



The Economic and Employment Impact of the Arts and Music Industry

Committee on Education and Labor
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Testimony by Michael Bahr, education director

Photos, top to bottom: 1- The Adams Shakespearean Theatre. 2- Jonathan Earl Peck as Othello in *Othello*, 2008. 3- The nightly *Greenshow*. 4- Carole Healey (left) as Golde and Matthew Henerson as Tevye in *Fiddler on the Roof*, 2008. 5- Shelly Gaza as Viola and Michael Sharon as Orsino in *Twelfth Night*, 2007.

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Utah Shakespearean Festival

Michael Bahr, education director

Chairman Miller, Members of the Committee, I am Michael Bahr, the education director for the Utah Shakespearean Festival, and I am grateful for this opportunity to share with the Committee on Education and Labor the impact the Festival has on its community and the challenges that are affecting not only us but also our sister organizations across the country. The Festival has played a large role in defining the rural town in which we live; therefore, the present status of the economy threatens not only the arts and our industry, but consequently the community I live in.

Background

Let me share some background about our organization so you can understand our present challenges: The Utah Shakespearean Festival, now in its forty-eighth season, is a destination theatre that produces Shakespeare and other classic plays in repertory. It is located in rural Iron County and is hosted on the campus of Southern Utah University in Cedar City, Utah, a city of 28,000 people. The Festival produces nine plays in repertory for 130,000 attendees a year. The average patron travels over 200 miles one-way to attend, with the primary audience coming from Utah, Nevada, Arizona, and Idaho. These patrons generate 30 to 35 million dollars for the local economy through lodging, dining, shopping, fuel, and recreation. The Festival's budget for 2008 was \$6.7 million dollars. Our funding is approximately 75 percent earned income (ticket sales, concessions, and merchandise) and 25 percent unearned income (grants, foundations, and other gifts).

History

In 1962, Fred C. Adams, the Festival's founder, was a college theatre professor in Cedar City who had a dream of creating a Shakespearean festival in the heart of the red rocks of southern Utah. With \$1,000 donated from the local Lion's Club, Adams started his first season. The first season ran for two weeks and yielded \$3,000 in ticket sales. This left Adams with a budget of \$2,000 for his second season. The Festival grew in size and scope with professional actors, designers, artisans and directors joining the company. The community also rallied around and caught the vision. Today, the Festival performs nine plays in three theatres from late June to late October.

The Festival has received numerous accolades and national praise, including the prestigious Tony Award in the year 2000 for Outstanding Regional Theatre, the 2001 National Governors Association Award, and the Utah Best of State Award in 2003.

Economic Challenges Result in Cuts

Now, nearly 50 years later, sales for our 2009 season are currently nearly 20 percent behind where we were last year. And some foundations have already significantly reduced their gifts because of shrinking or non-existent portfolios. Based on what we are projecting for 2009, and our steadily increasing costs, we cut deeply our 2009 budget. When the cuts were finished we had dropped from a budget of 6.7 million to 5.9 million. These cuts are even deeper than they

appear because of the many fixed cost that could not be reduced. While it appeared to be a cut of \$800,000, in reality it was much deeper. These cuts included the following:

- Three full-time positions (from 28 to 25)
- 55 seasonal positions, including actors, electricians, costumers, carpenters, company managers, etc. (from 390 to 335; for every one actor it takes seven employees to support them)
- All live musicians (requiring recorded music instead)
- A one-week reduction in the summer season
- A one-week reduction in the fall season
- A two-week reduction in rehearsal time
- The replacement of two fall play titles, *Pump Boys and Dinettes* and *Pericles* with the much smaller and less expensive *Tuesdays with Morrie* and *The Complete Works of William Shakespeare (abridged)*
- The closing of two buildings
- The elimination of cell phones (except for three positions)
- The establishment of a shared housing policy for company members
- The elimination of vocal coach and dramaturgy positions in the fall season
- Shorter ticket office hours
- Reduced travel for recruitment, training, conferences, etc.
- Reduced custodial and building maintenance

In addition, the bad economy has caused some costs to skyrocket: especially unemployment. Our theatre, like other businesses, is required to pay unemployment when an employee does not find a job after his work is finished with us. Thus when another theatre closes or downsizes in another part of the country, it affects us because the artists that work for us can't find another job. In the past we have paid approximately \$60,000 to \$70,000 annually in unemployment claims. In 2008 that number doubled to to \$130,000. In 2009 we have budgeted for a similar amount; we can only hope it is enough.

Community Economic Impact, Then and Now

Cedar City merchants and civic leaders have already expressed great concern about these cuts. We have heard from many who are worried about the loss of two weeks of revenue from patrons and four weeks of revenue from Festival seasonal employees. We think it is clear that by cutting two weeks from our season, by cutting the size of our shows and the amount of materials we buy to produce them, by cutting the number of employees we hire, the economic benefit to our community will decrease measurably.

Cedar City benefits economically from the many visitors who travel to the Festival each year. Various economic impact studies have attempted to track this benefit. One study, completed in 2002 by the International Festival and Events Association estimated that the economic impact of the Festival was \$64,321,873. In 2007, American for the Arts in *The Arts and Economic Prosperity III* found that the nonprofit arts were a \$22.47 million industry in Iron County. However, this study surveyed only the full-time jobs of the nonprofit industry, leaving out the vast impact of our seasonal employees. We at the Festival feel that the real number is somewhere between these two. But, whatever the number, the economic benefits will definitely decrease.

Regional Impact

And the pain may spread. In addition to serving Iron County, the Festival, through its education department, has a strong relationship with educational entities across the Intermountain West. Various programs serve multiple ages and provide professional, educational outreach. For example, we are honored to be a member of the National Endowment for the Arts *Shakespeare for a New Generation* program. Through this program we are able to reach 30,000 students annually, from seventy schools in Utah, Nevada, Arizona, and Idaho. Many rural communities have called, fearful that our outreach programs might be cut by our budget challenges. We hope not, but the future is uncertain at best.

A New Theatre Brings Revenue to Town

Perhaps the most revealing story of the impact of the Festival on Cedar City is the building of a new theatre during the 1980s recession. For many years, Cedar City's economy had been bolstered by active iron mines west of town. As the bottom fell out of the iron market, the mines were closed, jobs were lost, houses were put up for sale, the economy slumped. At that time, the Festival performed primarily in only one theatre, the Adams Shakespearean Theatre, which, despite the recession, was still operating at 98 percent capacity. The Festival and the city proposed an additional theatre, and in 1987/88, 2.3 million dollars were obtained from Housing and Urban Development to assist in building the 7.5 million dollar facility. Mineral lease funds, revenue that had been generated from the mines, were also used. Within five years of the opening of the new Randall L. Jones Theatre, Joe Melling, Cedar City manager, said that the money invested in the building had been re-couped through an increase in sales and property tax alone.

Art Is Not a Luxury

Art in Cedar City is not a luxury; it is business. It feeds our souls and our families. It informs and educates our citizens. But it also fills our dinner plates, pays our mortgages, and enhances our standard of living. It hires an educated and talented workforce. It fills our hotels, our restaurants, our shops. It provides positive economic impact far beyond the theatre.

Around 1590, a farm boy from the country whose father dealt in sheep and gloves traveled to the big city of London and started writing plays. He became so successful he bought interest in his own theatre; hmmm, he was a businessman. And of course it was good business, because everyone wanted to see the plays, because they were about US. His plays had a resonance for he knew the common man. He said:

The man that hath no music in himself,
Nor is not moved with concord of sweet sounds,
Is fit for treasons, stratagems and spoils;
The motions of his spirit are dull as night
And his affections dark as Erebus:
Let no such man be trusted. Mark the music.

The Merchant of Venice, Act V, Scene 1

May we preserve and “Mark the music,” art, theatre, and dance that moves us and keeps us human.