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SOME SOBERING STATISTICS

by Stanley Dombrowski

The April issue of this journal contains a useful table of wage scales, budgets and related information, that on first glance, seems benign enough. Those 1952-53 figures show that things have gotten better, and that, they have done, to no one's displeasure. The long time interval, though—spanning a quarter century—poses complications. First, players active then and now may find difficulty (or understandable reluctance) in relating to realities so long past; and second, many players today have not even reached the age of 25, with those slightly older having begun their careers only recently. One could infer, then, that musicians have at last emerged from grim years of uncertainty to a new day of affluence and professional fulfillment. Feeling somehow that Elysium had not yet arrived, I sought refuge in the library, and began a tortuous trip through such obscurities as the *1976 Statistical Abstract of the United States*, a plethora of abstruse tables and figures on Consumer Prices, Purchasing Power of the Dollar, Urban Budgets for a 4-Person Family, and everything else about which you were curious but afraid to ask. The time was not spent in vain; and it was more "sobering" than anticipated.

1967 is the "Base Year" established by the U. S. Labor Department. The figure for this base is *100*, and all other periods and all categories within the *Consumer Price Index* (CPI) are relative to that base. As of this writing, the CPI for May 1977 is *180.6*—i. e. all consumer prices on average are 80.6% higher than in 1967. This makes the current *Purchasing Power of the Dollar* (another index) equal to 55.4¢ relative to full value in 1967. (100/180.6 .554)

Now if you have your April *Senza Sordino*, you will note that some orchestras listed have made enormous strides since 1952—beyond 13 times their original budgets and 10 times original minimum salaries in a few instances. The most established orchestras made the smallest gains; some, but not all, of the newly established orchestras made the largest percentage gains. But what does any of this progress mean with a background of 25 years of inflation?

1952 Dollars were worth 1.258 relative to our 1967 base; so with the current Dollar at .554, the multiplier 2.2707581 can be obtained by dividing the 1952 figure by the current 1977 Dollar value. (1.258/.554=2.2707581). This last factor puts April's *Senza* table into a more meaningful perspective. We show a sample of entries:

ORCHESTRA	1952 MINIMUM SALARY* (1952 Dollars)	1952 MINIMUM SALARY* (adjusted for 1977)
Boston	$5,430.	$12,330.
Philadelphia	4,995.	11,342.
N. Y. Philharmonic	4,200.	9,537.
Chicago	3,710.	8,424.
Cleveland	3,270.	7,425.
Los Angeles	3,050.	6,926.
Detroit	3,040.	6,903.
Cincinnati	2,660.	6,040.
Rochester	2,640.	5,995.
Minneapolis	2,600.	5,904.

* includes Summer Season, if listed.

The most obvious conclusion is that there are now no 10x multiples when *adjusted 1952 salaries* are compared to *present-day figures.* (Consult AFM Wage Chart for the latter.) Since the 1952 Dollar is worth only 44c today, and since purchasing power is the only value that can be ascribed any currency, the maximum 10x salary raise in 25 years amounts to only a 4.4x gain in buying power. Orchestras on the list above did not fare as well, having made 2x to 3x real gains for the period.

Why were these 10 orchestras selected? They were the only ones whose *adjusted* minimum salaries were above current *Poverty Level*! ($5,850. for a family of four, at this writing) All other 22 orchestras had adjusted salaries falling below that level. While those lower-runged orchestras generally fared better eventually, in percentage of overall increase, their rise began from a pitiful base. One can safely say that most symphonic musicians in 1952 (2/3 of them) were forced to live partly from another, sometimes embarrassing, source of income, or exist in near squalor—a shameful state of affairs for the richest country in the world.

The gravity of the foregoing is seen by examining just how far we have gone since our buying power has doubled, trebled, and in some cases, quadrupled. The May 9th issue of *U. S. News & World Report* stated that nearly $17,000. per year was needed for a family of four to live comfortably ("Moderate Comfort," to use Labor Department vernacular)—up 6% from the previous year. In the "minimum" column, $10,041, was necessary, and in the "upper-income" budget, $23,759. These figures indicate *family budget requirements*; they make no allowance for savings programs, or university education now costing upwards of $6,000. per year, per child, in a private institution. Moreover, the May 1977 article quoted statistics from Autumn 1976, advising that living costs were up another 3% since then. Have most professional musicians in symphony and opera been able to maintain these standards—even with the multiples in their salaries?

Another fact of life is that living costs differ substantially from one city to another. The same *U. S. News* article cites Boston as the highest-cost mainland city, if the three above categories of family budget are averaged ($19,892.), with New York ($19,793.) a close second. Sampling the list, Austin averaged lowest ($14,575.), 26.7% lower than Boston. Orlando was 25.4% lower, Cincinnati 21%, Pittsburgh 20.2%, Detroit 15.2%, Philadelphia 13.4%. Only Anchorage and Honolulu had higher average family budget costs than Boston—22.1% and 4.6% respectively.

Aside from the American social situation, with government support of the Arts still token in size, what has created this problem? INFLATION, in a word. The following table, from CPI, Detailed Report, U. S. Department of Labor, March 1977, gives the *effective annual rates of increase* for the first quarter of this year. A sampling is offered:

CPI (Consumer Price Index), all items	10.0%
WPI (Wholesale Price Index), all items	10.2
Services, all items (including household, mortgage interest costs, property taxes)	9.8
Food	14.6
Medical Care Services	9.8
(Physicians' fees 12.2%)	
(Hospital Services 13.2%)	
Transportation	8.9

We know what has happened to oil and to coffee without reminders. Many other specific items could be mentioned, but the above broadly inclusive table amply shows the double-digit trend of rising costs.

As if more gloom were needed, our most recent *Balance of Payments* deficit was the greatest in history. That index, showing whether and to what extent our country is preponderantly an exporting or importing entity in world trade is critical. A "deficit" or import balance cannot go long unchecked without calamitous consequences. How can it be checked? By measures that can be equally calamitous if recklessly applied: import restrictions, high tariffs, currency devaluation, voluntary "austerity" measures. Higher tariffs and devaluation both make imported goods more expensive, therefore less accessible, but indirectly increase inflationary pressure. Restricting steel imports might help our domestic industry, yet conversely, applying the same logic to petroleum might be our economic Nemesis. Austerity measures have been tried, here and abroad, as has been currency devaluation—with dismal results. The buying public seems willing to pay any price, paying little heed to artificial deterrents.

Inflation then, like death and taxes, seems inevitable. The *rate* of inflation, though, is what everyone will have to watch. Negotiations take place every year in some ICSOM orchestra. They must not be a somnambulant exercise. If we do not protect our earnings and ourselves from the ravages of escalating price movement by *percentage* increases *at least as great* as those in current motion, we might find ourselves lost in the dust, or even returning to that 1952 Neanderthal Age.

HONOLULU REPORTS

At long last a message from Honolulu and the results of *last* year's negotiations. As reported at the Denver ICSOM convention last fall, we had a very difficult time making any gains at all and had to hang on for dear life to keep what we already had in our last 3-year package. We were a team new at the negotiating table and up against a professional hired by management from the Hawaii Employer's Council. They bargain for the managements of Matson Shipping, Dole Pineapple, C & H Sugar, etc.

Briefly, we won a $20, $27.50 pay raise ($245, $272.50) and an improved health plan (including dental). We lost in accepting management's plea to do 12 and 11 (1977-78) free services for fund raising projects and by getting locked out of the first three weeks of the season because we did not sign soon enough before the beginning of the 1976-77 season.

The real problem we ran into dealt with the *process* of ratification (who had the "right to ratify") and the interpretation of the words "those musicians working under the old agreement." Our union interpreted this to mean anyone who had *at anytime* played in the orchestra during the past three years. As you can imagine, we had ballots going all over the country to people who had moved to other states as well as to people here who had played sax or the bongoes at one gig! To put it mildly—there was a great furore. The musicians walked out of the final ratification counting at the Union and yours truly flew to New York to consult Phil Sipser.

We had to let the ratification stand but wanted to make sure this would never happen again. Thanks to helpful meetings at ICSOM with Phil, Lenny, Ted Dreher and members of the Executive Board and then back here with our Union, an amendment to the by-laws was passed March 28, which changed it to read:

> "Member eligible to vote shall be a member who worked the last year of the Agreement and who is either a full time, per service contract member or a casual musician who has worked 1/3 or more of the total number of services during the last year when any casual musician was used."

Louise Solmssen,
Chairperson, Honolulu Symphony Musicians

ICSOM MEMBERS INVITED TO ASOL CONVENTION

The American Symphony Orchestra League convention was held in June in New Orleans. At the invitation of Henry Black, executive manager of ASOL, Irv Segall asked Fred Zenone (National Symphony), Melanie Burrell (Denver Symphony) and Richard Erb (New Orleans Symphony) to participate as panel members in a general session. The subject was "The Musicians Speak Their Minds." Tom Morris, manager of the Boston Symphony Orchestra, moderated the panel. When introducing the panel, at the request of the musicians Mr. Morris stated that although each of the musicians was active in ICSOM, they would speak as individuals rather than as spokemen of ICSOM policy.

Before the substantive questions, a brief history of ICSOM was given, from establishment of a newsletter and its concern for musicians' welfare, to its current seat on the National Endowment for the Arts Music Panel and ICSOM concern for public (Federal) funding.

Mr. Morris led the panel through questions relating to two major issues. One, the need for increased musician input into artistic decisions and a larger role in the working of musical policy. The other, the question of how musicians feel about Federal funding. There were a substantial number of questions from the floor and much dialogue. The panel discussion was well received by ASOL participants.

Turn about being fair play, the ICSOM Executive Board has invited a group of managers from the Major Managers organization to participate with us in a panel discussion at the annual ICSOM Conference in Cleveland. The topic will come as no surprise. It is, "What's on the Manager's Mind." The three panel members will be, Tom Morris, manager of the Boston Symphony Orchestra and Chairman of the Major Manager organization; Peter Pastreich, manager of the St. Louis Symphony and Oleg Lobanov, manager of the National Symphony Orchestra. Each panelist will present a point of view for about ten minutes after which there will be questions from the floor and discussion for the balance of the hour and a half.

Other guests of the Conference will be Frances Richards, Executive Director of the National Council for the Arts and Education (NCAE), and Adrian Gnam, Assistant Director of Music Programs at the National Endowment for the Arts as well as Congressman Ted Weiss, N.Y. advocate of a change in the mandatory retirement age to 70 years of age. We will also have an observer from our counterpart in Canada, OCSOM, the Organization of Canadian Symphony Musicians, as well as our regular guests from the Federation.

COW BRINGS MORE THAN STRAD

Want to trade a Stradivarius for a cow? Probably not, but unbelievably you could be making money on the deal. A Strad, anno 1692, was sold by Christie's Auction, London, on May 4, 1976 for $78,000. It was the third highest price ever paid for a violin at auction. In 1971 a Strad was sold for $201,600, highest price on record. Several years ago a del Jesu Guarnarius sold for $139,200, top price paid for a violin by that maker.

The Stradivarius sold at Christie's last year was given by Czar Alexander III of Russia to his court violinist, Eugen Maria Albrecht, whose wife sold it after his death.

Last year, on the same day that it brought $78,000, a Pennsylvania dairy farmer, Ray Edward, paid $200,000 for a Holstein cow at an auction at Hays farms in Ontario, Canada. It is said to be a record for a Holstein sold at auction. Though the Stradivarious is renowned for the high price it brings, only one ever topped the price paid for that cow.

SOME THOUGHTS ON ARBITRATION

Len Leibowitz, ICSOM Counsel

A growing number of orchestras have become involved in the arbitration process in recent months. For those orchestra members who have had little or no experience with arbitration, we felt that a few words of explanation and advice may be helpful.

Arbitration is a method of dispute resolution through which the parties, *having agreed to do so in advance*, submit their differences to a third, *supposedly neutral*, party or parties for *final and binding determination.*

The underscored words and phrases above are critical to an understanding of the process.

1. *ADVANCE AGREEMENT* — Unlike court litigation, there can be no arbitration without advance agreement by the parties. Although that agreement can be ad hoc, it is usually made during the collective bargaining process and included in the collective bargaining agreement as the sole and exclusive method of resolving disputes arising thereunder.

Depending upon the language of the arbitration provisions of the contract, some, or all of the disputes arising between the parties will be "arbitrable" — that is, subject to being submitted by one side or the other to an arbitrator. For example, if the clause reads, ". . . any and all disputes, grievances, etc., arising between the parties shall be submitted . . ." then there would appear to be no limitation on the nature of the disputes subject to arbitration. If, however, the language limits arbitration to those disputes which ". . . arise under this agreement," then one side or the other could argue that a particular dispute involves a question not covered by the contract and refuse to submit to arbitration. (The procedures for compelling or enjoining arbitration are highly technical and should be engaged in only with the assistance of counsel.)

In addition, certain kinds of disputes may be expressly and specifically exempted from arbitration. For example, non renewal cases in which a Players Committee makes the "final and binding" decision; or certain of the Music Director's prerogatives which are specifically excluded from the grievance and/or arbitration procedure.

Thus, if you are seeking arbitration or if the Management is demanding it, an initial determination as to "arbitrability" must be made, i.e., is this particular dispute covered by and subject to the arbitration provisions.

2. *NEUTRALITY* — The arbitrator, or, more commonly, the organization through which that person or persons are to be selected is usually set forth in the contract. Again, since arbitration can only occur by mutual agreement, this critical aspect must also somehow be agreed upon.

If the arbitrator, or arbitrators (sometimes a panel of three is selected) is specifically named in the contract, then that aspect has already been agreed upon. However, if only the organization is named, e.g. American Arbitration Association, State Mediation Board, Federal Mediation and Conciliation Service, etc., then, once arbitration is demanded over an arbitrable controversy, the selection process begins. This process is both time-consuming and "ticklish." While, as stated, the arbitrator is "supposedly neutral," in the majority of instances, this is strictly theoretical. Knowing the arbitrator's background, his or her proclivities, and, perhaps most importantly, his or her position and associations in the community are invaluable aids in selection. A case can practically be won or lost at the selection stage.

Even when the parties have somehow selected a "nearly neutral" arbitrator, it must be remembered that in most private sector arbitrations, the arbitrators fee is divided equally between the parties. The arbitrator knows that in order to continue to earn a living, he or she must continue to be acceptable to both sides. Thus, even when a "neutral" is selected, the parties must always be cognizant of the arbitrator's propensity to "split the baby" i.e. award one issue, or part of an issue to one side and another to the other. The most common example of this occurs in discharge cases where the arbitrator who decides on reinstatement will rarely also award back pay for lost wages.

It is important then to keep in mind the fact that no matter how clear and solid you think your case is, the arbitrator will always be looking to give something to the other side, if only to create the appearance of neutrality. It should also be clear then that if more than one issue is submitted to the same arbitrator, you are setting yourself up for at least one loss.

3. *FINAL AND BINDING* — There is virtually no appeal from an arbitrators award. While state statutes covering the setting aside of an arbitrator's award vary somewhat, they all provide only very limited grounds for such an application. For example, *actual, probable* bias on the part of the arbitrator, or the arbitrator exceeded his or her authority, or totally misunderstood the facts of the case. Simply rendering what you perceive as a wrong or bad decision is insufficient grounds for setting aside the award.

Remember, arbitration is different from mediation. The mediator has no authority to issue binding decisions. He or she is brought in to try to bring the parties together, if possible. But if the mediator fails, the parties are left to their own devices. An arbitrator acts like a judge, and after hearing all of the evidence and reading the briefs, if any, he or she makes a "final and binding" award.

The arbitration process was conceived of as a way of resolving disputes without recourse to strikes or lockouts. One sometimes wonders whether it was a good trade.

For the answers to many detailed questions about the arbitration process, there is an excellent treatise entitled "How Arbitration Works," by Frank and Edna Elkouri, published by BNA Inc.

A MESSAGE FROM THE CHAIRMAN

Pick Your ICSOM Delegate With Care

In just a few more weeks it will be ICSOM time again, and delegates from 43 orchestras all over the United States will converge on the Cleveland Plaza Hotel to participate in the 15th annual ICSOM Conference.

The delegate should bring a thorough knowledge of the problems within the orchestra, so that these problems can be discussed in workshops or floor discussions for possible solutions. An equally thorough knowledge of problems that have been solved should also be brought, so that these solutions can be made available to others. There are so many subjects discussed at the Conference, that an orchestra is being cheated if its delegate cannot bring back the material covered.

He must also be willing and able to carry on the work of ICSOM during the year, at home. Proper distribution of Senza and wage charts and directories; posting of bulletins; answering correspondence from officers and other delegates in the course of the year; making sure that the orchestra ICSOM dues is sent to the Treasurer on time; providing the editor of *Senza* with information from and about your orchestra; sending to the proper person, at the proper time, information from your orchestra for the directory and the wage chart. You can readily see that for ICSOM to be alive and well all year long, the delegate must function all year long. And for your orchestra to receive the maximum benefit and service from ICSOM, your delegate must be willing and able to connect your orchestra with ICSOM and ICSOM with your orchestra. *He should be chosen with the same care that you select your committee chairman.*

Irving Segall

COMPARISON OF ORCHESTRA PENSION BENEFITS—PART 1

Because pension funds have become an area of ever increasing concern and interest to symphony orchestra musicians, we have decided to devote some *Senza Sordino* space to the subject. Perhaps it is best to leave an in depth treatment of pensions to those who have the expertise and simply refer to the fact that for the past few years there has been a Pension Workshop conducted at the annual ICSOM conference under the expert guidance of Phil Sipser and Len Leibowitz, counsel for ICSOM. This August another such workshop will be conducted for the benefit of all delegates.

Over the next few issues of *Senza Sordino*, however, we will capsulize the more salient features of the defined benefit pension plans now enjoyed by some of our ICSOM orchestras. We will then chart the orchestras currently receiving contributions into the AFM-EPW defined contribution plan, making reference to the formula currently used to compute benefits.

Orchestra	Yearly Maximum Benefit	Retirement Age Normal	Retirement Age Compulsory	Years of Service for Maximum Benefit
Boston—1974-77	$9500	60	none	up to 30 years

Comments: Early retirement benefit at age 50; minimum of 10 years of service. Survivor benefit is 50% of retiree benefit. Orchestra gives three Pension Fund concerts per year and 16 open rehearsals. Concert broadcast fees and 10% of Marathon receipts accrue to the benefit of the Pension Fund.

Orchestra	Yearly Maximum Benefit	Retirement Age Normal	Retirement Age Compulsory	Years of Service for Maximum Benefit
Chicago—1976-79	$9000	60	65*	30**

Comments: *Retirement at age 65 is contingent on Union approval: members may work past 70 only with management and Union consent.
**Maximum benefit with 35 years of service irrespective of age. Early retirement at age 50; minimum of 20 years of service. Survivor benefit is 50% of retiree benefit. Orchestras may play two Pension Fund concerts per year.

Orchestra	Yearly Maximum Benefit	Retirement Age Normal	Retirement Age Compulsory	Years of Service for Maximum Benefit
Los Angeles—1975-76	$6600	65	none	30
1976-77	7200			
1977-78	8400			

Comments: Early retirement benefit at age 55; minimum of 20 years of continuous service. Musicians may elect a 50% or 100% survivor benefit option. Spouse or estate receive no benefit if member dies before age 65. Orchestra performs one Pension Fund concert per year.

Orchestra	Yearly Maximum Benefit	Retirement Age Normal	Retirement Age Compulsory	Years of Service for Maximum Benefit
New York—1976-79	$9000	65	67	no maximum

Comments: Formula for benefit is $300 per year X years of service. No maximum is designated. At retirement would apply to a retiree with 30 years of service. Early retirement benefit at age 50; 20 years of service. At age 60, member is entitled to 50% of normal pension benefit for survivor in addition to any benefit payable under elected optional benefits. Orchestra performs two Pension Fund concerts per year.

Orchestra	Yearly Maximum Benefit	Retirement Age Normal	Retirement Age Compulsory	Years of Service for Maximum Benefit
Philadelphia—1975-78	$9460	67		30

Comments: Formula for benefit is $315 year year X years of service. Maximum for 30 years of service. Early retirement at age 55; minimum of 15 years of service. Survivor benefit is 50% of retiree benefit. Orchestra performs two Pension Fund concerts per year. Orchestra broadcast fees accrue to the Pension Fund.

Orchestra	Yearly Maximum Benefit	Retirement Age Normal	Retirement Age Compulsory	Years of Service for Maximum Benefit
Pittsburgh—1975-78	$6000	65	70*	30

Comments: Early retirement at age 55; Survivor benefit can be 100%-75%-50% of retiree benefit, depending on election of option. Orchestra performs four Pension Fund concerts per year.
*May continue beyond 70 with consent of management.

Orchestra	Yearly Maximum Benefit	Retirement Age Normal	Retirement Age Compulsory	Years of Service for Maximum Benefit
National—1975-78	$8400	65		35

Comments: Member may retire at age 60 after 30 years of service at a yearly pension of $7200. Various options are available for a choice of survivor benefits. While no pension concerts have been performed for several years, two free services are made available for that purpose. Member may play beyond age 65 with consent of management.

Orchestra	Yearly Maximum Benefit	Retirement Age Normal	Retirement Age Compulsory	Years of Service for Maximum Benefit
Cleveland—1976-79	$7500	60	67	30

Comments: Early retirement at 55. Survivor benefit options available. Orchestra provide services for up to three concerts which may benefit either the Pension Fund, Maintenance Fund or a combination of both.

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