

# CITY FUNDING AND THE ARTS: Is New York City Giving Enough to the Arts?

Moderator:

Samuel G. Freedman, author, journalist and professor, Columbia University School of Journalism

Panelists:

Patricia Cruz, executive director, Aaron Davis Hall  
Kenneth T. Jackson, president, New-York

Historical Society

Catherine Lanier, director of research, Alliance  
for the Arts

Ginny Louloudes, executive director, Alliance of  
Resident Theatres/New York

Freedman: I'd like to frame the panel by means of a little parable. Two Augusts ago, I spent the better part of an afternoon going through archival material from the New York City Housing Authority, and I found some very spirited correspondence from the late 1930s—between the city's chief architects and the leaders of an arts organization in New York—over the early drafts of several murals that were going to be painted in the Williamsburg houses, which were some of the first public housing developments built in New York City. Were these too purely political? Were they too abstract? Was it good art?

And I thought that here, I'd found some of the essence of New York City in its relations to the arts. In a city where this much emotional and intellectual energy would be spent on putting a piece of art into housing for the poor, this tells you something about the almost-Western European traditions that were carried over—in many cases literally by immigrants from Weimar Germany and Vienna (from its so-called "Red Vienna" period)—to New York City. It says something about their commitment to public funding for the arts.

It does continue, up to the present day. A few days after being in the archive, I was watching a performance by the New York City

Housing Authority's gospel choir, a gospel choir that performs around the country, and that's budgeted as a line item in the City Housing Authority's budget. Nonetheless, we come to this panel today, with that tradition having run headlong into several foreseeable and unforeseeable trends and calamities. First, the rise of privatization, as a gospel of government. Second, the recession that had begun well prior to Sept. 11, and was beginning to drive up the unemployment rate and drive down the portfolio value of philanthropic investments. And thirdly, of course, the terrorist attack of Sept. 11 itself, which has had two immediate effects: first, the effect of deepening the recession, and further degrading the value of those resources that arts groups depend upon; and secondly, the effect of creating a tremendous need for relief and for rebuilding downtown Manhattan, and [for compensating] those who lost their family members, which, in the real world, become the competitors for the same dollars that arts groups often are seeking.

So I'd like, with that preamble, to turn it over to each of our panelists for some initial comments. Then I'd like to do a second round with some questions from me before we open it to the audience.

Cruz: I want to say a couple of things. I think it's interesting that you would start with an example of the Public Housing Authority. You have talked about it in relation to the 1930s in America, and certainly coming out of a Western European tradition. And I think that if you look at traditional societies, you'll see a very large investment in resources—whatever those resources are—toward the arts, because of the role that arts have played. And I think that's going to be a very important part of the arguments that we make in terms of advocacy for increased support.

And the question that's been proposed to this panel is: Should New York City be doing more? The answer is yes. That won't take five minutes, certainly. I think that there are two really compelling things that can lead us to that answer.

One: Do we want Pittsburgh to beat us out, in terms of per-capita income that's given to the arts? I think the answer is no.

The second thing is: Is 0.3 percent of the total budget of the City of New York an acceptable percentage to be given to the arts and culture, in a city which has based its identity and proclaimed and promoted that as an essential part of New York's identity? And again, I think the answer is no, that is not enough.

In many ways, the arguments that have been made for increasing support in the arts over the last 10 years have been economic ones. I was one of the people who was concerned about that approach. I understand all the issues that the arts plays to, in terms of economic development, in terms of tourism, in terms of community redevelopment: all those things have been critical to us. But if we cannot also, on a parallel level, talk about the significance of the humanizing affect of the arts in an increasingly dehumanized period, I think we will be in trouble. So we need to keep that going. It becomes a part of our advocacy, it becomes a part of our language, and it becomes a part of our rationale.

So with that, I want to look at some other issues. I think that one of the things that we know is that in that humanizing activity, the arts are the place—almost the singular place—in which we rest our aspirational values as society, where we recognize our frailty, our differences, our commonalities, where we can connect with the intellectual, the spiritual, and with one another. And I say that because connecting with one another has become increasingly difficult. We live in a major urban city in this century, and we are more isolated from one another, I think, than we've almost ever been. That is a real tragedy. If we cannot address that, I don't even know why we're here, or doing what we're doing.

I want to be able to address not only the kind of aspirational values and how we position ourselves, but also *how* we do so. I was very fortunate to be able to be a part of the large group that participated in the development of the *Culture Counts* study [Cultural Blueprint for New York City]. I want to credit Kinshasha Holman Conwill, Ted Berger and the New York Foundation for the Arts for the work that went

into that project. I think that it does present a blueprint, a guideline, some directions, some recommendations for how we can address some of the issues.

I was so pleased to see our new commissioner, Kate Levin, talk about issues of equity, of transparency, and about making a clear and rational policy. It is something that we have not had. And I think that if we can work in partnership with her and with our elected officials to achieve that, we can make a difference in the situation that we are now in. Because one of the things that the statistics unfortunately revealed is something of a cliché: the rich get richer and the poor get poorer. And many of the poor are dropping out of both the society generally, and out of the arts community. That's a very important thing that we have to address.

We have to look at how we can take this moment of crisis, this economic downturn, and see how we can fashion a more responsive city allocation to funding for the arts. And one of the things that has to happen is—and I think this was revealed in *Culture Counts*—is we have to strengthen DCA's infrastructure and its organizational capacity so that it can better serve the arts community.

I think a central role in that is going to be the advocacy activity, and the DCA has got to have the muscle among the commissioners, and within the city government, to serve as a real convening and coordinating body among other city agencies. Whether we're going back to housing, whether we're looking at education, whether we're looking at transportation: all of those are entities that we should be engaged in, and they should be engaged in, and they should be interested in us. And I think together, we can take those limited resources and multiply them drastically. How we can alleviate the incredible space shortage that kills the creation of art, that stymies it? Also, issues of insurance for artists and arts organizations are critical. How can this agency and this city find ways to provide group insurance that would lessen the cost for all of them and for all of us? Zoning is another issue. [Bringing up] all of these issues, if coordinated, be very helpful to our processes, and to our objectives.

Lastly, we have to participate, both as artists and as arts organizations, in this process. I think we cannot just rely upon our elected officials to do the job for us. Part of that is [related to] this issue of not giving in to the idea that only the commercial works. I was so glad to hear

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Robert Marx speak to the fact that we have to maintain our nonprofit integrity. And even as we have made these incredible achievements, and can look at our 50 percent of earned income, representing the income base for some of our arts organizations—we know that that’s not true across the board. What we have to do is look at how we can move away from commodified production and see how we can make art, and contribute to the development of art, that is spiritually and intellectually enriching: art that may be difficult, that may be different, that may be dangerous and challenging, but that nevertheless are the things that we live for and that inspire us. I think we have to look for our journalists and our audiences to be able to respond to and be engaged by those same things.

Louloudes: Jonathan Katz said that the success of an arts agency, or arts advocacy, is in linking yourself to the agenda items of the administration that you are advocating for. And I would say that the big agenda items for the city—and I say this as a citizen and not just as an observer—would be rebuilding, renewing and economic development. There’s going to be a lot of money spent on rebuilding lower Manhattan. It has already become a huge political mess.

I have the pleasure of sitting on a subcommittee of the rebuilding committees for Arts, Culture and Tourism, and for Education. And everyone is bringing an agenda item to the table for this very small piece of property. And I do believe that in any rebuilding we do—and I don’t see rebuilding as being just “anything below Canal,” or “below Houston”—we need to be smart about partnerships and leveraging. By that I mean, wouldn’t it be great if in every new building that came up, three or four floors had a studio, affordable artist housing, or—and of course, this is my bias—a 99- or 199-seat theater? Wouldn’t that be great? I mean, you’re already going to put the beams up. Just put the theater in the basement. We have enough Starbucks. So that would be my rebuilding. And I would put that agenda out there, because they’re already going to be doing construction, so it’s a way to build your agenda into their agenda.

I applaud and totally say “ditto, ditto, hear, hear,” to everything Pat Cruz has said. I believe that in terms of spiritual renewal, which all of us need, the arts are way up there. A very dear colleague, who was in the World Trade Center on Sept. 11, told me that the first time she cried was at the Flea Theater’s performance of “The

Guys.” This is a beautiful piece of theater, written by a journalist [Anne Nelson] whom Jim Simpson and Sigourney Weaver met at dinner party shortly after Sept. 11, and it was very smart of Jim to ask a journalist, as opposed to a playwright, to write the play, because journalists have to respond quickly. Playwrights are more contemplative. We didn’t really see plays about AIDS until five to ten years after the AIDS crisis. We didn’t see plays about the Holocaust until many years after the Vietnam War. This woman wrote a beautiful piece, in one week, between the hours of midnight and 9 a.m., with two characters, a writer and a fire captain—the writer does not know him, and she’s going to help him write eight eulogies for the men he’s lost.

I happened to see it with a woman who comes in every month from Ohio to give massages to the rescue workers, and she started crying at the third sentence. My colleague told me it was the first time she cried when she saw this piece. It is entertaining, it is spiritually renewing, it asks questions, and... I don’t know firemen, but it made me feel that I knew firemen. It was just a beautiful experience. I had a similar wonderful experience at “Homebody/Kabul.” I learned more about Afghanistan than I could ever hope to learn from a history book, I’ve learned about renewal from “Metamorphosis.”

As for economic development: Never did I think that I would thank God that I don’t work in the corporate sector, because my job is probably more secure. Imagine, if you will, that 10 years ago, someone’s mom was very proud that her son worked at Enron. Not now. We are very lucky. We may not make as much as other people make, but during recessions, we hold on to our jobs. We may not get raises, we may not take furloughs, but we hold onto our jobs. We are building. We continue to build. Many of us are in the midst of capital projects: we will be employing people. I had architects dying to work on a project. The one who was selected volunteers his time—not his staff, but his time, because he wanted to work on this project. The landlord is donating money because he wants us to continue to work on this project despite our capital cut that we just learned about yesterday.

Why would a landlord want an arts group as a tenant? Because we’re good tenants, because we’re honest people, because he believes in the work that we do. Because if we can’t pay our bills, we tell them why. We don’t leave in the middle of the night. These are the

kinds of things that I think we have to talk about as making the case for why the arts are important to New York City. And our predecessors that came over on the boats from wherever knew this already.

Let's face it—people come to New York City for a variety of reasons. And one of them is the types of work that all of you do. I will end on one of my favorite memories in this post-Sept. 11 era: the town meeting we had for one of our member companies. When Soho Rep stood up and said they weren't sure if they could have their next show because their theater was forced to close, three people offered them their space.

And there may be competition. I mean, all of us are competitive, all of us are seeking a part of a market that is continuing to shrink, because there are so many of us. But at the end of the day, the arts groups did come together in September, and we are still together in February. The song Stephen Sondheim wrote, "I'm Still Here," really speaks to them and to all of you. And I think it's amazing that all of you are here. I don't know if you have your resumé's out to the corporate sector, but I wouldn't. And I also think that business can learn a lot from us. I think if Enron were run like a theater, they would *never* had had that accounting problem, would *never* have let the top guys get away with it, and would never have let their staffs go. It's just a value system that all of us in the arts have.

And I'm going to quote the new Brooklyn borough president Marty Markowitz, who, at an event we had, seeing that there was a representative from Governor Pataki's office, said, "I'm gonna thank you for your money—but it's not enough." And I thought he did it very nicely. He said thank you, but he said it's not enough. I think that should be our mantra: It's not enough. Thank you.

Lanier: I'm going to go back to the economics of the arts, and talk about why it's not enough.

Starting from a lot of the great points that were raised in the state- and federal-funding panel earlier—the economic impact of the nonprofit arts, which really sit at the center of a large sector of the economy including the commercial sector; the role it plays as a community anchor; the educational benefits; the leverage that the nonprofit arts get from private dollars that it has—what other thing that government supports gets most of its funding or income from other sources of support?

This strategic strength that the arts repre-

sent for New York City has been mentioned. We're competing, if you will, on a global stage with Paris and London. It's one of our best and most revered strengths, but we don't treat it like that, in terms of funding.

The report that I went through earlier today revealed the stress in this sector, particularly among the small groups. That stress has been drastically increased in the six months since we stopped working on the report. The trends that we described—earned income growing and contributed income growing—have changed completely. Earned income has taken a huge hit as tourism disappeared, at least initially, and has yet to resume in a robust fashion. The recession has completed the picture, in terms of admissions income. School-program cancellations, in the first months, particularly for the smaller organizations, have been devastating. The contributed income, initially, was completely diverted to the disaster relief, understandably. Certainly, there have been outstanding instances that we all know about, about foundations giving to the arts. But a) It doesn't replace what was lost, and b) What was lost is lost. If it resumes, it doesn't erase that effect that happened in the fall. And as we know, the city is strapped. As Mayor Bloomberg said, there are no sacred cows, and that includes us. So short-term, we are definitely in a crisis. And I think understanding that and understanding where the vulnerabilities are is crucial to the minimizing of it.

Jackson: What I thought I would do, since I don't know as much about the immediate situation as others, is to put this discussion in a slightly larger context before I come down to earth.

It was alluded to earlier by Sam that, compared to Western European countries especially, we do not support the arts via the national government to a very large extent in the United States: certainly nothing like in Germany or France or places like that. And sometimes you can make an argument that "why should a hard-working carpenter in Great Kills in Staten Island use his tax dollars to support one of the institutions that you or I are interested in?" And philosophically, that's a pretty powerful argument.

The problem is, from a larger perspective that would be fine, if we had a larger playing field in the United States. But we wouldn't know a level playing field if we saw one in the United States. And let me just run through a few things that we support big-time in the

United States. Obviously, defense: we spend roughly the same amount as the rest of the world put together. We have more aircraft carriers, by far, than the rest of the world. There has probably never been such a time in the history of the world—maybe since Alexander the Great—when one nation stood astride the Earth like a colossus with no other nation possibly able to challenge it in any kind of serious way. But we support a lot of other things.

We support travel in the United States. And we have since the early part of the 19th century. Americans move from one place to another. You can tell from my accent that I'm from Memphis, but there's nothing particularly unusual in the United States about living 1,000 miles from where you were born. But a German or a Japanese or even an Australian would never do that. If you're from Melbourne, then that's where you stay. You don't think about going to college in Perth if you're from Brisbane. Columbia, on the other hand, intentionally tries to recruit a national student body, as does almost every other prestigious university. So we support cars. People think they pay gasoline taxes—this is not the time for a lecture on that—but your gasoline taxes don't pay for squat. They are hardly anything. They certainly don't pay for the road outside your house, they don't pay for the snowplow, they don't pay for the cop, they don't pay for the person directing traffic at a football game.

We support air travel, big-time. We support home building in a way that no other country in the world does. We're about to do our income taxes, and you can write off your mortgage interest payment and you can write off your property taxes, which is an inducement to buy a house. So the government is saying if you like to ski, it's a free country, go ahead and ski. But we say, if you buy a house, now we're going to get in bed with you, and we're going to help you out. That's a public policy decision we have made. We support big business in all sorts of ways. It wasn't just Enron that wasn't paying its taxes. So many of the big corporations figure out all sorts of fancy ways to avoid taxes. And I'm a big supporter of *The New York Times* and I'm glad that I live in the city where it's at, but *The New York Times* just got \$18 million as a tax write-off to build a new building a block away. What were they going to do, move to Idaho? I mean, we give subsidies to companies that have "New York" in their very name. They're not going to go anywhere.

We support sports teams with tax dollars. My hometown of Memphis, which is the second poorest metropolitan region in the United States—after New Orleans, which is a different story—is spending \$200 million to build a new downtown basketball arena. And they've already got a 20,000-seat basketball arena a mile away. But they want a new one with more luxury boxes. And that's OK, it's a free country. But they've got the taxpayer to pick up on this sort of thing, and it's happened in Nashville too. And we even want to give George Steinbrenner \$400 million worth of assistance, even though he has what is indisputably the most valuable franchise in sports. He put up less than a million dollars of his own money; it's worth about \$800 million now, but we want to subsidize it.

New York City, in American terms, does well by the arts, in the sense that it's a third of 1 percent. Most of America doesn't do anything. But I would argue that, at least in a larger context, we should recognize something: that this is the cultural capital of the world. You can talk about London and Paris all you want to, but they're just not. London in theater, sure. Milan in opera, Berlin in Philharmonic, a couple places in ballet, Los Angeles in film, Las Vegas, maybe, in popular culture. New York is always first or second but, more importantly, every organization that has serious aspirations to be world-class has to come to New York City to discover whether it's "world-class."

I always tell the story of the singer whom I like, because I'm not sophisticated: Andrea Bocelli. I play him while I'm working. You know he was blind, and he was throwing pizzas, and he got married to somebody young, and had a 2-year-old daughter, and his wife died, and it's the most tragic story there ever was. And the guy can sing, and he came to New York. And they said, you know, he's not *bad*, but he can't really sing.

New York is the arts capital for some reasons that, I think, are relevant to this discussion. It has extremely high population density. It has population heterogeneity, the likes of which the world has never seen before and does not see anywhere else. And sure, there are a lot of people in Vancouver and Toronto and L.A., but it's not like New York. There *is* no such thing as an ethnic group that is not in New York City.

And it represents an incredible concentration of wealth. You know, we know New York has more than its share of poverty, we know we have some of the most famous and richest suburbs around the United States. But what makes New

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York City *different* than every other American city is that the richest people live in the middle. The richest county in the nation, per capita, is New York County. That's the island of Manhattan. More than \$70,000 per person. And that's a legal number. It includes the Dominicans on the upper-upper-Upper West Side, it includes Harlem, it includes Chinatown, it includes all the unemployed and underemployed artists. It doesn't include all the rich people who are officially not here, because they document the fact that they are somewhere else 183 days a year, even though they have an apartment. And *still*, you mix it up and it's the richest place.

And so, it has created a kind of world in which we can have thousands of nonprofit organizations. Before we get too sad, I think we should recognize what we are. I would say that I've taken over a little organization. It's not little; it's the New York Historical Society. It's, by Catherine's estimates, a *large* organization. The budget's a little less than \$10 million a year. It's about to be 200 years old, and we say we're the oldest cultural institution in the state of New York, with a wonderful library and a little gem of an auditorium and a landmark building.

But we're not a CIG. We're not a member of that Cultural Institutions Group, so we're not one of the 35 lucky ones. So we have to raise that money pretty much on our own. We get a lot less than 10 percent of our income from government sources. I tell people that if you divide the annual number of people who come through the doors by the amount we collect at the door, we spend \$80 on everyone who walks through, and we get about \$3 or \$4 back. So this isn't about making money. If we were in a private business, we would have been out of business a long time ago.

But fortunately Paul Gunther, who's my director of institutional advancement, is here, and he performs miracles. And every year we make up a budget of mostly wishes and hopes and dreams, and Paul makes a lot of it happen through trustees and corporations and foundations and earned income and whatever. So I'm sympathetic to you, and the good work you've been doing.

I think that, of course, we should be doing a little more for the arts here, and I'm very concerned with what happens in lower Manhattan with the rebuilding. And I will say that I do think that some economic generator should be in that space. This is not a city like Oklahoma City that's about open space, and I don't want it to be seen just as a memorial, or just as a cultur-

al center. I think if the City Opera can't draw at Lincoln Center, I'm not sure it'll be able to draw down at Ground Zero. Of course, we need to renew. Economic growth is a concern. My argument would be: I'm a Yankee fan, but the Yankees don't tend to bring to the rest of the city the tourists that tend to be drawn by New York's cultural cornucopia. They know that if they come to New York, they're going to find something here—whether it's the theater or a museum or the ballet—that they can't get in Kansas City. They can watch Barry Bonds play in other cities, but they can't do the same things as in New York.

I would say, though, that we never really want to be totally dependent on government, or even more than halfway. I think that has its own kind of problems. I want to mention one thing: religion in the United States and Europe. Religion is usually supported in Europe. And you know what? Nobody goes to church. It is as irrelevant as it gets in Europe. Take England, where the Anglican church is official, and the Catholic church in France: they're just not visited by anybody.

In the United States, of course, religion is supported here through tax incentives, but not by government. The thing that distinguishes the United States from all other advanced countries is the extraordinary religious orientation of its population, where the president and the vice president are walking around carrying Bibles all the time. But if you're a church in the United States, you have to be good. You don't have to be good if you're in some of these other places. I think that even though, of course, we want more money, we need to remember that none of us has a God-given right to survive, not even the New York Historical Society, the oldest institution in New York.

At the end of the day, I think what we all need to celebrate is the city itself. What makes us strong, and what's going to make us strong in the future, is the fact that we're in the midst of a huge and vibrant metropolis where people are looking for something cultural to do. I was thinking about my strategic plan yesterday and who are we trying to reach, and we said, in no other city could we plan to do this. Because no other city has the kind of people who we think we can reach, who are intelligent, who will do something besides watch television; people who will come out on a February night. And we may not get them, but at least we can argue that we've got a shot, because they're here. And one reason they're here is because of you. Because of

all the institutions that you have and you support, they come out, and so they're there for us all. And we can compete, but the main thing is, we're in the middle of a grand and wonderful and vital and energetic city, and it's gonna stick around, Sept. 11 or not.

Freedman: Before we go to discussion, I'd like to throw out a couple of questions and go around the panel here again. I think in present company, we can take as a given that New York is the cultural capital, that the arts spiritually uplift us, that it's something that feels necessary to our lives. At the same time, physical reality intrudes. The financial realities are a multibillion-dollar deficit, cuts of 1,600 positions in the police department by attrition, cuts in the public schools, cuts in the fire department and, for those of us who remember the fiscal crisis and the near-bankruptcy in '75 firsthand, the rather scary spectacle of a city going into the short-term borrowing market again. Given those realities, I'd like to ask each of our panelists: What's a wise short-term strategy for the arts community now, and what's needed in the long term?

Jackson: Well, Robert Maynard Hutchins was the president of the University of Chicago—he was the boy president, and he became president at age 29. During his administration, he said that he thought it was a good thing that every so many years, the University would cut its budget by about 10 percent, because it always reminded itself of what's its core mission was, of why it existed.

And I certainly do not want to face a 10 percent budget cut. We have not had to lay anybody off yet or anything like that, and I think we'll get through this. The very innovative and successful president of the Chicago Historical Society, which was a flagship institution in my world, once told me he thought that every institution should tell everyone that their jobs were safe, but that what they were doing was not safe. And that, in a sense, we should reevaluate all the time what everybody is doing in our organization, to be sure that we are using our resources as efficiently as we could, because there is a kind of inertia that sets in for us all. I'm as bad as anybody else. Someone needs to shake us every now and then and say, "Stop doing that! You've done that already. Try something else."

The second thing is, I think we need to cooperate more. There are things that we all want to do that we can't do, but that we possibly can do by partnering with another institution, by

seeing those other institutions not as competitors but as potential *helpers*. Again, I think New York is an example of that. The TKTS line in Times Square is evidence that we have built up a theater habit in New York. With the Historical Society, we haven't reached our full potential, so we should worry less about what each other is doing, and try to have people have a good experience when they go to the Historical Society, so that they like New York and they're energized about it, and maybe they'll even go to another [cultural organization]. So we should publicize each other's programs more, see if we can't cooperate more on publications. Because it's not so much that we're fighting for the same person, but that we want to have more people who think that history is a vital part of their lives.

So those are the two things, and they're easier said than done—I haven't done them yet. But I do think that the notion of shaking up your whole organization, and then trying to cooperate a lot more with like-minded institutions, is one way around this crisis.

Louloudes: I think you have to have short-term and long-term goals. Your short-term goals should go back to your core programming, and you need to look at why you're here.

I'll speak about what I know best, which is theater. If you're dedicated to doing new work, I would hate to see you go back and do a revival of something just because you think you're going to sell tickets, because your core audience is there just because you do new work. You may be able to do only three new plays instead of five new plays, but do that new play, and do it right.

I think you need to go out to the community in new and different ways. In the '90s, when celebrity was big, a number of our theaters both large and small reached out to celebrities to be in their shows, and you saw that the writing sometimes was more sitcom-like than theatrical. And I think the greatest thing we have going for theater is that it is live, and I think back to our core value. We're not trying to put television scripts on stage. We're trying to put plays on stage. And I don't think audience members care if the set is that elaborate—if they do, they can go see "The Lion King," or any show on Broadway. They come because of the words, and I think we need to respect the writers and their words.

I think we need to reach out to our audience in very special ways. It's not about putting a photo of a celebrity in an advertisement anymore. It's about: What are you going to get from

this experience? Why should you leave your family and come to this show? Why should you leave the safety of your television set?

And maybe we need to think about the way people go to the theater, and change it. And I say “theater,” but it could be dance, it could be opera. Why can’t you bring food in? For God’s sakes, most of us are missing dinner to go to the theater. Why don’t you have an earlier curtain, so if you’re working, you don’t have to wait in your office for two hours, or rush through your meal? Have an earlier curtain, and see a show afterward. Why can’t you take the show to the audience, if the audience can’t come to the show?

I think we need to do a lot more research not on *why* people go to the theater, but on *what* the impediments on going to the theater are now. And I think we’ll find that they are not necessarily physical or financial: they are emotional. We need to go back to the emotionalism and spirituality of the work that we do. It’s about feeling uplifted. It’s about feeling comfort. It’s about being intellectually challenged, or emotionally challenged. It’s not about sitting in front of a live “ER” or an “NYPD Blue.” It’s got to be a different experience, and we’ve got to go back to that.

Those are things you can’t do short-term. The reason a lot of capital projects happened in the ’90s wasn’t just that there was money: it’s because in the late ’80s, we just couldn’t do them, so we had a lot of repairs to make. It’s like when you have a home, can you afford to put those new windows in this year? Maybe not. So you put it on the budget for next year.

I think we also have to work together and make our own buzz. As important as the media is, it is also very expensive. Thank God for the Internet, because we can create our own media, and we can get those messages out there and make them more personal. “Please tell your friend I saw this play, and it was wonderful. Go see it. Here’s how you can get tickets.” Send it to your listserv. [You can reach] about as many people as through the ABCs in the *Times*.

Lanier: I’d like to echo what’s been said so far. This is not going to be an easy period. This is already a difficult period. There have already been a lot of layoffs, and I’m afraid there will be more. Certainly, partnering will be important. And this is difficult to say this, because the corporate sector is also having their problems, but the corporate sector does not give very much to the arts: 5.4 percent of total income, as opposed to 16 percent from individuals and 11 percent from foundations.

I think there’s some potential there. What an efficient way [that would be] to help rebuild New York and get some public-relations benefits for themselves! This is a tiny sector for the corporate sector to help. And I don’t know how you go about that, but I think there has to be some untapped support there from that group.

Cruz: I think some of the short-term solutions should also be long-term solutions.

I do think the way that our tax dollars are spent is something that we have to be vociferous about, that we have to be advocates about. I, for one, would not allow another penny to go into defense for anything. Not for policemen, not for anything—and I say that in light of the 9/11 tragedy and all of the things going on in the world since then. I think it is a ridiculous waste of our resources. We have to be willing and able to stand up and say that, and that becomes a part of our advocacy. Because what we need to do is look at how our resources can be reallocated to the things that we do believe in, and not wasted on things that are not significant to us. That’s number one.

Jackson: I just heard an estimate that the cost of increased security, as a result of Sept. 11, is equal to one-third of all the corporate profits in the United States last year. So, it’s coming from somebody, and I think we just need to tough it out. There’s no such thing as a perfectly safe world.

Cruz: The other thing is, we’re within a community that has always been asked to tighten its belt. We’re tightening the belt around skeletons for some folks, and it’s not acceptable. I’m sorry. I think that all of us are able to cut back, and we do. But it’s very different from the University of Chicago, even in 1929, looking at being able to cut back by 10 percent. For some of us, a retrenchment of 10 percent is going to zero.

I will talk a little about Aaron Davis Hall, the organization that I direct. We’d started a project to restore one of the chrome aqueduct systems, the Gatehouse Project. As we were looking at that project, colleagues and friends came by and saw what we were doing and they said, “Why don’t you expand this? What’s happening with that prison yard over there, that’s passing as a part of [the] Parks [and Recreation department]? And a schoolyard at PS 161?” And I said, we can’t do that, that’s not our job. Plus, we already have a huge task to take on.

But I have found—and I was led to

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believe—that working with Parks, working with the Board of Education, working with those entities will enable us to take that small chunk of a building that we have and actually transform a community, to improve it, together. And I am a transformed woman sitting before you. We're doing that with a small staff that's running from task to task. We were one of the beneficiaries of the Carnegie grant. *Yaaay!* That's about how long we celebrated that, because we had to go on and figure out how we were going to meet the payroll, how to do the things that were the most immediate: pay the artists with whom we're working. So again, I think short-term should be long-term.

#### AUDIENCE QUESTIONS

Michael Janeway, director, National Arts Journalism Program: This question is to Ginny Louloudes, unless others want to also comment on it. I'm not asking you to bite the hand that feeds you, but in terms of "thanks, but it's not enough," I wonder if you'd comment on the Mellon, Warhol and Carnegie initiatives, and whether those were at levels you would have wished for, whether there's more that should be done, and so forth.

And secondly, at our [October 2001] theater conference, there was discussion of the investment tax credit for new theatrical work, which John Breglio over at the Theater Development Fund was talking about. I wonder if Ginny or Rob Marx might update us on where that stands.

Louloudes: I don't know where [the TDF proposal] stands. So I can take the first question. Mellon, Carnegie, Warhol—those were gifts from heaven, and they were fabulous. We calculated the direct losses of our members early on at \$4.6 million. I think people are realizing that they underestimated their loss. We were one of the three organizations, along with the New York Foundation for the Arts and the American Music Center, that was selected by Mellon to regrant monies to organizations with budgets under \$4 million. We have 131 applications and \$4 million in requests for the first round, of which we're going to give \$2 million out.

In terms of the future, I wouldn't personally go out there and raise more money for that. I would go out there and raise money for a "rainy-day" fund for the theaters, because most of our members did not have cash reserves. Had they had cash reserves, they wouldn't have to

borrow and pay interest, and they wouldn't have to lay people off. And forget endowments. Two theaters have endowments, I think. Only one, for sure. There's not enough money out there for endowments, but cash reserves and working capital is where we really need to go. I actually talked to Carnegie about that, and he nodded and thought that was a good idea, but they did what they did. So I will continue to go out there and talk until I find someone who's willing to do that for our theaters, because that's my bias and that's my job. But I think all the arts need that.

Susan Jonas, theater program associate, New York State Council on the Arts: A comment, and two quick questions. Even before Sept. 11, we were finding in the theater program that our mid-sized theaters were downsizing 20 to 30 percent of their staff because their trustees and their galas were down that much, in contributed income. And that's just getting worse.

Interestingly enough, as Ms. Cruz spoke about, [the small theaters] are the ones that are thriving, because they have unpaid staff, they have no overhead because they have no spaces, and they're largely supporting their artistic endeavor with full-time jobs outside of their artistic work. And these are theaters that are, in some cases, doing work of the highest artistic merit.

We talk about per-capita [government contribution to the arts], and it was something like \$16 per capita in New York. But isn't New York the most intensely touristed destination in the country in terms of the arts? So, isn't that per-capita being further split, given the national and international attendance? Are there any kind of comparative statistics on that?

And for Ms. Cruz, I'm curious what you would say about international exchange, in terms of the humanizing aspect of art.

Cruz: I won't speak to the statistical, because I can't. I'm not good with numbers. So Catherine, why don't you speak to that and then I'll come back?

Lanier: I'm not sure I can answer that question.

Can I go back to clarify what the \$16 per capita is? I'm not going to answer this directly, because I don't know the answer in terms of the numbers. But it's diluted by the tourist dollars, which are what economists call part of an "export component." They're new dollars to New York, and they're essential to New York's growth. So the fact that they're there is a good

thing for the arts. But yes, it certainly dilutes the figures.

It should be clear, though, that most of the participants in the arts in New York are New Yorkers. The vast majority. The tourists are really important, and they're certainly a majority for Broadway, but that's not true for the nonprofit arts. We really have an amazingly active population in terms of the arts in New York, which is a reason for the government and the local corporations to support it.

Cruz: If I can tag onto the question about international exchange: I think it's a very expensive undertaking, frankly. And it's not an isolationist point of view at all. I do believe that one of the wonderful things about New York is that every nationality is right here, and in terms of us being able to experience the world, we can. I think one of the things we have a obligation to do is to recognize those various nationalities and groups, and the artists that reflect them, whether they are holding on to tradition or experimenting. We have an opportunity to see the world in every venue that is here, and I think that is one of our obligations. I certainly think that there are entities that are devoted to sending work out. But we have the real obligation to support those people who have chosen, in many cases, to be here, and to be here as artists, and to present them in our various places.

Michael Gary, independent consultant: Given this is a city funding panel, one of the most glaring stats in *Who Pays for the Arts?*, to me, is the drop in government funding to small organizations of 23 percent, and of 9 percent for medium-sized organizations. You look at the small, and they've lost 12 percent in private income over the past five years, they've lost 23 percent in government income, and they've only had an increase of 3 percent in earned income. This was before Sept. 11. So now we're tightening our belts, and we have less money to go around.

What kind of policy implications does this suggest? I know we're under a new administration, but so frequently it was the Program Group that was the first that was cut [by the Department of Cultural Affairs], and that saw much of the cuts in city funding. So what do we do for the small groups?

Loulouides: The groups that you're citing are not even in the Program Group. I don't think there's one theater below Canal Street that's in the

Program Group. There may be one, but I know Worth Street [Theater] is not. I know the Flea probably isn't. There are a lot of downtown theaters that don't even get regular city funding.

Lanier: Ginny, let me add that the organizations studied [in *Who Pays For The Arts?*] are by definition all funded by DCA. So you can imagine what the reality is for much of the rest of the city.

Loulouides: Just to give you perspective, there are 98 or 100 theaters—and the data comes from the theaters and sometimes it's wrong—that are funded by the DCA. And two of them are CIGs.

Cruz: *Culture Counts* says that 73 percent of the arts organizations don't get any city support at all.

Loulouides: As a policy issue, what this says to me is that we are not investing in our research and development. If we were an Internet industry, the city would probably be putting money into us. But they're not putting money in their arts research and development.

What can be done in these lean times? I said it at the last panel: I would talk about redistribution. But I'm a revolutionary when it comes to this stuff. I'm an advocate. I say things about which a lot of people say, "You've got to be kidding."

It just seems to me that if I were the mother of a family of 10, and I had a newborn and a 30-year-old, and the 30-year-old was still living at home and eating my food, I'd tell my 30-year-old to get a job and move out, because I've got to buy more food for the family. I'm not mayor. But he's a father. Maybe he gets the analogy.

Charles Bergman, chairman, Pollock-Krasner Foundation: I sit on the Governor's Arts Council. In talking about ways in which the case can be strengthened to sustain and buttress and enrich the arts, you're talking about spiritual renewal. There's one other aspect that nobody's mentioned this morning that I think is terribly important: the mental health ramifications of sustaining the arts and culture.

Here at Columbia, we have psychiatrists who are working on Post-Traumatic Stress Disorder. We are deeply concerned that there is a critical mental health issue that has come out of the trauma of Sept 11. The arts have always had a sustaining and therapeutic role to play. It seems to me that in the equation, as you inter-

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face with social service agencies and economic development and so on, we need to keep in mind the importance of mental health.

Cruz: I do believe that that's a part of our mission, in terms of addressing healing.

Bob Yesselman, director, Dance/NYC:  
Dance/NYC is a new organization, a branch office of the national organization, Dance USA.

We've been interested by two panels this morning at which, I believe, every single speaker has mentioned our inability to work together. Norma Munn was talking about her \$85,000-a-year budget. I hate to think what she's paid on an \$85,000-a-year budget.

I have been involved in the arts for 30 years. For 30 years, I have heard us talking about "why can't we work together?" And here we are, on this beautiful campus, on a very gray day, saying again, "Why can't we work together?" Well, why the hell *can't* we work together?

And why doesn't the coalition have a larger budget than \$85,000? If that's indicative of our ability to work together and unify around a common goal, then we're in bigger trouble than any panelist here has spoken about. I know this meeting today is not intended as an action plan. But if I hear one more person say, "We can't work together," or "Why aren't we working together?" then what is the point of it all?

I just don't get it. I've heard it for 30 years. Maybe it's time we *work* together, and maybe the coalition gets a larger budget than \$85,000, or maybe there needs to be a new organization. But my God, my job is to try to unify the dance community, so the dance community can finally, for once, speak with one voice. But the arts need to be speaking with one voice. We all acknowledge it, and we're not doing it. Why the hell not? Even after Sept. 11.

None of you really need to answer. It's just a tirade.

Number two, I just wanted to allude to Ginny's point, which I agree with very strongly—and disagree with slightly, but you disagree with Ginny at your own peril. Ginny spoke about the media, and our ability to speak to the media, and that the media doesn't seem very interested in us and so we need to develop our own ways [of reaching the public], e-mail and web sites and Internet and all of that. I think that's a false assumption.

As a subtopic under "Why the hell can't we

all work together?" I think another subject is, "Why can't we run a campaign?" We live in a society drenched in marketing. You are marketed to from the second you wake up to the second you go to bed, and God knows what comes through your pillow from the CIA at midnight.

But in dance, we've spoken for years about the "Drink Milk" campaign. Drink milk. Don't drink Sealtest, don't drink Borden. Drink milk. Well why, if we can possibly act together, can't we do a "Drink Art" campaign? New York City, according to Mr. Jackson, is the cultural capital of the world. After Sept. 11, our mayor gave \$2 million to Broadway, so that the poor Schuberts shouldn't have to suffer, and yet, we were left out of the picture entirely.

Loulouides: I just feel obligated to say that [Arts & Business Council head] Gary Steuer's running a campaign called Arts for Hope. Norma [Munn] should be passing out her membership forms right now.

Norma Munn, chair, New York City Arts Coalition:  
Yesselman spoke directly to the issue of the New York City Arts Coalition on a position that I don't share.

I thought that I was tactfully making it clear that we *do* work together. Do we all work together all the time? No. But we are allowed to have differences. I think we need to keep them within our own Council, to some extent, and we have done so very well within the city and the state. But that is not true at a federal level. There is a different set of circumstances there. There are 250 arts groups in this city that *do* pay their dues to the Arts Coalition, even in this time of crisis. That's a remarkable achievement, no matter what our budget size. And our budget would be larger, but the dues are based on your incomes. I'm not complaining, I'm suggesting that there is more that needs to be done.

What I am not in favor of is the level of self-criticism that says, "we don't do a good job ever." We've done a very good job the last decade in this city. We have protected ourselves against city cuts, and we've restored funding at a state level. And we've stayed out of Washington because, frankly, we're not useful there. We might be, but not as long as there's a 15 percent limit on what we can get.

But thank you for your vote of confidence for a bigger budget.