



NEWS RELEASE

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Philadelphia Orchestra Management and Musicians announce united effort to secure Orchestra's future

Orchestra Musicians agree to further contract modifications, bringing total musician contributions to over \$8 million over 2 ¼ years

Collaborative efforts will continue with commitment to begin early contract negotiations and to launch a strategic planning process

Board of Directors confirms \$8 million in pledges to recovery effort

2010-11 season launches new audience initiatives

(Philadelphia, February 26, 2010)—The Philadelphia Orchestra Association announced today that it is taking further steps to bolster the financial stability of the organization, which will enable it to continue presenting programs that meet the highest artistic standards. A unified effort between the Musicians of the Orchestra, the Management of the Association, and the Board of Directors has resulted in significant, further savings for the institution. The full Orchestra has approved additional contract modifications potentially worth \$4.5 million, bringing the total musician contribution to over \$8 million over two and one quarter years, and the Board of Directors has confirmed \$8 million in pledges toward a recovery fund.

The collaborative discussions between the musicians' Members' Committee and management of the Orchestra began in earnest upon the arrival of Philadelphia Orchestra President and CEO Allison Vulgamore in late January. Over the past four weeks this teamwork resulted in the musicians' agreement to modify the contract (see next page for details). The collaborative process of analysis and joint learning that developed will continue with organization-wide intensive planning that will stimulate strategic actions for the future. As part of this comprehensive planning process the Orchestra will creatively renew its artistic vision, relationships with communities in the Greater

Philadelphia region, hallmark education programs, venue partnerships, and the generation of all revenues to sustain its world-renowned performance.

“The Musicians recognize the continuing difficulties presented by the economic environment and have responded by providing additional economic relief to the Association,” said cellist and Chairman of the Orchestra’s Members’ Committee John Koen. “We are confident this will allow our new president, along with the Board, to effect a complete turn-around as we continue to work together on our plans to enhance our amazing legacy and to ensure this Orchestra remains Philadelphia’s unique treasure for many years to come. The Musicians are grateful to our loyal audience and donors, and will continue to perform for them at our highest level to provide the finest concerts that may be heard in any of the other great musical capitals of the world. Our work together off-stage will refocus our connection to the city in ways that solidify the relevance of this great art to people’s lives.”

“The Musicians of The Philadelphia Orchestra deserve the utmost respect for their willingness to come to the table collaboratively with management to address the financial challenges that we face,” said Philadelphia Orchestra Association President and CEO Allison Vulgamore. “Their contributions are remarkable, and critical to helping the organization achieve more secure footing. I am equally grateful that members of the Board of Directors have stepped forward significantly and generously. And, I am profoundly thankful for the tremendous dedication of our loyal donors and audiences, who continue to support us with their contributions and concert attendance. They, in tandem with our funders and supporters throughout the community, will be vital to our work as we move forward.”

“I am very pleased that our new president, the management team, and the Musicians have been able to reach this agreement,” said Philadelphia Orchestra Association Chairman Richard B. Worley. “Although there is still work ahead of us, I view this as a significant and positive step forward for the financial health of the organization, and I applaud this excellent example of management and musicians working together. Their dedication sets an example for all those in the community who care about and support The Philadelphia Orchestra, now and in the days ahead.”

Under the agreement announced today the Musicians of The Philadelphia Orchestra and the Association have approved:

- A freeze in the weekly minimum salary for the duration of the 2010-11 season (FY11);
- A hiring freeze, to remain in effect until the negotiation of a new collective bargaining agreement; vacant positions may remain open, with the mutual agreement of the Association and the Musicians’ Artistic Advisory Committee;

- To hold the Association's contribution to the American Federation of Musicians-Employers' Pension Fund at the current rate of 8.08% for the duration of the 2010-11 season (FY11);
- To immediately establish a Pension Research Task Force comprised of musicians, Board members, and staff to work collaboratively to identify viable pension plan options for musicians and staff;
- To initiate early negotiations for a new collective bargaining agreement with a strong commitment to pursue such an agreement in good faith by March 2011, five months in advance of the current agreement's expiration.

The Philadelphia Orchestra and Chief Conductor Charles Dutoit recently announced details of its 2010-11 season, which introduces *Sound Waves*, the new multimedia series of three concerts that will reach out to the four corners of the world to find connections with music, culture, and media. The season showcases Mr. Dutoit's musical leadership with the Musicians of the Orchestra and their legendary "Philadelphia Sound" in classic repertoire for which the Orchestra is famous. The Orchestra is also excited to continue the unique and popular *Beyond the Score* series, and to present a world stage roster of guest conductors and soloists, many of whom will share their artistry with Philadelphia audiences for the first time. Visit www.philorch.org for more detail on the 2010-11 season.

The measures announced today follow the Association's May 2009 announcement of actions being taken at that time to alleviate the financial situation. Those actions included the Musicians of the Orchestra voluntarily agreeing to modify their contract and to make individual contributions, resulting in total savings of over \$4 million for the FY10 and FY11 budgets. The aforementioned savings include over \$3 million in contract modifications and \$1 million in individual contributions to the Annual Fund. In March 2009, the Association cut over \$1 million from its administrative budget through a series of staff layoffs, which resulted in the elimination of 18 positions, salary reductions on some levels of the organization, a freeze on new positions, and the elimination of non-essential programs and activities.

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