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Jazz St. Louis



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Jazz St. Louis

The city of St. Louis has long stood as one of the centers of American jazz and blues history. Jazz St. Louis is a not-for-profit organization that has made a deep and sustained impact on the city's vibrant jazz culture since the early 1990s. A \$10 million capital campaign begun in 2013 led to an expanded array of live programming and educational initiatives, renovated facilities, and additional staff at Jazz St. Louis. In the years following this growth, the organization is challenged to supplement its enhanced programming with increases in both contributed and earned revenue, while staying loyal to the Jazz St. Louis mission. The case forces strategic decision-making in the context of a one-time grant proposal.



This case study was prepared by Ben Baker, Assistant Professor of Music Theory at the Eastman School of Music. ***The Eastman Case Studies*** are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements or sources of primary data nor are they to serve as illustrations of effective or ineffective leadership or decision making.

Jazz at the Heart of St. Louis

St. Louis has long been a landmark in the history of American jazz and blues. And the not-for-profit Jazz St. Louis has been a vital part of the city's jazz culture since the organization's inception. The origins of Jazz St. Louis trace to a concert series called "Just Jazz," developed in the early 1990s by local jazz enthusiast Barbara Rose. Housed at St. Louis's historic Hotel Majestic, the series featured early-career performances by jazz musicians like Diana Krall, Joshua Redman, Christian McBride, Benny Green, and John Pizzarelli—artists who would soon become household names on the national jazz scene. Rose diligently promoted these musicians and nurtured personal relationships with them; soon, the series developed a local reputation for providing affordable and intimate access to excellent live jazz performances.

When the Hotel Majestic changed ownership in 1995, the concert series relocated to a restaurant space in St. Louis's Grand Center arts neighborhood. The renamed "Jazz at the Bistro" achieved 501(c)(3) status in 1998, and in the wake of Rose's passing from breast cancer later that year, Gene Dobbs Bradford took over as executive director. Bradford had previously served as director of operations for the St. Louis Symphony, and he leveraged this experience to broaden the purview of Jazz at the Bistro beyond live jazz performance by developing education and community outreach programs. In light of this expanded scope, "Jazz at the Bistro" was rechristened "Jazz St. Louis" in 2006. The

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organization's commitment to preserving and nourishing jazz culture increased its national visibility and further cemented its status as an institutional anchor for jazz in both St. Louis and the larger Midwest. This

commitment is clearly spelled out in the organization's mission statement: "Jazz St. Louis is a not-for-profit 501(c)(3) organization whose mission is to lead our

community in advancing the uniquely American art form of jazz through live performance, education, and community engagement."

Campaign, Renovation, and Expansion

Early in 2013, Jazz St. Louis undertook the initial phase of a \$10 million capital campaign. The goals of the campaign were to renovate and enlarge the organization's performance and office spaces, to invigorate the three tenets of its mission through expansions in programming, and to hire additional staff. These goals were predicated on two key assumptions. First, Bradford felt there existed an unmet need for community engagement and jazz-oriented music education in St. Louis, and that Jazz St. Louis could position itself to meet this need. Second, he believed there was a sizable, untapped base of current and future jazz enthusiasts in the St. Louis metro area, whose deeper engagement with the institution would provide financial support to sustain the expansion in the form of both philanthropic gifts and revenue from concert attendance. This second assumption was informed by ticket sales data. Jazz St. Louis regularly booked shows four nights per week (Wednesday through Saturday), featuring two sets per night in its 150-seat performance space, and weekend shows often sold out. This suggested some degree of unsatisfied demand.

The early phase of the capital campaign was a success, bolstered by lead gifts from prominent local philanthropists, and in early 2014 Jazz St. Louis announced plans for an ambitious renovation. Prior to the campaign, Jazz St. Louis had leased its restaurant

A \$10 million capital campaign allowed Jazz St. Louis to purchase and renovate its restaurant space and an adjacent building, thereby centralizing and expanding its performance, education, and office spaces.

performance space in the Grand Center arts neighborhood and had housed its staff in a separate building located several blocks away. The campaign allowed the organization to purchase and renovate both the restaurant space and an adjacent building, thereby centralizing and expanding its performance, education, and office spaces. The combined space was branded the Harold and Dorothy Steward Center for Jazz, named for the parents of lead donor and longtime Jazz St. Louis patron David Steward.

The Steward Center opened to great fanfare in October 2014, with an inaugural performance by celebrated jazz trumpeter Wynton Marsalis. The most prominent feature of the renovated space is its primary performance venue, reconstituted as the Ferring Jazz Bistro. Featuring acoustics calibrated specifically for jazz performance, uniformly clear sight lines, accessible seating, and a full food and beverage menu, the renovated Bistro strives to preserve the intimacy of the earlier performance space, with capacity expanded to 200 seats. The renovation also added Nancy's Jazz Lounge, a new 75-seat bar and lounge that features the Bistro's food and beverage menu and streams its live performances on a large wall-mounted screen. Bradford notes that this additional space was explicitly designed to attract new audiences, allowing curious patrons to "dip their toes in" and indirectly experience live jazz without springing for concert tickets at the Ferring Jazz Bistro. Lastly, the expanded Centene Jazz Education Center, which provides space for Jazz St. Louis's education and community engagement programs, features soundproof practice rooms and two rehearsal studios, one of which doubles as a recording studio.

Growth in Mission and Programming

In addition to allowing Jazz St. Louis to refresh, expand, and centralize its operational spaces, the capital campaign catalyzed a period of significant growth for the institution. Jazz St. Louis broadened the scope of its mission by developing numerous additional

education and community engagement programs. And it began booking a larger and increasingly diverse number of live shows in the Ferring Jazz Bistro. Before the expansion, Jazz St. Louis featured two core community engagement programs that connected local public school students with live jazz. Both programs have grown as a result of the campaign. First, an artist residency program enables visiting artists to give performances and workshops at area schools, and it provides select school groups the opportunity to travel to Jazz St. Louis to experience free midday concerts. Second, an auditioned after-school jazz combo program called JazzU offers aspiring high-school jazz performers no-cost private lessons and ensemble experience. This program boasts a particularly strong track record of student success: Bradford notes that 100% of the participating students have gone on to attend college, and some have even majored in music.

In the years since the 2014 expansion, Jazz St. Louis has further deepened its relationship to the community with a number of new programs that cater to a broad swath of ages and socioeconomic demographics. Most of these initiatives, like the artist residency and JazzU programs, are almost entirely subsidized by philanthropic support from foundations, corporations,

and private donors. Programs like WeBop and Juice Box Jazz expose toddlers and preschool-age children to jazz in no- or low-cost movement classes, while a new after-school program for underserved middle school students meets twice per week and provides hands-on tutoring, as well as private lessons and ensemble experience. The Steward Center functions as a Midwestern site for the Essentially Ellington High

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School Jazz Band Festival, a yearly big band clinic and competition based at Jazz at Lincoln Center in New York City. For adults, a robust lecture and interview series showcases jazz writers and musicians. Additional programs have also emerged from local institutional partnerships. Faculty from Washington University in St. Louis, for example, are involved in both a monthly jazz-oriented book club for adults and a music therapy program for toddlers with the genetic disorder NF1. In coordination with area public schools, Jazz St. Louis has also developed an introductory jazz curriculum for elementary-age students.

In addition to these expansions in engagement-type programming, Jazz St. Louis has increased the number and kinds of shows it books in the Ferring Jazz Bistro. Beginning in the 2018–19 season, the Bistro began booking concerts five days per week instead of four, adding two sets on Sunday afternoons. The Bistro's Subscription and Spotlight series—which feature national and local acts, respectively—as well as its slate of special event performances, have all diversified, incorporating more modern jazz and a wider array of jazz subgenres. Jazz St. Louis has also enhanced its offerings with at least one new concert series every year since the 2014 expansion. Some of these added series seek to cultivate new audiences by catering to particular age groups: 2016–17 saw the addition of both Thursday Morning Coffee Concerts and a summer concert series, while the Young Friends subscription series, aimed at area professionals under age 45, was established in 2017–18. Other series highlight particular jazz subgenres: the Barbara Rose Series, added in 2015–16, exclusively showcases classic jazz piano trios, while the 2018–19 addition of the Contemporary Cabaret Series embraces a genre that had been underrepresented in the Bistro's bookings in previous seasons. In the 2017–18 season, the venue also began a livestreaming initiative that seeks to increase the club's regional and national visibility by providing free online broadcasts of select Bistro shows.

The Costs of Expansion

The 2014 renovation and expansion made Jazz St. Louis the third-largest not-for-profit jazz institution of its kind in the United States; it lags behind only Jazz at Lincoln Center and SFJAZZ, both of which are located in larger, coastal metro areas. **Appendix 1** summarizes Jazz St. Louis's revenue and expenses for five recent seasons. Between the 2013–14 season (the last before the expansion) and the 2017–18 season, the organization's operating expenses have more than doubled. Several individual line items have contributed notably to this increase. Driven by the uptick in the number of live shows, talent fees have increased from \$450,000 to \$825,000, while expenses for artist housing have risen from \$50,000 to \$140,000. (These costs fall under "Jazz Concerts" expenses in **Appendix 1**.) Owing to the addition of new staff members devoted to development, community engagement, and operations, total annual salaries have more than doubled, growing from \$400,000 to \$980,000. And expenses for property maintenance and depreciation—previously minimal costs because Jazz St. Louis leased its performance space—now account for 10% of total operating expenses. Bradford expects the last of these expenses to grow markedly in coming years, as facilities and equipment continue to age.

Despite these increased annual expenditures, the distribution of costs across the budget has remained fairly steady since the expansion. Roughly half of the organization's expenses remain associated with live jazz performances, while the other half are devoted to education and engagement programs, management and operations, and promotion and fundraising. Due to the drastic expansion in education and engagement initiatives, the proportion of expenses associated with these ventures has increased slightly in the last five years, while the proportion dedicated to promotion and fundraising has concomitantly decreased.

Growth in both earned and contributed revenue has partially compensated for the organization's increased

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expenses. Both assumptions that initially undergirded the expansion have proven accurate, at least in part: the additional education and engagement programs have solicited robust participation, and increased non-campaign philanthropic support has helped to subsidize these efforts. The 2014–15 season (the first

after the expansion) also saw a marked increase in revenue from sales of both subscriptions and ticket sales for jazz concerts, suggesting that there was indeed unmet demand for live jazz performances in the St. Louis metro area.

But this growth in concert revenue leveled off after the 2015–16 season, and it has not kept pace with the ballooning costs associated with these shows in subsequent years. The operations of the Ferring Jazz Bistro and Nancy's Jazz Lounge are not financially self-sustaining—philanthropic revenue consistently covers some portion of their costs, in addition to subsidizing the organization's engagement and education programs and defraying its myriad other expenses. (Individual donors and corporations regularly sponsor specific shows, for example.) Although contributions from later stages of the capital campaign have varied significantly across recent seasons, these variations were a deliberate part of campaign planning. The 2014–15 and 2016–17 seasons saw sizeable influxes of pledged campaign funding, which were spent in the following seasons, creating small planned deficits. However, even when setting aside this fluctuating campaign funding, other forms of contributed revenue typically still constitute the majority of Jazz St. Louis's annual budget. As a result, the organization is vulnerable to year-to-year vicissitudes in contributed revenue. If grant and fundraising totals fall short of the organization's goals in a given fiscal

year, Jazz St. Louis runs the risk of operating at an unplanned deficit.

Sustaining Growth and Preserving Identity

Since its expansion, the primary challenge for Jazz St. Louis has been to sustain the accumulated growth across all areas of its programming by cultivating increases in both contributed and earned revenue.

This challenge requires the organization to regularly reevaluate how it prioritizes the pillars of its mission and allocates institutional resources. Although Jazz St. Louis's education and community engagement programs generate minimal or no direct revenue, they are integral to its brand identity. They also have a positive, demonstrable impact on the St. Louis community, which is critical to the organization's ongoing

ability to solicit regular philanthropic support from both institutional and private donors. Funding from these sources has steadily increased in recent years, as pledged contributions from the capital campaign have largely run their course. This steady increase is driven by the work of three full-time development staff members, who submit grant applications, forge corporate partnerships, and cultivate donor relationships. However, in the 2017–18 season the organization decided to reduce the frequency of its fundraising gala from an annual to a biennial event, after determining that the money it raised did not warrant the time and expense required to hold the event every year. It was thought that donor philanthropy would remain relatively steady even in years without a gala. Although this assumption proved largely valid in the 2017–18 season, it is too soon to assess whether it will remain true in future years.

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To spur increases in earned revenue, Jazz St. Louis has taken a multipronged approach to marketing and audience development. The organization has recently updated its ticketing system and redesigned its website and print marketing materials. The Bistro's livestreaming program functions primarily as a marketing initiative that seeks to bolster the venue's regional and national reputation in hopes of attracting more big-name performers and larger audiences. Concert bookings at the Bistro have also diversified, with the goal of selling more tickets and generating additional food and beverage revenue by servicing a broader audience base. In its early years, the majority of the Bistro's bookings were straight-ahead jazz shows. But in the seasons since the expansion, these bookings have broadened to incorporate more modern jazz, and they have also begun to include artists whose music reaches beyond jazz to other contemporary influences. These genre-crossing artists have often been the best-selling bookings in recent seasons. For example, an average run of Bistro shows by a single artist typically sells between 40% and 70% of the total available tickets; in the 2018–19 season, the modern jazz pianist Robert Glasper, whose music blends jazz with elements of hip-hop and R&B, sold 92%.

Following efforts to broaden programming at Jazz St. Louis, marketing materials have become explicitly more user-friendly and educational. The inside front cover of each recent season's program booklet defines several stylistically distinct jazz subgenres, and each show is labeled with both the appropriate subgenre tags and a list of similar shows. (**Appendix 2a** provides Jazz St. Louis's subgenre definitions, and **Appendix 2b** lists the artists, subgenre tags, and ticket sales data from the Bistro's Subscription series from two recent seasons.) Shows featuring music that is particularly accessible or fun are flagged with a label that reads: "New to jazz? Try this show!" And each year's program includes several curated lists of recommended concerts for audience members with particular tastes, with titles including "The 'Little Bit of Everything,'" "The Classic," "The

Adventure," "The Young Bloods," and "The 'New to Jazz.'"

The goals of this ongoing diversification are aesthetic as well as financial. The organization's embrace of a broader array of jazz subgenres parallels the stylistic eclecticism that prevails more generally in the modern jazz landscape. Like similar jazz-oriented not-for-profits that operate live performance venues, Jazz St. Louis seeks to remain artistically vital by balancing preservation of the historical jazz tradition with the inclusion of more modern styles, including cross-pollinations between jazz and genres that are more popular with the concert-going public. In planning each season of Bistro shows, Jazz St. Louis's primary aim is to book a slate of varied performances that will appeal to a broad audience base, generating cumulative ticket sales that will come close to recouping the season's costs. Expanding the purview of these bookings beyond jazz altogether to include some artists from popular genres could perhaps be a commercially viable strategy. It could attract new and larger audiences, and some of these audience members could in turn be motivated to attend other jazz-oriented Bistro shows. But such a booking strategy risks compromising the institution's core mission of nourishing and preserving a recognizable jazz tradition. This mission is one of the organization's primary value propositions for institutional and private donors, whose funding constitutes the majority of the annual budget. This tension looms large as Jazz St. Louis seeks ways to render its expansion financially sustainable in the long term.

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Ensuring Future Vitality

Jazz St. Louis has hired a consultant to assist the existing development staff with preparation of an

application for a one-time \$350,000 foundation grant. Executive Director Gene Dobbs Bradford has tasked the consultant with the following:

- 1) Strategically identify the aspects of Jazz St. Louis's operations that would benefit most significantly from this grant funding—areas in which additional financial support would most effectively ensure the organization's ongoing vitality.
- 2) Contextualize these specific funding opportunities, keeping in mind the institution's larger mission and brand identity, including its status as both a center for jazz culture

and community engagement in the St. Louis metro area, and a prominent jazz performance venue in the larger Midwest.

- 3) Propose a specific methodology for evaluating the impact of this funding on both a short-term (one-year) and long-term (five-year) basis.

To complete these tasks, Bradford has reminded the consultant to consider operations at similarly oriented institutions like Jazz at Lincoln Center or SFJAZZ. These considerations might include the institutions' array of education and engagement activities, as well as the genre makeup of their concert bookings.

APPENDIX I

Revenue & Expenses, 2013–18

Appendix 1: Revenue & Expenses, 2013–18

SEASON	2013–14		2014–15		2015–16		2016–17		2017–18	
	\$	%	\$	%	\$	%	\$	%	\$	%
REVENUES										
Capital Campaign Contributions	\$1,097,034	41.8%	\$2,260,063	47.9%	\$55,017	2.1%	\$1,254,949	31.2%	\$106,397	3.3%
Other Contributions (Corporations, Foundations, Government, Individuals)	\$650,220	24.7%	\$1,075,303	22.8%	\$878,836	33.1%	\$1,126,679	28.0%	\$1,919,894	58.8%
Fundraising Gala	\$266,426	10.1%	\$392,039	8.3%	\$325,363	12.3%	\$420,954	10.5%	–	0.0%
Jazz Concerts (Subscriptions, Tickets, Associated Revenue)	\$613,611	23.4%	\$994,298	21.1%	\$1,394,555	52.5%	\$1,221,141	30.3%	\$1,239,196	37.9%
TOTAL REVENUE	\$2,627,291		\$4,721,703		\$2,653,771		\$4,023,723		\$3,265,487	
EXPENSES										
Jazz Concerts	\$780,602	48.0%	\$1,537,787	53.4%	\$1,599,366	51.9%	\$1,683,070	51.5%	\$1,801,098	50.2%
Education & Community Engagement	\$435,533	26.8%	\$666,700	23.2%	\$844,562	27.4%	\$913,854	28.0%	\$1,089,337	30.3%
Management & Operations	\$225,766	13.9%	\$410,889	14.3%	\$434,890	14.1%	\$443,077	13.6%	\$441,501	12.3%
Promotion & Fundraising	\$185,633	11.4%	\$264,087	9.2%	\$205,492	6.7%	\$228,676	7.0%	\$258,463	7.2%
TOTAL EXPENSES	\$1,627,534		\$2,879,463		\$3,084,310		\$3,268,677		\$3,590,399	
NET ASSET CHANGE	\$999,757		\$1,842,240		(\$430,539)		\$755,046		(\$324,912)	

APPENDIX 2a

Jazz Subgenre Definitions

SEASON	2013-14		2014-15		2015-16		2016-17		2017-18	
REVENUES	\$	%	\$	%	\$	%	\$	%	\$	%
Capital Campaign Contributions	\$1,097,034	41.8%	\$2,260,063	47.9%	\$55,017	2.1%	\$1,254,949	31.2%	\$106,397	3.3%
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Total Expenses	\$1,627,534		\$2,879,463		\$3,084,310		\$3,268,677		\$3,590,399	
Net Asset Change	\$999,757		\$1,842,240		(\$430,539)		\$755,046		(\$324,912)	

APPENDIX 2b

Subscription Series Subgenre & Ticket Sales Data

SEASON	2013–14		2014–15		2015–16		2016–17		2017–18	
	\$	%	\$	%	\$	%	\$	%	\$	%
REVENUES										
Capital Campaign Contributions	\$1,097,034	41.8%	\$2,260,063	47.9%	\$55,017	2.1%	\$1,254,949	31.2%	\$106,397	3.3%
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