



NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Musicians of The Philadelphia Orchestra Voluntarily Agree to Modify Contract to Protect Quality of Music During Time of Economic Turmoil

(Philadelphia, May 28, 2009)—The Musicians of The Philadelphia Orchestra and The Philadelphia Orchestra Association today jointly announced that they had reached an agreement to temporarily modify certain terms of the musicians' contract in order to help alleviate the extreme financial pressures brought about by the worldwide economic and financial slowdown. The short-term modifications will help sustain the Orchestra while protecting its world renowned quality of performance.

As part of a package including voluntary contract modifications resulting in total savings of over \$4 million in the FY10 and FY11 budgets, musicians have made an unprecedented offer to make their best effort to collectively make over \$500,000 in voluntary donations to the Orchestra's annual fund in each of the next two years. This is in addition to any new and increased contributions from the musicians and the community to the Orchestra's FY09 Annual Fund of which \$500,000 will be matched with a gift of \$250,000 from the William Penn Foundation.

"The musicians view preserving the quality of The Philadelphia Orchestra as our sacred trust," said cellist John Koen, Chairman of the Orchestra's Members' Committee and the lead negotiator for the musicians. "Although we did not want to modify our negotiated contract, we understand the difficulty the institution is facing in these unprecedented financial times and remain committed to preserving it. We believe these short-term modifications to our contract are the best way to protect the Orchestra and our music."

"The musicians are proud to collaborate with our board in the stewardship of our treasured Orchestra," said Gloria DePasquale, cellist and musician representative on the Board.

“We are extremely happy to have reached an agreement with the musicians that will help the Orchestra meet its financial obligations and continue to produce some of the finest music in the world,” said Philadelphia Orchestra Executive Director and CEO Frank Slattery. “The musicians’ willingness to bring both serious financial relief and creative solutions to the table to protect one of Philadelphia’s finest cultural assets has been truly inspirational.”

Under the terms announced today, the Musicians of The Philadelphia Orchestra will have their contract extended for one year (through the 2010-11 season) and it will be modified to include:

- a reduction in negotiated salary of 4.8% for FY10, resulting in a delay of salary increases until FY11
- the elimination of electronic media guarantee payments, resulting in savings of over \$194,740 per each year of the contract
- an array of work rule changes including waiving of fees for overtime, extra concerts or rehearsals, which saves the Association over \$265,000 per year for FY10 and FY11
- reduction of the pension funding obligation to save \$1.75 million over the course of the agreement
- Combined, these modifications represent a reduction of over 10% in total musician costs to the Association

At the end of the contract extension, the contract terms will revert to their original terms until modified through future collective bargaining negotiations between the parties.

Today’s steps by the members of the Orchestra follow the Association’s previously announced actions to address its financial situation. In March the Association cut over \$1 million from its administrative budget through a series of staff layoffs, which resulted in the elimination of 18 positions, a 20% reduction in staff size. In addition, salary reductions were instituted on some levels of the organization, as well as the elimination of non-essential programs and activities.

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