

Report of Executive Compensation In Orchestras and Performing Arts Centers



June, 2012



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I. Overview

This report provides competitive compensation information on executive compensation for the top tier orchestras and performing arts centers. The information in this report should enable you to assess the competitiveness of the compensation paid to your organization's executives, and determine strategies to continue to retain and reward these executives.

This report provides the 25th, 50th and 75th percentile base salary, total cash compensation and total direct compensation as reported in the most current IRS 990 filings of these companies. The data is presented separately for orchestras and performing arts centers and then combined into a single data set.

Data is presented on the following executives:

1. Top Executive - Chief Executive Officer/President/Executive Director/Managing Director
2. Chief Operating Officer
3. Chief Financial Officer
4. Chief Marketing Officer



I. Overview

Criteria for Selection of Top Tier Cultural Organizations

Orchestras

- 13 Organizations
- Revenue range \$22.2M - \$113.8M, median \$46.2M
- Number of employees range from 93 to 1,883 employees, median 617

Performing Arts Centers

- 11 Organizations
- Revenue range from \$21.7M to \$205.9M , median \$51.5M
- Number of employees range from 16 to 2,149 employees, median 737

Combined

- 24 Organizations
- Revenue range \$21.7M - \$205.9M, median \$49.1M
- 16 to 2,149 employees, median 623



I. Overview

Profile of the orchestra reference group:

13 Orchestras

Median
\$45.2M Revenues
617 Employees

| Organization | City | State | Recent FY Reported Revenue (000,000's) | Employee Count |
|--|---------------|-------|--|----------------|
| Boston Symphony Orchestra Inc. | Boston | MA | \$73.38 | 1,318 |
| Chicago Symphony Orchestra | Chicago | IL | \$69.63 | 1,163 |
| Cincinnati Symphony Orchestra | Cincinnati | OH | \$40.97 | 697 |
| Cleveland Orchestra - The Musical Arts Association | Cleveland | OH | \$40.70 | 530 |
| Detroit Symphony Orchestra | Detroit | MI | \$22.22 | 463 |
| Indianapolis Symphony Orchestra | Indianapolis | IN | \$24.62 | 498 |
| Los Angeles Philharmonic | Los Angeles | CA | \$113.78 | 1,883 |
| Minnesota Orchestral Assoc | Minneapolis | MN | \$45.03 | 617 |
| Nashville Symphony Association | Nashville | TN | \$46.24 | 536 |
| New World Symphony | Miami Beach | FL | \$76.59 | 93 |
| Philadelphia Symphony Orchestra | Philadelphia | PA | \$35.51 | 411 |
| San Francisco Symphony | San Francisco | CA | \$59.47 | 886 |
| The Philharmonic Society of New York | New York | NY | \$60.43 | 628 |



I. Overview

Profile of the performing arts center reference group:

11 Performing Arts Centers

Median
\$51.5M Revenue
737 Employees

| Organization | City | State | Recent FY Reported Revenue (000,000's) | Employee Count |
|--|--------------|-------|--|----------------|
| Carnegie Hall | New York | NY | \$85.66 | 486 |
| Dallas Center for the Performing Arts | Dallas | TX | \$38.55 | 131 |
| Denver Center for the Performing Arts | Denver | CO | \$51.55 | 737 |
| JFK Performing Arts | New York | NY | \$182.81 | 2,149 |
| Kimmel Center | Philadelphia | PA | \$35.46 | 788 |
| Lincoln Center for the Performing Arts | New York | NY | \$205.98 | 1,538 |
| New Jersey Performing Arts Center | Newark | NJ | \$21.73 | 523 |
| Orange County Performing Arts Center | Costa Mesa | CA | \$46.68 | 551 |
| Performing Arts Center of LA County | Los Angeles | CA | \$46.68 | 1,103 |
| Robert W Woodruff Arts Center Inc | Atlanta | GA | \$109.17 | 1,157 |
| The Smith Center (Las Vegas) for Performing Arts | Las Vegas | NV | \$71.98 | 16 |



I. Overview

Methodology

- The job matches were selected based on title described in the 990 or on the organization's website.
- Data is reported on the 25th, 50th (median) and 75th percentiles of base salary, total cash compensation and total direct compensation.
- A competitive range of +/- 10% of the market median has been calculated to use as a market reference.
- Market base salary and total cash compensation data is "aged" by 3.0% annually to a common date of March 1, 2012.



I. Overview

Summary of Findings

- Performing Arts Centers pay more total cash incentive to their executives in total and by position.
 - Median officer total compensation in orchestras is \$1.55M as compared to \$2.01M at performing arts centers.
 - Several performing arts centers utilize incentives while most orchestras do not.
- The use of benefits and perquisites varies between the two types of organizations, reflecting differences in what they do, such as traveling orchestras or seasonal venues.

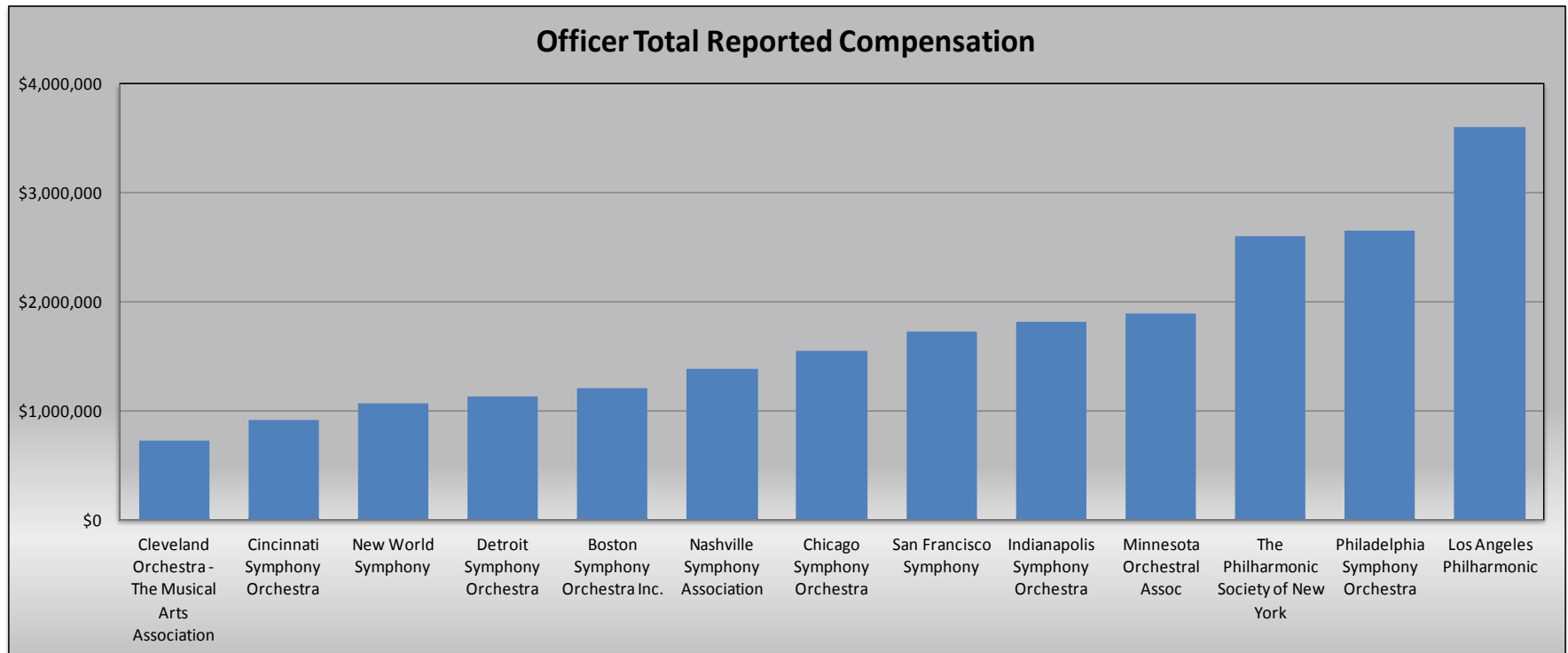
| <u>Benefit/Perquisite</u> | <u>Performing Arts</u> | <u>Orchestras</u> |
|---------------------------|------------------------|-------------------|
| SERP | 36% | 23% |
| First Class Travel | 18% | 38% |
| Housing Allowance | 9% | 38% |
| Club Dues | 18% | 23% |
| Companion Travel | 18% | 15% |



II. Orchestra Compensation

Total reported compensation of current officers, directors, trustees and key employees (Form 990, Part IX, Line 5)

Median: \$1,552,527



II. Orchestra Compensation

Incentives and Supplemental Benefits

For the most part, **orchestras do not pay incentives to their executives** with the exception of the Los Angeles Philharmonic. Single executives in San Francisco and Cincinnati received bonuses also.

Benefits and perquisites are offered in orchestras and their prevalence is limited (Form 990, Schedule J, Part I, Question 1a):

| Benefit/Perquisite | % Orchestras |
|--------------------------------|---------------------|
| First Class Travel | 38% |
| Housing Allowance | 38% |
| SERP | 23% |
| Club Dues | 23% |
| Companion Travel | 15% |
| Personal Svcs | 8% |
| Gross up | 0% |
| Discretionary Spending Account | 0% |
| Bus Use Residence | 0% |



II. Orchestra Compensation

Compensation Data by Executive Role – Summary

There is insufficient data to report information on the Chief Operating Officer role for Orchestras.

| Title | Base Salary | | | Total Cash Compensation | | | Total Direct Compensation | | |
|-------------------------|-------------|-----------|-----------|-------------------------|-----------|-----------|---------------------------|-----------|-----------|
| | 25th %ile | 50th %ile | 75th %ile | 25th %ile | 50th %ile | 75th %ile | 25th %ile | 50th %ile | 75th %ile |
| Top Executive | \$282,330 | \$398,296 | \$447,715 | \$297,047 | \$398,296 | \$447,715 | \$335,177 | \$420,974 | \$514,597 |
| Chief Financial Officer | \$177,639 | \$189,950 | \$228,438 | \$177,639 | \$189,950 | \$228,438 | \$202,278 | \$222,870 | \$274,981 |
| Chief Marketing Officer | \$175,110 | \$194,086 | \$218,076 | \$190,173 | \$211,586 | \$229,263 | \$204,393 | \$228,800 | \$280,267 |

Total Cash Compensation = Base + Incentive

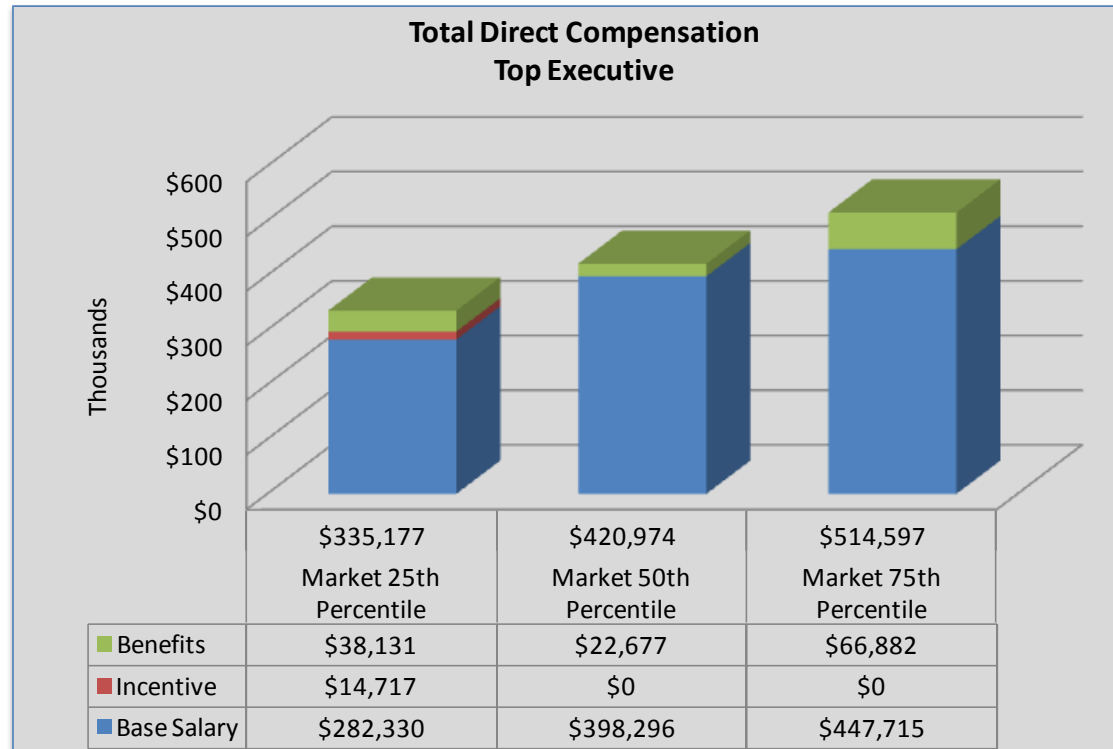
Total Direct Compensation = Total Cash Compensation + Other Compensation +
Deferred Compensation + Nontaxable Benefits



II. Orchestra Compensation

Top Executive Compensation

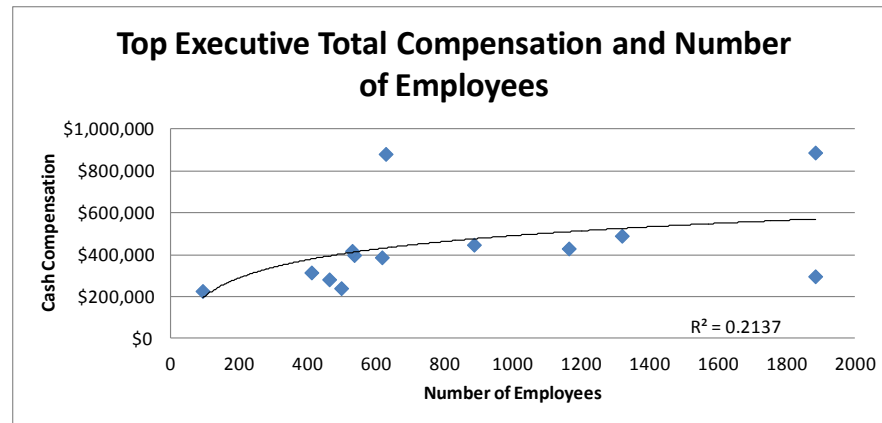
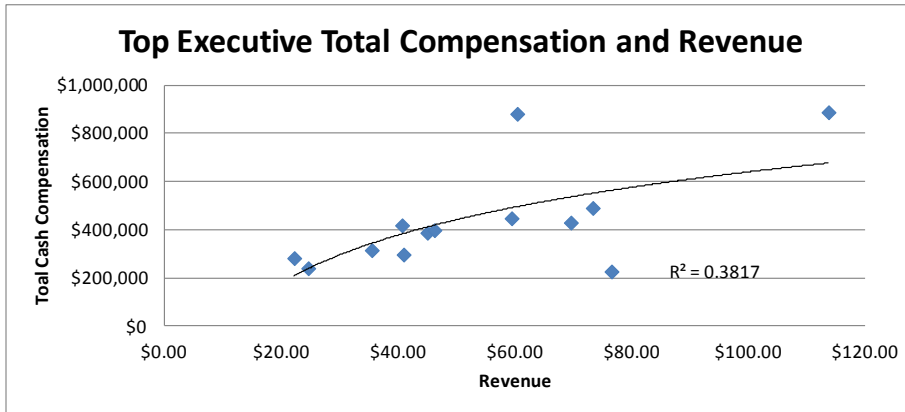
13 organizations, 2 reported incentive payments



II. Orchestra Compensation

Top Executive Compensation

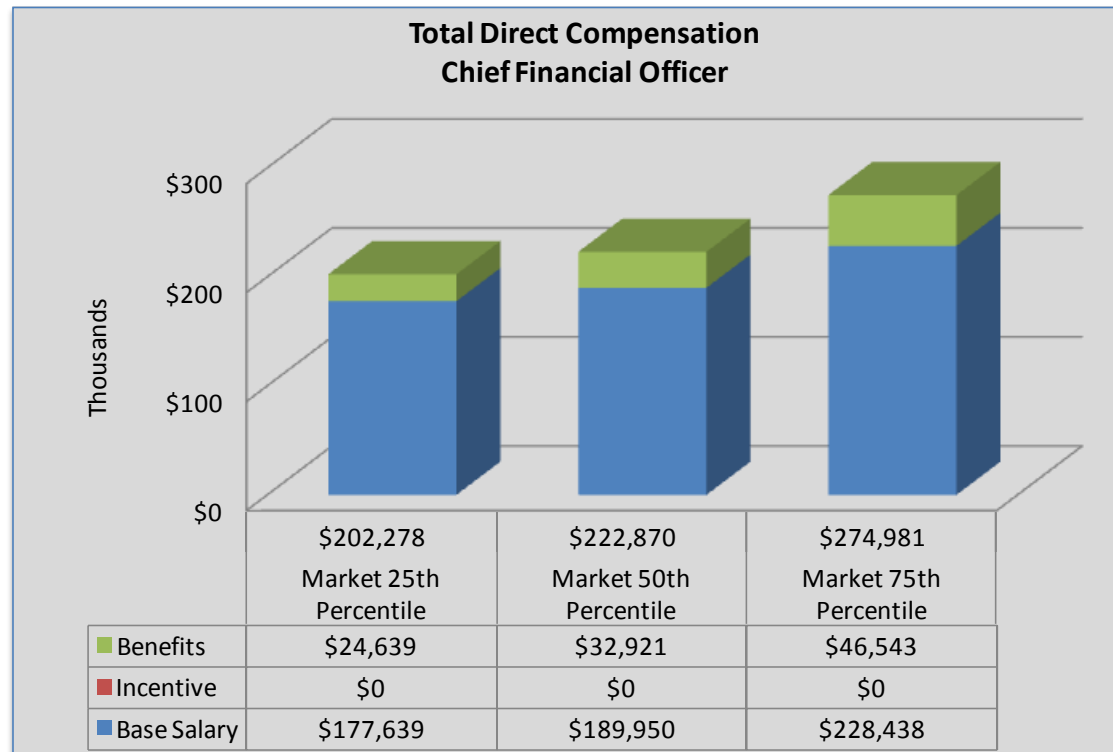
There is not a strong correlation between revenue or number of employees and top executive total cash compensation.



II. Orchestra Compensation

Chief Financial Officer

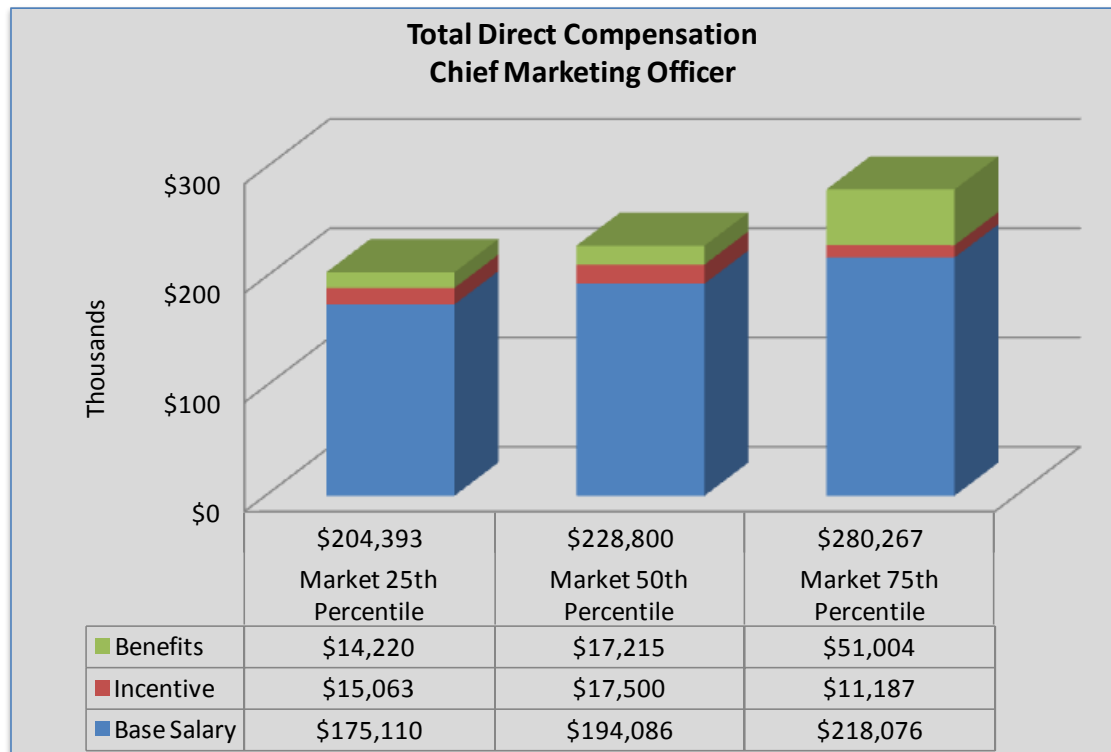
11 organizations, 2 reported incentive payments



II. Orchestra Compensation

Chief Marketing Officer

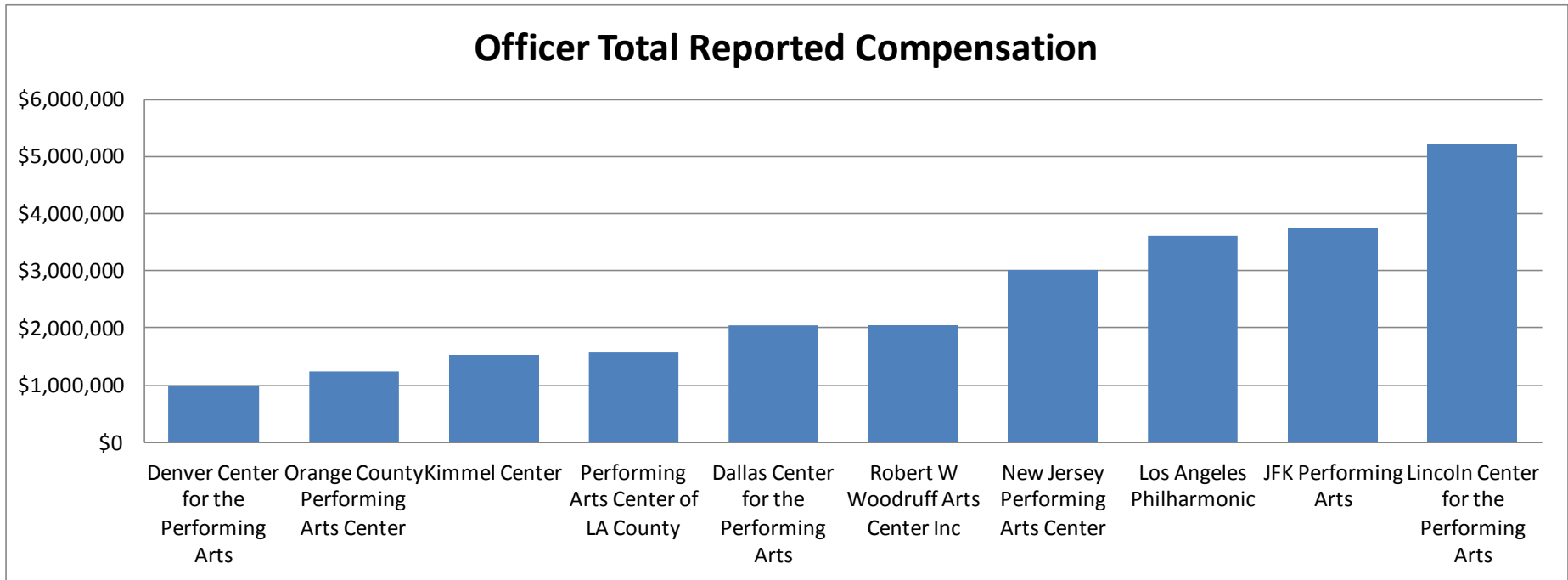
4 Organizations, 1 reported an incentive payment



III. Performing Arts Center Compensation

Total reported compensation of current officers, directors, trustees and key employees (Form 990, Part IX, Line 5)

Median: \$2,049,062



III. Performing Arts Center Compensation

Incentives and Supplemental Benefits

Bonuses are not prevalent in performing arts centers, with the exception of the top executive.

45% of the organizations made bonus payments to the top executive only: Dallas Center for the Performing Arts, JFK Performing Arts, Lincoln Center for the Performing Arts, New Jersey Performance Arts Center and the Performing Arts Center of Los Angeles.

Benefits and perquisites are offered in performing arts centers and prevalence is limited (Form 990, Schedule J, Part I, Question 1a):

| Benefit/Perquisite | % of PACs |
|--------------------------------|------------------|
| SERP | 36% |
| First Class Travel | 18% |
| Club Dues | 18% |
| Companion Travel | 18% |
| Gross up | 18% |
| Housing Allowance | 9% |
| Personal Svcs | 0% |
| Discretionary Spending Account | 0% |
| Bus Use Residence | 0% |



III. Performing Arts Center Compensation

Compensation Data by Executive Role - Summary

| Title | Base Salary | | | Total Cash Compensation | | | Total Direct Compensation | | |
|-------------------------|-------------|-----------|-----------|-------------------------|-----------|-----------|---------------------------|-----------|-------------|
| | 25th %ile | 50th %ile | 75th %ile | 25th %ile | 50th %ile | 75th %ile | 25th %ile | 50th %ile | 75th %ile |
| Top Executive | \$340,337 | \$419,601 | \$705,266 | \$450,337 | \$569,601 | \$869,264 | \$488,319 | \$676,132 | \$1,073,397 |
| Chief Financial Officer | \$187,497 | \$219,116 | \$264,485 | \$187,497 | \$219,116 | \$264,485 | \$222,555 | \$289,197 | \$385,793 |
| Chief Operating Officer | \$214,012 | \$244,423 | \$248,245 | \$214,012 | \$244,423 | \$277,132 | \$226,637 | \$265,575 | \$325,183 |
| Chief Marketing Officer | \$160,731 | \$170,823 | \$206,084 | \$191,638 | \$209,761 | \$253,053 | \$205,722 | \$236,477 | \$305,467 |

Total Cash Compensation = Base + Incentive

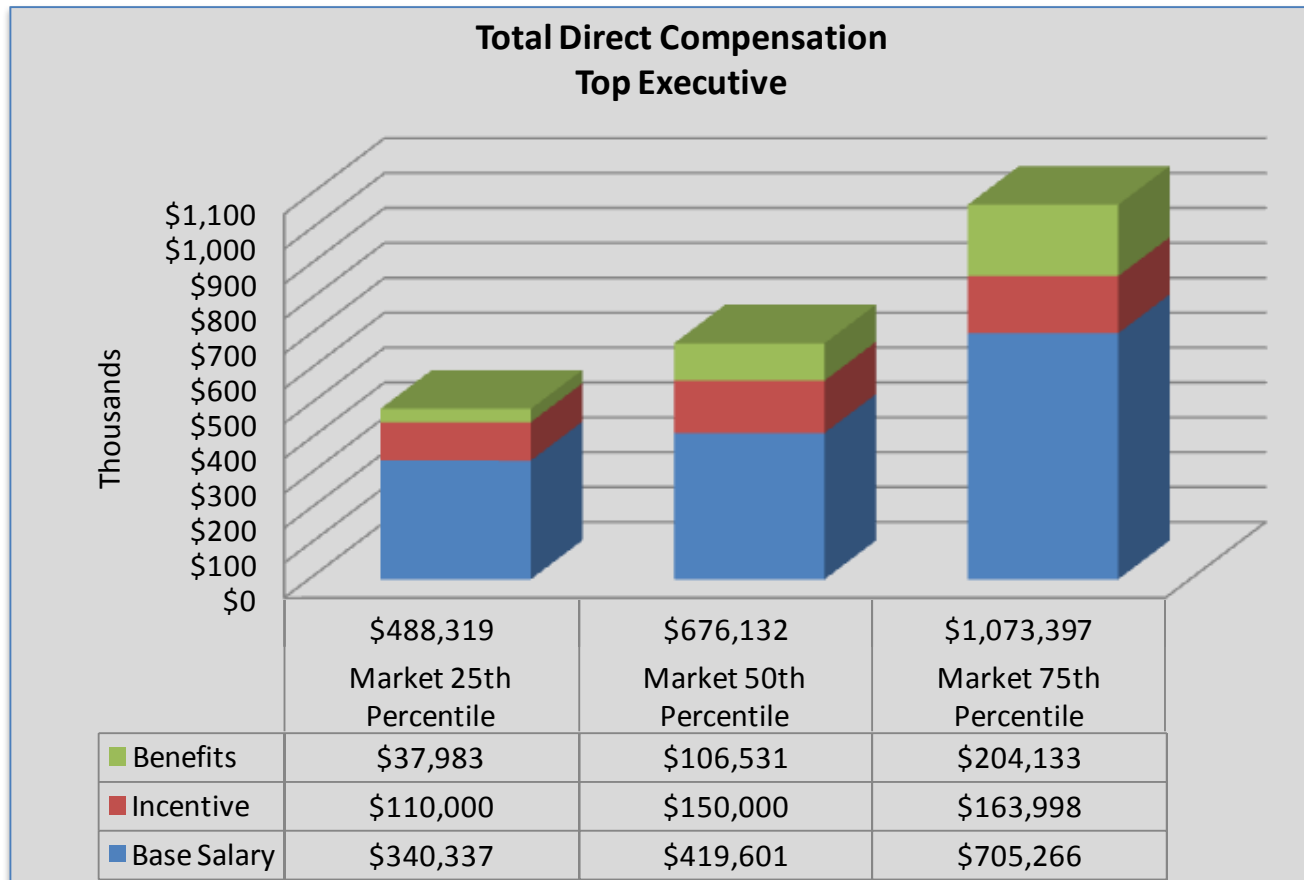
Total Direct Compensation = Total Cash Compensation + Other Compensation +
Deferred Compensation + Nontaxable Benefits



III. Performing Arts Center Compensation

Top Executive Compensation

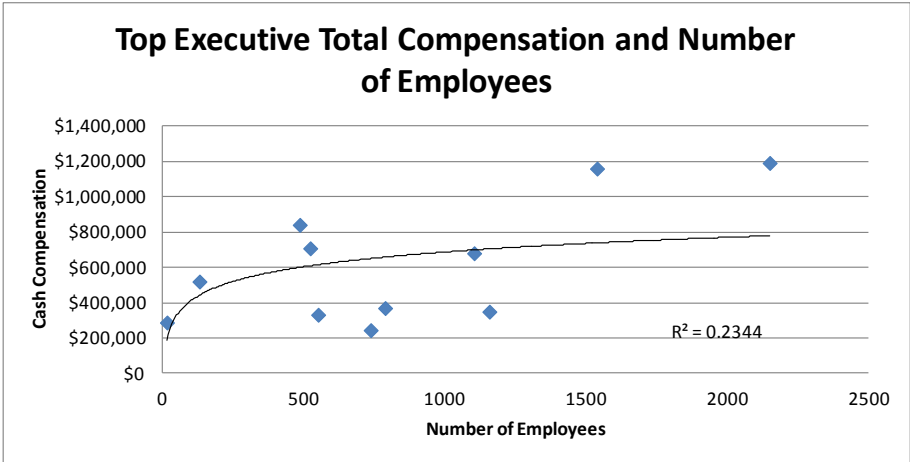
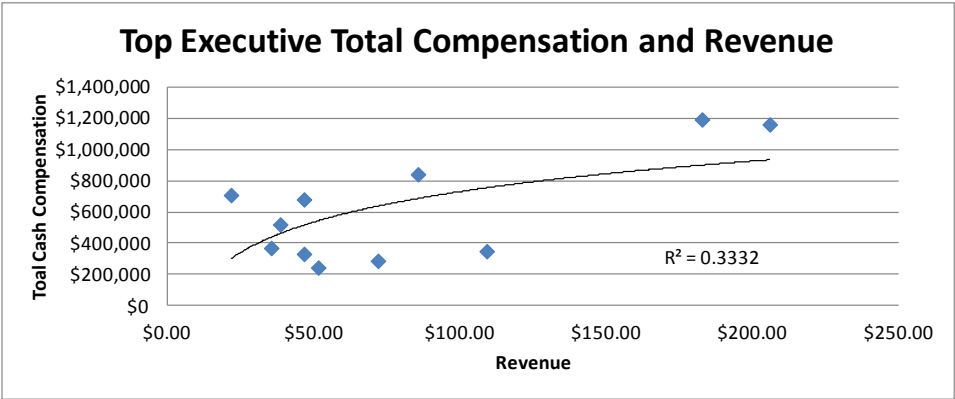
11 organizations matching, 5 received incentive payments



III. Performing Arts Center Compensation

Top Executive Compensation

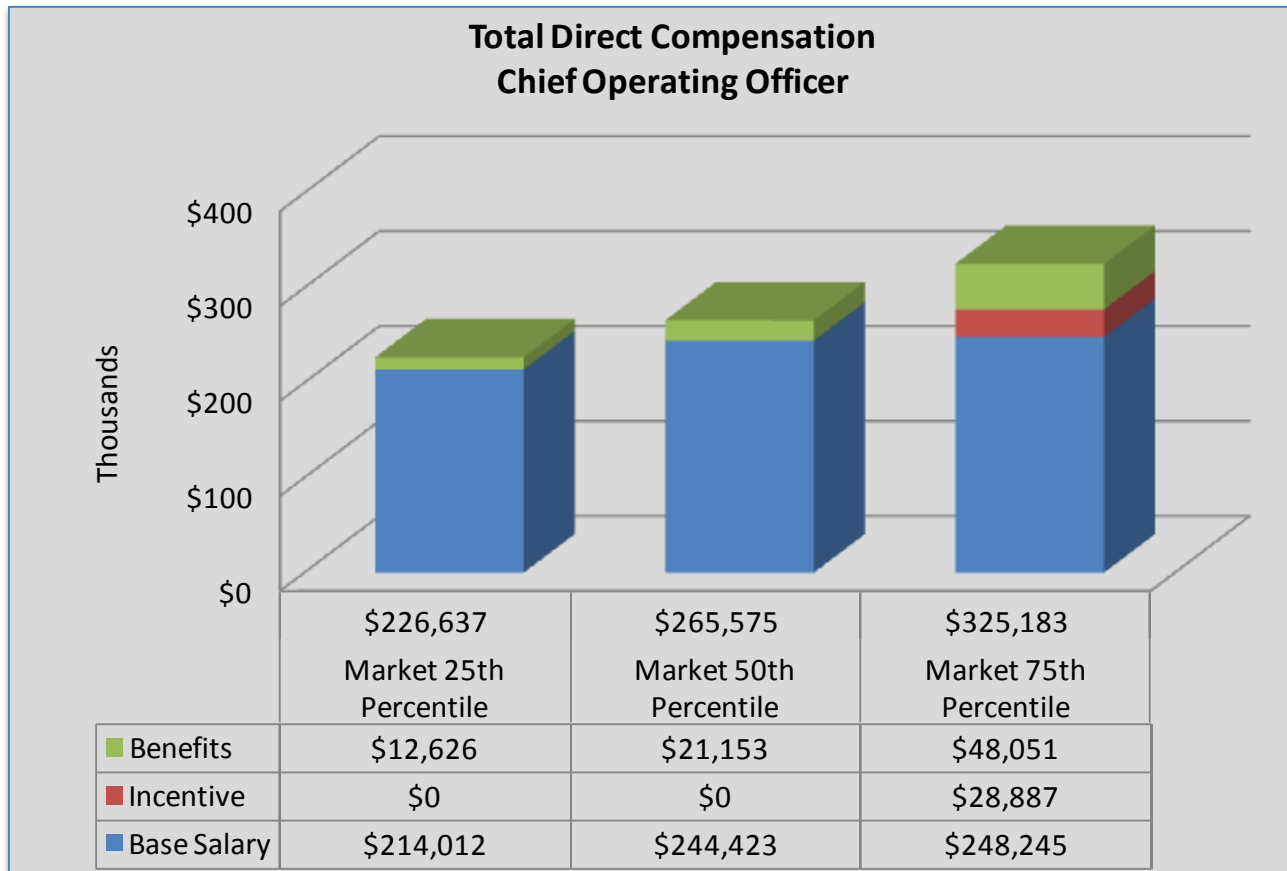
There is not a strong correlation between revenue or number of employees and top executive total cash compensation.



III. Performing Arts Center Compensation

Chief Operating Officer

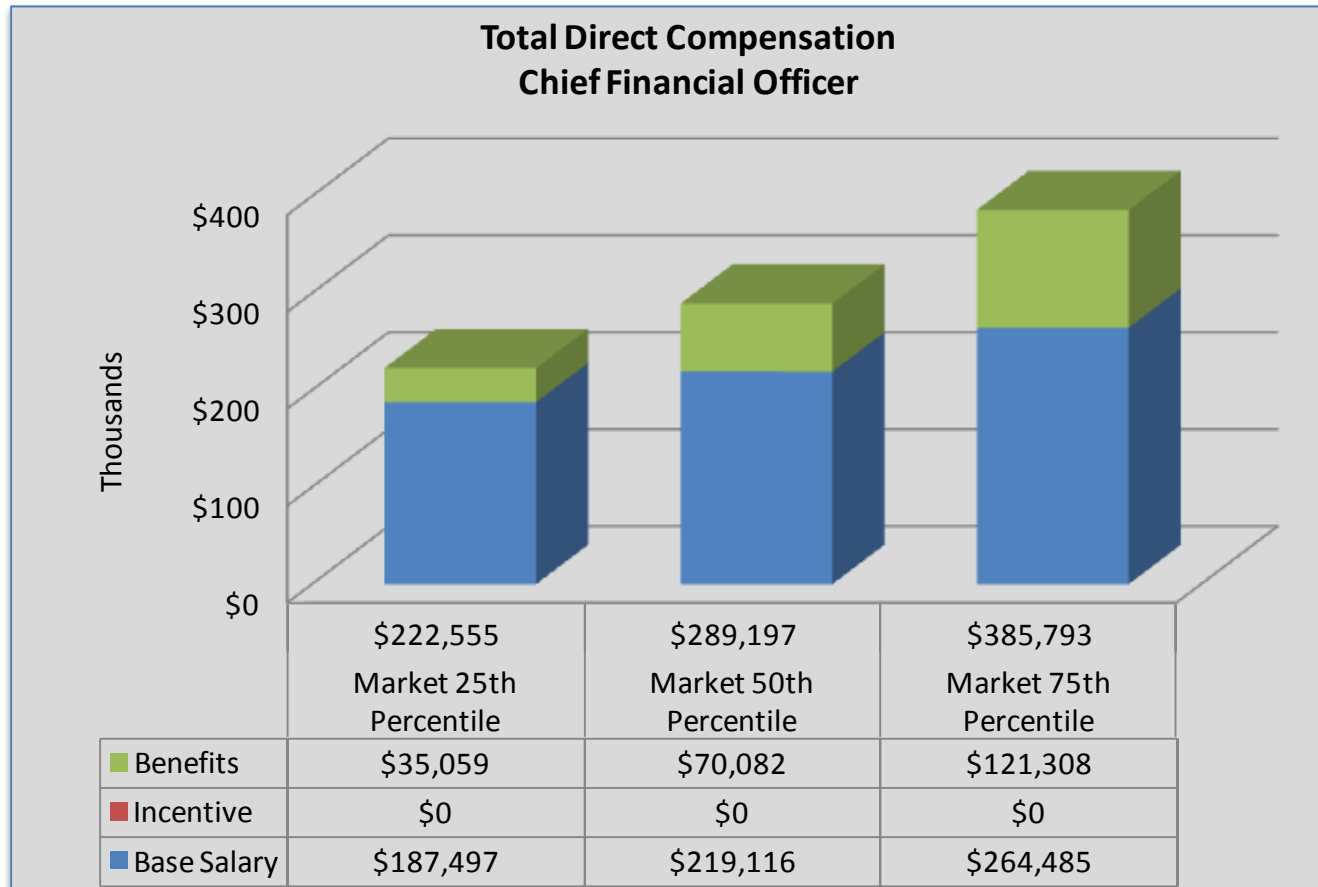
5 organizations matching, 1 received an incentive payment



III. Performing Arts Center Compensation

Chief Financial Officer

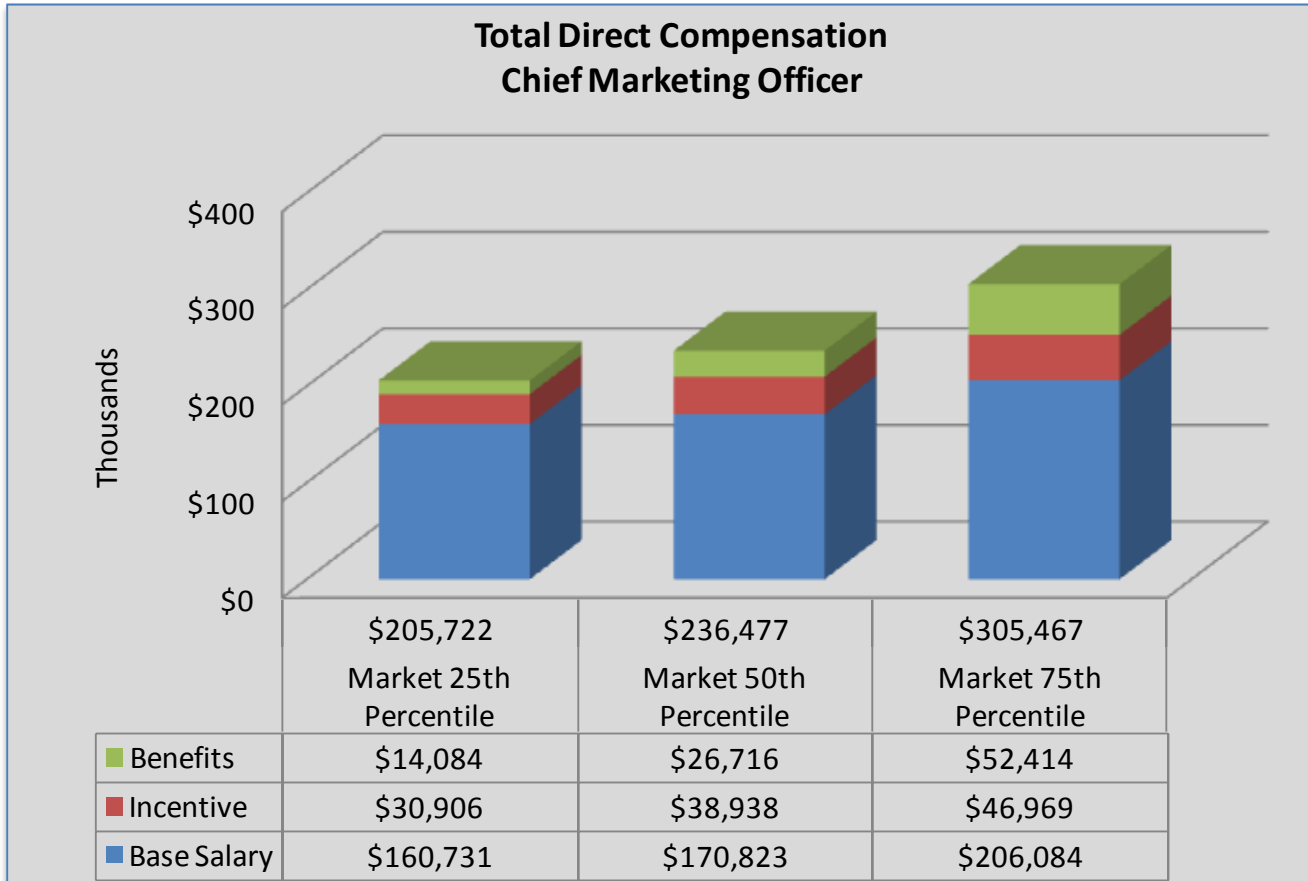
11 organizations matching, none received an incentive payment



III. Performing Arts Center Compensation

Chief Marketing Officer

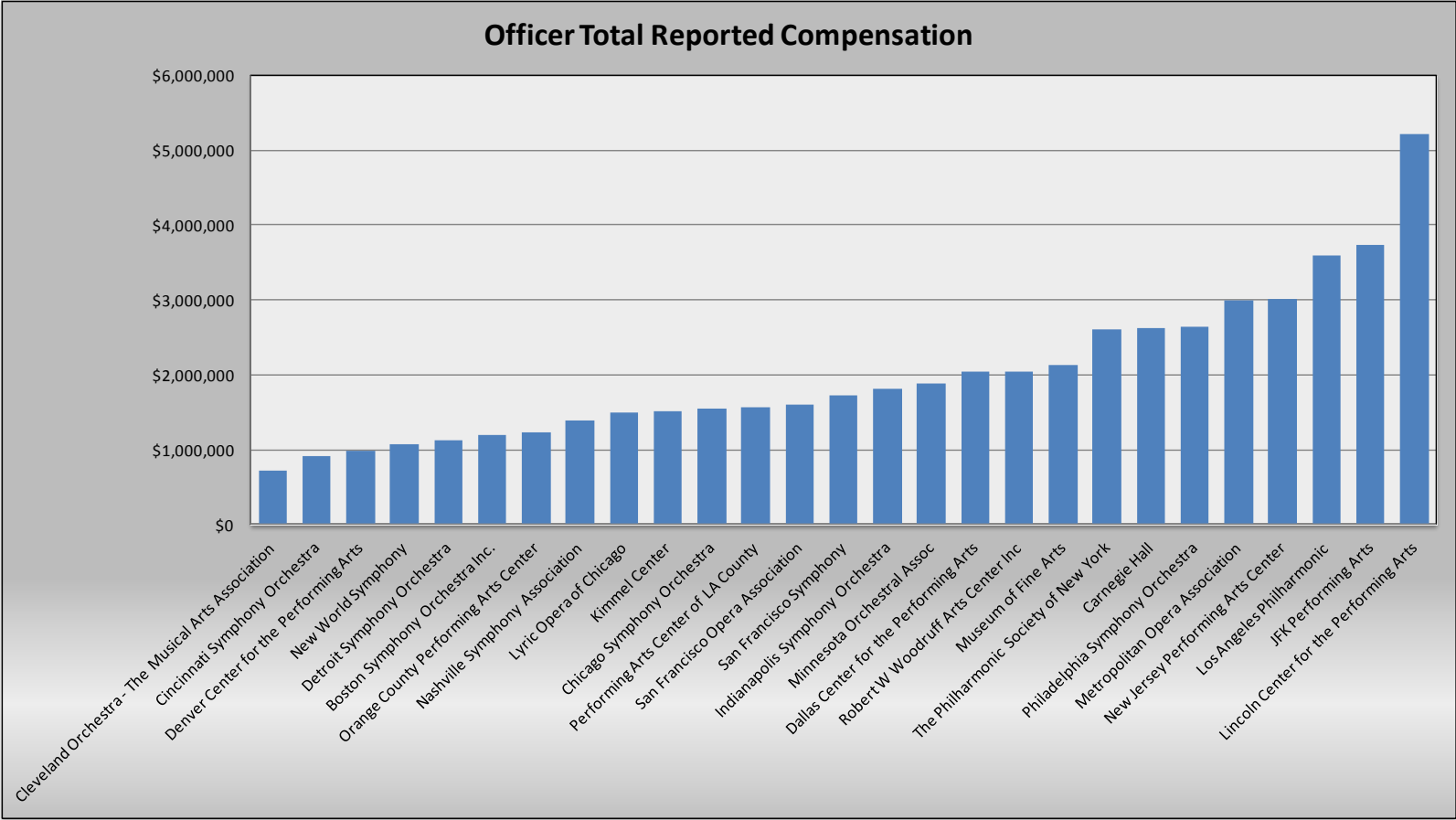
7 organizations matching, 2 received incentive payments



IV. Combined Compensation

Total reported compensation of current officers, directors, trustees and key employees

Median \$1,729,019



IV. Combined Compensation

Incentives and Supplemental Benefits

Incentives

- 26% of peer organizations made bonus payments to either the top executive or all executives: Los Angeles Philharmonic, San Francisco Symphony, Dallas Center for the Performing Arts, JFK Performing Arts, Lincoln Center for the Performing Arts, New Jersey Performance Arts Center and the Performing Arts Center of Los Angeles.

Benefits and perquisites are offered in the peer group and prevalence is limited:

| Benefit/Perquisite | % Peers |
|--------------------------------|----------------|
| SERP | 29% |
| First Class Travel | 29% |
| Club Dues | 21% |
| Housing Allowance | 25% |
| Companion Travel | 17% |
| Gross up | 8% |
| Personal Svcs | 4% |
| Discretionary Spending Account | 0% |
| Bus Use Residence | 0% |



IV. Combined Compensation

Compensation Data by Executive Role - Summary

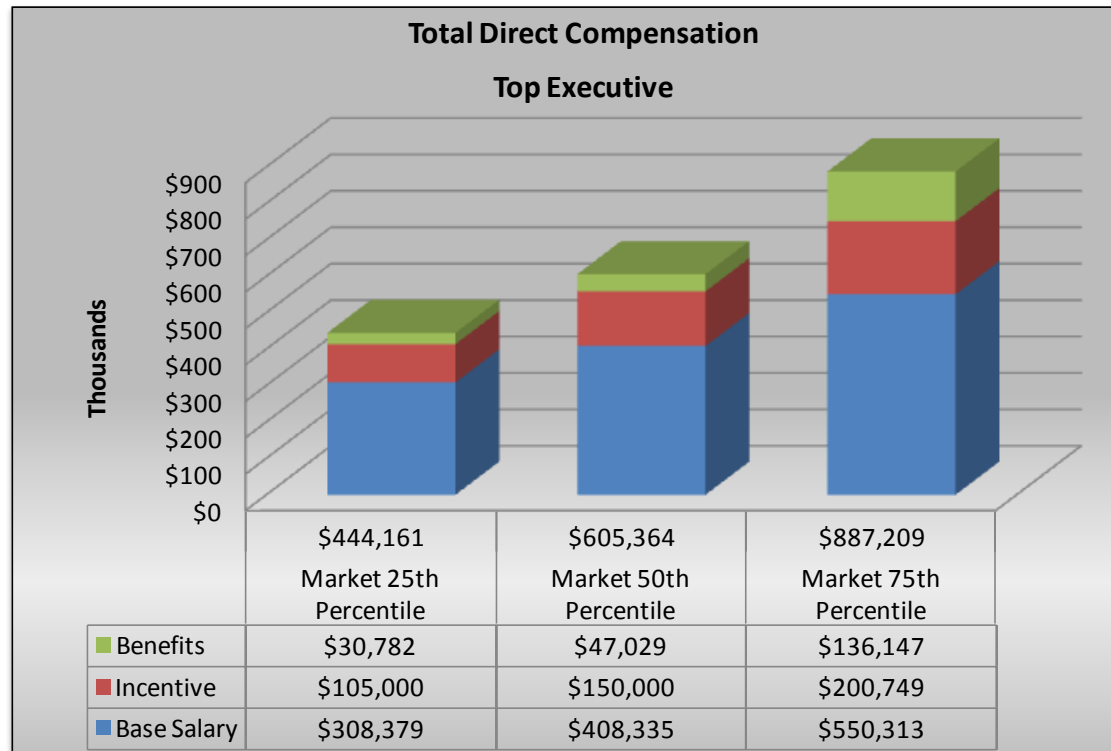
| Title | Base Salary | | | Total Cash Compensation | | | Total Direct Compensation | | |
|-------------------------|-------------|-----------|-----------|-------------------------|-----------|-----------|---------------------------|-----------|-----------|
| | 25th %ile | 50th %ile | 75th %ile | 25th %ile | 50th %ile | 75th %ile | 25th %ile | 50th %ile | 75th %ile |
| Top Executive | \$308,379 | \$408,335 | \$550,313 | \$413,379 | \$558,335 | \$751,062 | \$444,161 | \$605,364 | \$887,209 |
| Chief Financial Officer | \$179,737 | \$208,759 | \$264,159 | \$179,737 | \$212,150 | \$264,159 | \$205,279 | \$246,821 | \$349,639 |
| Chief Operating Officer | \$210,740 | \$229,217 | \$247,289 | \$210,740 | \$229,217 | \$268,955 | \$220,260 | \$242,953 | \$277,276 |
| Chief Marketing Officer | \$160,731 | \$171,632 | \$222,332 | \$189,669 | \$206,632 | \$267,332 | \$207,703 | \$240,970 | \$308,030 |



IV. Combined Compensation

Top Executive Compensation

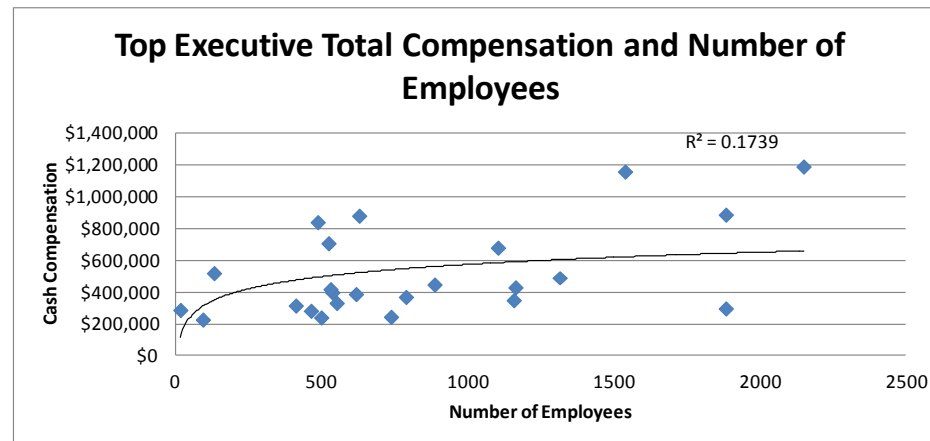
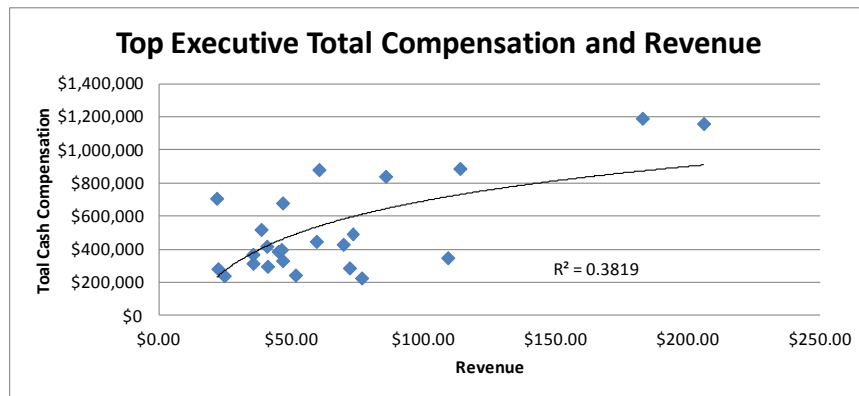
22 Organizations, 7 reporting incentives paid



IV. Combined Compensation

Top Executive Compensation

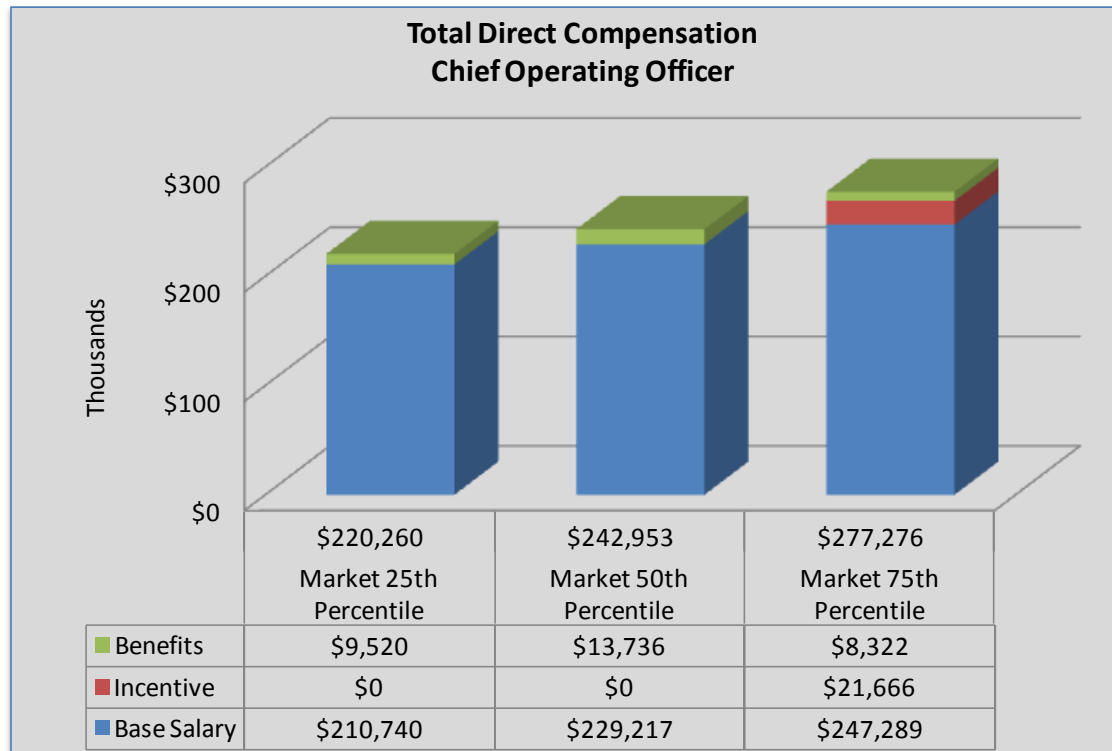
There is not a strong correlation between revenue or number of employees and top executive total cash compensation.



IV. Combined Compensation

Chief Operating Officer

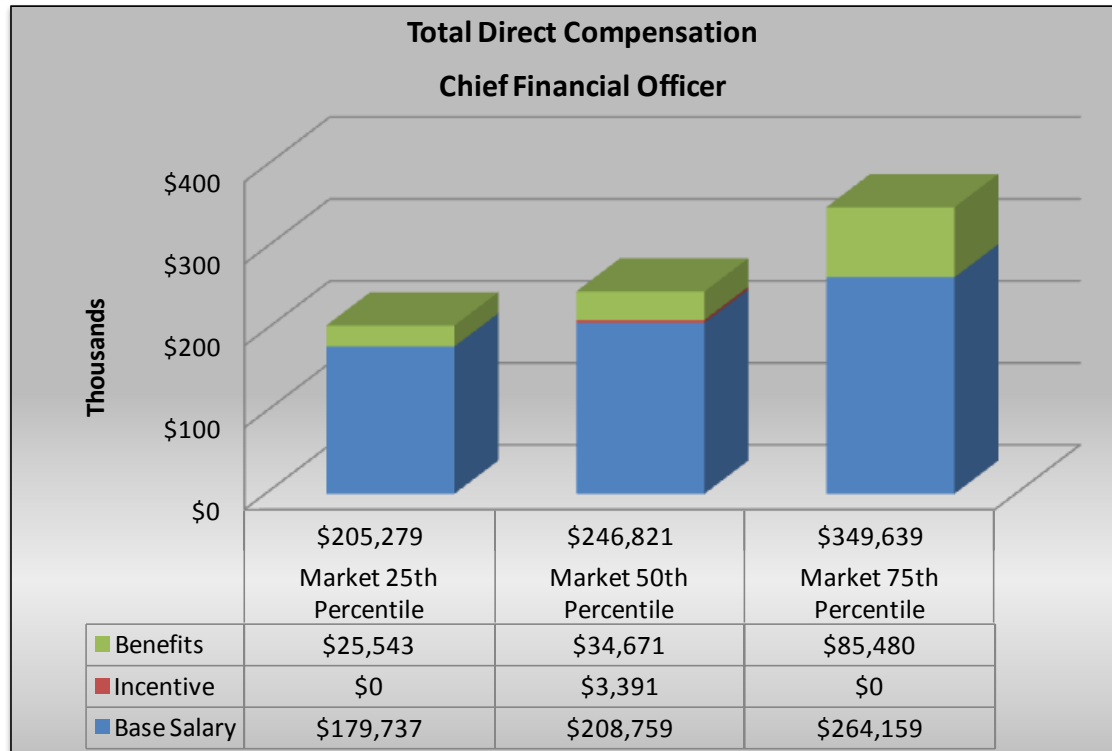
6 Organizations, 1 reporting incentives paid



IV. Combined Compensation

Chief Financial Officer

21 Organizations, 2 reporting incentives paid



IV. Combined Compensation

Chief Marketing Officer

11 Organizations, 3 reported incentives paid

