- Modeled after “One Book” programs in many cities
- Community-wide initiative to convene conversations and engage people in music
- 2013 focused on theme of fate and redemption
Listening parties

19 free listening parties in coffee shops, community centers and gathering places across Greater Cincinnati

- 830 total attendees (nearly double from prior year)

Hosted by musicians, guest conductors and staff; some parties featured live music by CSO musicians

Parties explored themes of fate and redemption

CSO violinist Sylvia Samis at Hebrew Union College

CSO violist Joanne Wotjowicz and bassist Boris Astafiev at the Carnegie Performing Arts Center in Covington

CSO Principal Timpanist Pat Schleker at Miami University
Post-it note project

One Day, One Symphony
Do you believe in fate? Why or why not?
One City, One Symphony impact

Over 1.3 million reached through concerts, listening parties, broadcasts, live web streams, video and social media
22% of new-to-system buyers returned to something else
64% felt connected to others in the audience
81% agreed that they would be “talking about this experience for some time to come”
Classical Roots also developing new audiences

- Program celebrates African-American composers and music
- 150 choir members representing over 50 churches
- New-to-system:
  - 1st year: 58%; 4th year: 33%
- 26% of new-to-system returned for something else
Harnessing the power of art to inspire and transform communities
1 CITY
1 HISTORIC BUILDING
1 RENOWNED MAESTRO
1 WORLD-CLASS SYMPHONY
37,000 PEOPLE
400,000 LUMENS
<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Felt pride in the city</td>
<td>98%</td>
</tr>
<tr>
<td>Felt pride in Orchestra</td>
<td>98%</td>
</tr>
<tr>
<td>Want to return to OTR</td>
<td>98%</td>
</tr>
<tr>
<td>Will be talking about LUMENOCITY</td>
<td>97%</td>
</tr>
<tr>
<td>Felt safe walking around</td>
<td>95%</td>
</tr>
<tr>
<td>Gave reason to come downtown</td>
<td>93%</td>
</tr>
<tr>
<td>Appreciation for the arts increased</td>
<td>89%</td>
</tr>
<tr>
<td>Felt connected to others in audience</td>
<td>85%</td>
</tr>
</tbody>
</table>
"IT WAS A TOUR DE FORCE OF CINCINNATI’S CREATIVE COMMUNITY AND A WAY TO BRING THOUSANDS INTO THE INNER CITY NOW UNDERGOING A REVITALIZATION. IT FELT LIKE A TIPPING POINT."

JOHN FAHERTY, CINCINNATI.COM
Old mission statement

Present the highest quality performance of great music, bringing national and international distinction to the orchestra and the community;

Delight and educate diverse audiences of all ages, and enhance the cultural vitality and quality of life in the region;

Operate in a financially sound manner
New mission statement

To seek and share inspiration
Old vision (2009)

Five key themes

- Unparalleled concert experiences
- Deep community engagement
- Ambassador to the world
- Artistic excellence
- Organizational strength

Aspiration

- CSO builds a passion and commitment among its patrons that sets the standard among orchestras
- CSO creates powerful and deeply engaging relationships with the broader community
- CSO drives the reputation of the Cincinnati region as one of the world's leading cultural centers
- CSO ranks as one of world's elite orchestral institutions with a clear artistic identity
- CSO develops the new organizational model for healthy, sustainable orchestras

Key elements of the vision

Prerequisites for success
New vision

We will engage audiences and community better than any other orchestra in the world
Our theory of change is evolving

- We believe our new vision will...
  - Increase relevancy to more people
  - Deliver more impact to our community
  - Increase base of audiences and supporters
  - Inspire philanthropy

- Determine metrics to deliver on vision
  - How can the orchestra have an impact on broader community goals?
  - Potential to identify bold sector goal