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Arts groups in distress call on a former Kennedy Center president for help

The Nashville Ballet performs “Swan Lake.” (Karyn Photography/Nashville Ballet)

By **Peter Marks**
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It was another of the hundreds of emergency telephone therapy sessions that Michael M. Kaiser and his team of arts survival experts have been conducting. On the line were leaders of the 34-year-old Nashville Ballet, Tennessee’s premier professional ballet company. The modulated tones of the conversation belied the rampant anxiety across the arts in America over a pandemic that continues to threaten their existence.

“You are in the exact same position as every cultural institution in this country and, in fact, the world,” Kaiser advised during the hour-long consultation, which covered issues such as messaging and fundraising. “It is time to go for larger programming gifts, and just be very honest: ‘We don’t know when we’re coming back, but this is what we have planned — and it’s going to be amazing!’
The ballet’s leadership sought the guidance of Kaiser, former president of the Kennedy Center and now chairman of the DeVos Institute of Arts Management at the University of Maryland, for a way forward. In March, the institute sent an invitation to arts groups for pro bono assessments. More than 400 organizations signed up.

“They’re all doing the best they can,” Kaiser said after the call, adding that there has been no spate of nonprofit groups closing their doors for good. (The next six months, he says, may be more volatile.) In large measure, though, arts groups have no substantial public support mechanism, financial or otherwise. “The pandemic is a global problem; the difference is, in other countries the government plays an avuncular role,” he added.

“Our government has never played that role. There is no sense that the [National Endowment for the Arts] feels responsible. I’m trying to jump into the breach.”
While attention is often focused nationally on behemoth enterprises such as Broadway, whose 600- to 2,000-seat theaters are likely to remain shuttered for months, it is the vast national constellation of small, medium and large nonprofits that Kaiser is keying on. The NEA has access to a relatively modest $75 million fund under the Cares Act for emergency grants to nonprofits. But if museums, theaters and symphonies end up in free fall, it is basically up to them to cushion the impact.

The economic losses will continue to mount, according to a paper published this month by SMU DataArts — an arts research group at Southern Methodist University — and Jill Robinson, chief executive of TRG Arts, an arts consultancy. They estimate that for 35,000 nonprofit U.S. arts groups with annual budgets over $50,000, the total revenue loss will be $12.4 billion for March 2020 to February 2021. Almost half of those losses will be in ticket sales and other earned income; the rest represents declines in donations and investment income.

Michael M. Kaiser previously ran the Kennedy Center from 2001 to 2014. (Ilan Mizrahi/DeVos Institute of Arts Management)

They project the losses will be partly offset by reductions in staff and other expenses, for a bottom-line deficit of $6.8 billion for the year.

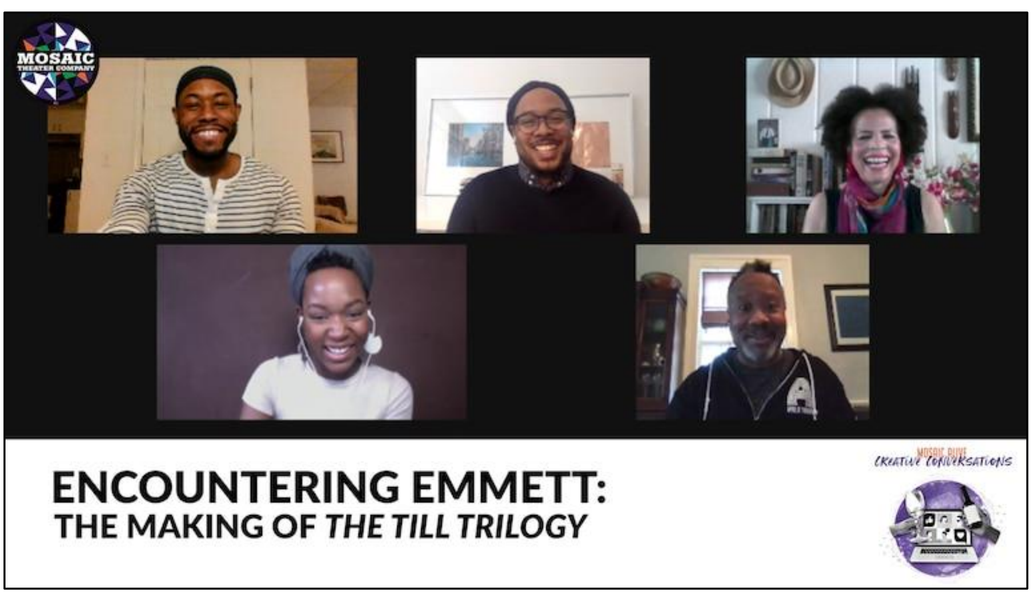
“Not all of our beloved organizations will survive this crisis, irrespective of their size,” predict the authors of the paper, “In It for the Long Haul.” They offer some prescriptions for survival, and some hope: “Those that headed into the crisis with relatively lower fixed costs, adaptive capabilities, cash reserves, strong community ties and a solid store of . . . repeat customers and funders have far greater odds of not only surviving, but reviving,” they write.

Since the average performing arts company entered the crisis with less than two months of cash reserves — the average orchestra had less than 15 days — the sector has been bolstered by private donations and other short-term rescue measures. Many patrons, for instance, have not asked for ticket refunds for canceled performances. And many arts groups have forestalled more severe damage through the federal Paycheck Protection Program, which offers eight-week payroll loans, much of the amount forgivable. For example, Adam Immerwahr, artistic director of the District’s Theater J, tweeted recently that of 202 theater leaders who were queried by the Theater Communications Group, “173 of them indicated they had received PPP loans.”

Kaiser — who ran the Kennedy Center from 2001 to 2014, and earned a reputation as a skilled architect for turnarounds at troubled arts institutions — says it is the next stage that worries him. Some private donors, he says, may soon feel tapped out, and foundations will have exhausted their ability to grant emergency aid.

“A lot of organizations are jumping in, doing online content, getting PPP loans, getting extra gifts,” he says. “There’s a sense of energy and commitment, which is great. But I think the real challenge is yet to come: the next phase, when we’re allowed back into our offices and not allowed to produce. Now you’re in this long slog, without ticket sales. That is going to be the really hard time. And it’s one of the reasons I caution against spending too much money on the online stuff right now.”

In phone calls with groups as varied as Mosaic Theater Company in the District and the Women’s Museum of California in San Diego, Kaiser tosses out suggestions as each outlet lays out its predicament.



Members of The Till Trilogy creative team. (Chris Wren/Mosaic Theater Company of DC)

“We’re incurring a lot of debt with little opportunity to bring in additional revenue,” one of the Women’s Museum leaders told Kaiser, adding they were even compelled to do some financing on an American Express card.

“I had an idea — you might think it’s crazy,” Kaiser said at one point. “There’s so much that is being put online right now; you’re working in a field that is amazing and in fact when you think about California, there are so many important women in California that I was wondering if it was possible to put together an interview series with three or four important California women? Something that you might show to prospective donors?”
“Sounds like a great idea!” said one of the museum officials on the other end. “And we certainly have a plethora of important women in California.”

Some of Kaiser’s anecdotal reporting sounds counterintuitive: Despite the SMU DataArts figures, about half the organizations he’s spoken to are in sound shape for fiscal 2021, he says. For instance, groups may have raised money for a benefit gala they ended up not having to present, and donors let them keep the proceeds.
But the picture quickly changes as his timeline expands. With reopening dates and production schedules being revamped and with social distancing requirements having to be factored in, he advises that the arts sector has to be looking at conditions 18 months ahead. And that means, among other things, finding creative ways to stay in touch with people who love what they do.

“What we realized is the organizations that build the best families are the ones who are in the best shape,” he said. “Even in this moment, you’ve got to keep building your family. An email blast isn’t enough. I’m recommending people do Zoom calls with their donors. This is a way of bringing your family close to you.”

Family ties are often what keep us strong for the long haul. As Kaiser points out, arts groups have to count on a marathon struggle. “This,” he says, “is only the first lap of the race.”

Peter Marks
Peter Marks joined The Washington Post as its chief theater critic in 2002. Previously, he worked for nine years at the New York Times, on the culture, metropolitan and national desks, and spent about four years as its off-Broadway drama critic