

# The Metropolitan Opera

June 20, 2014

## An Open Letter to Opera Lovers from the Board of the Metropolitan Opera

As readers of the *New York Times* know, the Metropolitan Opera is currently in the midst of contract negotiations with 15 of the 16 unions representing employees that work at the Met. These contracts come up for renewal every few years, but this year the Met's strained financial condition has made the negotiations more difficult, and raised a number of issues that we would like to address here.

The Met is both America's leading opera company and the largest non-profit performing arts company in the world—with an annual operating budget in excess of \$300 million. This figure covers everything from sets and costumes for our 20-plus annual productions to payroll, opera house management, and beyond. Approximately two-thirds of this figure, or over \$200 million, goes toward unionized employees' wages and benefits.

We are increasingly regarded as the best opera company in the world, not only because of what we present on our stage, but also because of our live high-definition transmissions into movie theaters in more than 65 countries, our Saturday radio broadcasts, and our SiriusXM radio channel. Even so, like other opera companies, we face the challenge of gradually replacing an aging audience with a younger one. In spite of our efforts, our New York box office has declined from 92% in 2008 to 79% in 2013.

The Met's endowment is, unfortunately, smaller than our \$300 million annual expense budget. To keep functioning year after year, we have relied on an ever-increasing level of annual donations. Ten years ago the box office was 38% of our expense budget and annual donations were 34% of our expense budget. Today the box office is only 27% and annual donations are an alarming 48%. We are indeed fortunate that the Met's fundraising has been so robust, but the level of giving simply cannot continue to grow faster than our rising costs. To help fill the gap, the Met must more than double the size of its endowment over the next five years, and we, the Board, have approved a plan to do so.

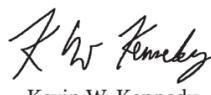
This plan also requires significant cost reductions. The Met's administration has proposed to cut personnel expenses by 16%—reductions that will equally affect both union workers and administrative staff. These cuts generally do not touch our unionized employees' basic wages. Instead, the aim is to eliminate some of the work rules that lead to extraordinary costs and to more closely conform the generous benefits packages the Met offers to currently accepted practice. Two examples of work rules under discussion are: first, chorus members receive an additional fee above their basic pay any time they remain in costume during a 30-minute rehearsal break or even when they change their shoes; and second, the orchestra receives 16 weeks of annual paid vacation. By citing these examples, we don't intend to demean the Met's chorus and orchestra; they are the best in the opera world. But some of these practices, established many years ago, are financially unsustainable.

Each of us on the Board has committed ourselves to the Metropolitan Opera because we believe that it is the greatest opera company in the world, and our commitment remains firm, assuming we can all work together to control spending. The Met is staffed by a loyal and talented group of employees, both unionized employees and administrative staff, led by our imaginative and hardworking General Manager, Peter Gelb. We believe that all of them are united in their desire to see the Met continue to thrive. It is our hope that by achieving these essential changes, we can all focus on opening another remarkable season this September, with many more to follow long into the future.

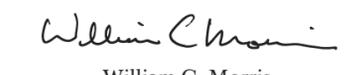
Sincerely,



Ann Ziff  
Chairman



Kevin W. Kennedy  
President



William C. Morris  
Chairman of the Executive Committee



Judith-Ann Corrente  
Secretary



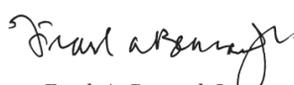
Betsy Cohen  
Treasurer



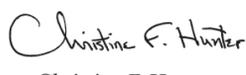
Mercedes T. Bass  
Vice Chairman



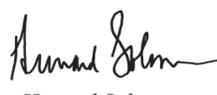
Frayda B. Lindemann  
Vice President



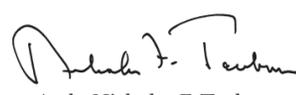
Frank A. Bennack Jr.  
Managing Director



Christine F. Hunter  
Honorary Chairman



Howard Solomon  
Managing Director



Amb. Nicholas F. Taubman  
Managing Director



Robert L. Turner  
Managing Director

The Executive Committee of the Metropolitan Opera Association