OFF OFF BROADWAY THEATRE:
THE COST OF GROWING UP

By Joan Jeffri*

NOTE:

Throughout this study, the terms used to identify the managers of arts institutions are Artistic Manager and Organizational Manager. The Artistic Manager of an arts institution is, in the broadest definition, the person responsible for the artistic policy of the organization and for artistic considerations and decisions. In the institutions themselves, he may be referred to as the Artistic Director or simply, Director. The Organizational Manager, broadly described as the “business person” of the arts institution, is responsible for all non-artistic matters, including operational and financial ones. His title in the arts world is often Executive Director or Business Manager.

Although these manager-types are discussed in detail in the opening chapters of this book, it should be noted here that, in many emerging arts organizations, the Artistic Manager is often the founder of the institution and also the only manager during the organization’s first years. None of these manager’s responsibilities can be neatly categorized as wholly “art” or “business” oriented, but the terms Artistic Manager and Organizational Manager should provide some key to their areas of major focus within the institution.

---

* This article is part of a chapter from a forthcoming book, The Emerging Arts, by Joan Jeffri. © 1979. All Rights Reserved. The author is an Associate in the Arts of Columbia University, School of the Arts, New York City where she is involved in development and teaching of graduate courses in Management and the Arts in the School of the Arts and the Graduate School of Business.
OFF OFF BROADWAY THEATRE—COST OF GROWING UP

In 1973, one can view the whole gamut of changes that has occurred in the Off Off Broadway theatre since its inception in the late 1950s. Theatres still exist wherever there is a space available and, although the concentration of work is still in New York City, it is now all over the city and some groups have sprouted in Boston, Minneapolis, San Francisco, Denver, Los Angeles and Berkeley.¹ The number of theatres in New York City has grown from less than ten in the late 50s to over two hundred, with a not-for-profit arts service organization called the Off Off Broadway Alliance representing seventy-five of them in such matters as real estate and tax laws, union negotiation and pooled resources. Budgets run from the shoestring variety up to $750,000 (excluding Joseph Papp’s Public Theatre which, as an empire unto itself, will not be treated as representative of Off Off Broadway).

Many theatres have adopted the shared management concept of both Artistic and Organizational Managers, and some have administrative staffs as large as fifteen to twenty people. There are theatres with permanent acting companies, with core ensembles, and theatres that depend solely on pick-up casts. There are theatres that seat fifty and those that seat two hundred and fifty, and certain mixed-art events like some of Meredith Monk’s theatre-dance work which demand viewing by one person at a time. There are even theatres where the audience follows the action of the play by physically moving from one location to another. There are still theatres devoted to producing new scripts and dealing with living playwrights and some actively enter into the developmental creation of the play.

sonnel, equipment, expertise, and the kind of knowledge they can only get from their colleagues working daily in the field. To each of these alternatives certain strings are attached, and what is gained financially may change or modify not only the artistic goals but the artistic output of the Off Off Broadway theatres.

Toward the Establishment: The Broadway Transfer

The visibility and economic stability to be offered by moving productions to Broadway is tempting to many Off Off Broadway theatres and, although they may resist the restrictions of unionization, they cannot have their cake and eat it, too. Once they have entered the commercial marketplace, they cannot remain the small, experimental theatres they once were, working as many rehearsal hours as they need until the work is “ready.” They can no longer pay their actors below minimum scale. And, while they may reap certain financial benefits, these benefits are not without their price—if the theatres have permanent companies of actors, they run the risk of losing those actors forever once they have entered the Broadway mainstream; if they become dependent on Broadway as a source of income, they may begin to program their own seasons with an eye to marketability for a Broadway audience.

Of course, the financial possibilities for making the for-profit Broadway theatre help support not-for-profit theatre institutions constitute the main reason that Off Off Broadway theatres transfer productions to Broadway. But the Off Off Broadway theatres serve a very real function for the Broadway system by acting as a tryout ground. It is almost financially impossible to produce new plays on Broadway. Broadway can no longer afford to be the “in-
duction. In effect, the originating Off Off Broadway theatre must option a specific property to protect a short-term life for a production after it closes and sell its rights by assignment to a commercial entity to insure financial return.

The Manhattan Theatre Club’s 1977-78 production of Ain’t Misbehavin’ was generated, created and developed in its East 73rd Street theatre; it then moved directly from the Manhattan Theatre Club to Broadway at a total Broadway production cost of $343,000. The Manhattan Theatre Club’s profits from the Broadway production could represent 10 percent of the 1978-79 budget of $750,000 or $7500, but if the Manhattan Theatre Club had been able to capitalize the Broadway production itself it might have received three to four times that amount.*

The most visible and successful example of a theatre which has used the Broadway transfer system to its advantage is the New York Shakespeare Festival’s production of A Chorus Line, shaped and developed through workshop techniques at the Public Theatre under the auspices of Joseph Papp. Papp’s organization is so large and has such a-mammoth staff that it was able to capitalize and move the production to Broadway, with the help of a $500,000 contribution from Festival benefactor, LuEsther T. Mertz. Listed in the Festival’s annual report as an extraordinary asset, the Broadway production of A Chorus Line, after seven months of paying off the production costs, has been averaging a profit of $31,000 per week. Addition-

* According to one Broadway source, the Manhattan Theatre Club never held an option on the material and its Board of Directors was leery of MTC becoming a Limited Partner; thus, whatever profit accrued to MTC was due to the largesse of the Broadway producer who transferred the production.
the theatre industry itself and what is defined as a “fair share” for those transferring theatres. Traditionally, the commercial theatre has always defined what a “fair share” should be. Barry Grove, Managing Director of the Manhattan Theatre Club, feels that this sets up a competitive market among Off Off Broadway theatres which allows the theatre accepting a smaller percentage of the profits to transfer to Broadway more readily than a theatre asking a larger percentage. Too, Grove feels that with the growth of the Off Off Broadway theatre movement the traditional “fair share” is decidedly less than “the not-for-profit world would consider the fair share to be.” Grove feels some reexamination of existing laws must be done to establish new policies.

The second question is more philosophical in nature than financial. Would changes in the percentage or “fair share” remuneration for originating theatres tend to make these theatres develop the “hit” mentality of Broadway, thus jeopardizing the artistic integrity of the work and the rationale on which the not-for-profit theatre rests of the right to fail in an atmosphere where artistic concerns take precedence over financial ones? On the one hand, it seems only logical that the Off Off Broadway theatres try to maximize the return on their “product” in order to help subsidize their ongoing seasonal operations, especially in light of the difficulties of raising money from foundations, corporations and individuals. On the other hand, there is a danger of violating some of the unwritten trusts of the not-for-profit arts system where process is supposed to be more important than product, and where commercial standards and restrictions are not supposed to have primary

---

*Interview with Barry Grove, May 24, 1978.*
OFF OFF BROADWAY THEATRE—COST OF GROWING UP

producer who would apply to the fund for financing. A mechanism for selection would be determined to screen applications. Savings might be projected in such areas as rehearsal time and pay, costumes, and reusable sets which would drastically reduce the costs of producing the play on Broadway.

The originating theatre would receive a percentage of the profit. The playwright would earn his normal royalty. The rest of the profit would revert to the fund. For his services the producer would receive office expenses and either a flat fee or a percentage of the gross. The play would begin non-profit and end profit.10

That is, of course, if there is a profit. The history of the success of “serious” plays on Broadway, especially those which are not “star” vehicles, is erratic enough to make one assume that many of the plays transferred in this manner would not achieve a profit; in all probability, many of them would lose money. Additionally, Barr’s idea at first perusal seems more a mechanism for saving the dying invalid, Broadway, than for answering the needs of the not-for-profit theatres.

In the June, 1978 Second National Working Conference of the Theatre Communications Group, the concept of a special transfer fund was again proposed, specifying that the initiating theatre retain both artistic and financial control over the production which transfers from “one sector to another.” 11 It was suggested that this fund have a cap-

---

10 Little, After the FACT, op. cit., p. 65.
OFF OFF BROADWAY THEATRE—COST OF GROWING UP

Describing the transfer of Hot L Baltimore from Circle Repertory to Off Broadway, Marshall Mason, Circle's Artistic Director, says, "It was never our intention to transfer anything anywhere. It was our intention to do the best work possible. When we did the best work possible at a certain point—with Hot L Baltimore—it became selfish to think, 'Well we've done it and five hundred people have seen it, so we're going to stop now.'"  

A little of the "if you can't lick 'em, join 'em" philosophy appears at this point and, although several of the major Off Off Broadway theatres continue to think in terms of transferring productions while maintaining a steadfast refusal to produce with one eye on Broadway, they seem to feel uncomfortable between the two worlds or, as Mason describes them, the "victims of their own success."  

Funding Mechanisms and Resource Sharing

Any discussion of an arts organization's survival is obviously not based solely on artistic or organizational management but, equally, on the organization's financial stability and growth. Of the Off Off Broadway theatres that are supported as not-for-profit institutions (this means virtually all of them that have existed for more than two years), the ratio of earned-to-unearned income varies widely. Between forty and sixty percent in either direction seems to be the average for most theatres, although some have swung as far as eighty-twenty or twenty-eighty. At the 1977 conference at Arden House in New York, "The Performing Arts and American Society," a panel of not-for-

---

14 Ibid.
OFF OFF BROADWAY THEATRE—COST OF GROWING UP

Mabou Mines, The Performance Group, Meredith Monk/The House, the Ontological-Hysteric Theatre, the Ridiculous Theatrical Company, The Cutting Edge, the Manhattan Project and Section Ten, the Bunch was viewed at its inception as the savior of the truly experimental branch of Off Off Broadway. Primarily directors' theatres, although some of the directors were also writers, the Bunch companies were united in their "antipathy to traditional theatre" and in thinking of their work as "popular" rather than "underground." Many of them incorporated other art forms in their work—dance, film, mixed-media. And all of them, committed to creating collaborative non-traditional kinds of theatre, exist on the outermost fringe of Off Off Broadway.

According to Elizabeth Le Compte, the Bunch was the brainchild of Richard Schechner, Artistic Director of The Performance Group. Its original purpose was to create a not-for-profit organization which could collectively fundraise for its member theatres while at the same time encourage sharing of resources.*

But by 1977, the Bunch had become essentially a booking agent for its member theatres. In an impressive publicity folder in early 1977, the Bunch distributed information on each of its member companies, detailing performance schedules and costs for touring, plus additional group and individual residencies, workshops, classes and other services each group could perform. Stressing a desire to expand audiences and engender community involvement, the

representing some of its member companies. Too, at the same time that the Bunch staff was assuming certain managerial duties for its members, the companies themselves were trying to improve their own managerial skills and functions were not always clearly defined. Personality differences and internal squabbling added to an already deteriorating relationship between the Bunch and its company members, resulting in the demise of the Bunch in 1978.

The most recent successful attempt at a consortium effort is the Corporate Fund for the New American Theatre, composed of the Circle Repertory Company, the Manhattan Theatre Club and Playwrights Horizons, which recently obtained grants of approximately $250,000 for each theatre spread over a three-year period from the Ford Foundation. Each theatre has an operating budget of approximately $500,000 a season and is considered a small, expanding neighborhood playhouse which has increasingly become a seedbed for new plays that have moved into more public arenas. Each has strong artistic leadership and an individual identity.

Probably the largest single grant any of these theatres has received, the Ford money came with certain strings attached which will undoubtedly shape future management policies of these organizations. Although each theatre negotiated a separate package with Ford, all received $100,000 outright with the promise of additional funding if the theatres complied with Ford’s cash reserve program. Essentially, the cash reserve program allows a not-for-profit arts organization a certain amount of money over a several-year period to use for immediate operating expenses. Operating expenses and cash-flow needs are major
the necessary requirements. In effect, she feels those organizations are biting off the hand that feeds them.

Barry Grove of the Manhattan Theatre Club feels differently. He entered the cash reserve program with serious reservations. In Grove's view, the program is more effective in organizations like major regional theatres which have already fulfilled major staff and operational needs and require leverage money to help them erase their deficits. The problem in Off Off Broadway theatres like the Circle Repertory and the Manhattan Theatre Club, which are still developing on basic staff and managerial levels, is that the cash reserve program can force them to stabilize at their present level. He accepts Ford's right to demand that organizations it funds are fiscally sound enough to survive, but thinks "... (Ford) wants the theatres to be IBM when they're not ready to be IBM." 18

The most publicized case of a theatre which has run into trouble with Ford's cash reserve program is the American Shakespeare Festival in Stratford, Connecticut. When the American Shakespeare Festival lost its principal benefactor, Joseph Verner Reed, in 1973, it was forced to broaden its base of support. In 1975, Ford set up a five-year cash reserve grant of $975,000, starting with an initial outlay of $235,000. After repaying its operating deficit and reducing its accumulated deficit, the American Shakespeare Festival was unable to obtain $400,000 in matching money, and was forced to abandon its Shakespeare offerings for a year, using the theatre as a booking house for other companies. Summer of 1978 saw a valiant attempt at resuscitation as the theatre incorporated into a larger

18 Interview with Barry Grove.
them at an institutional level before they are ready. Playwrights Horizons has gone from a $48,000 budget in 1975 to a $450,000 budget in 1978. Although financially they are one of the largest theatres Off Off Broadway, operationally and philosophically they remain a small, minimally-staffed theatre with low visibility. Unable to think in great detail about artistic growth, they are forced to concentrate on making the theatre catch up with its budget. Instead of the more common, steady struggle of most Off Off Broadway theatres where new work and ideas have come first and the search for adequate funding followed, Playwrights Horizons has the problem of fleshing itself out to meet its recent budgetary windfall. Although it is possible that money will not corrupt the original goals and values of the theatre, it is equally possible that the spontaneity of the theatre and its sense of community will be lost.

Although concerns over funding-agency influence may be relatively new, particularly since the National Endowments for the Arts and Humanities were created as late as 1965, the arts institutions themselves have been aware of such concerns for a long time. Both Marshall Mason and Barry Grove maintain that their theatres do not create programs or activities in order to obtain funding but that, nevertheless, this temptation needs constant resisting, especially since many funding agencies feel more secure supporting specific programs rather than the general operating expenses of an entire arts operation. Grove cites a time not too long ago when the Manhattan Theatre Club considered initiating a children’s theatre series for just such monies, but abandoned the idea because it violated the theatre’s goals. Mason recalls the time that the Jerome Foundation funded a specific program for emerging playwrights at
and inclinations of those agencies as to how a theatre should grow. There is little concern that funding agencies will dictate the more specifically artistic choices of playwright, play or actor. Rather, the concern is with a much larger sphere of influence, the influence over artistic policy which remains “a personal statement, inherently defying collective agreement.” And as most arts managers realize, in the words of Chelsea Theatre Center’s Artistic Director, Robert Kalfin, “a budget is artistic policy” and that “in the cause of survival there are financial temptations that can ultimately destroy what his (the artistic director’s) theatre originally intended to be about.” The presence of a funding agency which holds out the carrot while walking backwards until all the i’s are dotted influences the artistic environment, particularly when an arts organization closes its doors in order to obtain that carrot, thereby negating its entire purpose.

For two highly political theatres, the Living Theatre and the Open Theatre, receipt of any kind of money posed moral and artistic dilemmas. In 1970, Joseph Chaikin felt that the Open Theatre would have to make certain compromises to retain a minimum income. “But we will choose our compromises very carefully. . . . We are looking for a delicate balance between our radical commitments and the realities of living in America.” To Judith Malina and Julian Beck, founders and leaders of the Living Theatre, public funding constitutes “blood money,” money that has already been “ripped-off,” and is therefore unacceptable.

---

21 Ibid., p. 42.
OFF OFF BROADWAY THEATRE—COST OF GROWING UP

and evaluation of a fairly unpredictable product. The theatre business is essentially about taking risks and after all the best laid plans are made—of optioning the best property and hiring the best creative, technical and managerial personnel, of publicizing the work and developing an audience—the final product is in the hands of a few individuals involved in a highly communal effort, and most judgments along the way are highly subjective. In fact, the product cannot be assessed until it is on the boards in front of an audience.

Nevertheless, the nature of support differs greatly between the profit and not-for-profit sectors. On Broadway, the investment is a profit-oriented business venture and the primary measurement of success is financial. But in the not-for-profit arts the tools of measurement and evaluation are based on such variables as the public good, the number of people in attendance, socialization, enlightenment and even reform. One still has to be able “to look at a rehearsal—and know that it is going to be all right in 2 weeks. Or that it’s not going to be all right in two weeks.”¹⁴ One still must decide if the idea has been transformed into a reality on stage; but on Broadway one’s decisions are reflected in a financial statement, in the not-for-profit arts they are reflected in an artistic statement.

The not-for-profit Off Off Broadway theatre is still concerned primarily with the artistic process, with an intensely personal artistic statement, with the passion and the dream, with the ability to try, and fail, and try again. Consequently, failure is often as important as success. Marshall Mason’s decision to concentrate on his core en-

¹⁴ Examining Priorities and Changing Perceptions, op. cit., p. 42.
are plugging into the mainstream of Broadway while securing major foundation funding. In a way, these theatres are playing both ends against the middle; trying to secure financial stability through both the profit and the not-for-profit worlds, they hope to retain their artistic prerogatives for process-oriented theatre while maximizing the return on at least some of their products.

Others, like Mabou Mines which is now housed in the Public Theatre, have found an umbrella organization to front for them, thereby securing the benefits of another not-for-profit organization and its managerial expertise, while continuing to pursue its own artistic avenues.

Some Off Off Broadway theatres are well aware of the perils of assimilation and choose, quite consciously, to remain small and distinct. The Performance Group learned its lesson the hard way; in 1969, the original Performance Group met with a huge critical success for their production of Dionysus in 69. Although such acceptance came as a complete surprise, the taste of it was too strong for the group and when its second production failed, the group disbanded. A second company organized soon after and most of the members of that group remain in the company today. Having learned from past mistakes, this group does not pursue commercial success or any of the trappings associated with it—transfers to Broadway, unionization, or even discussions with commercial representatives. Instead, it is committed to nurturing a “small audience that comes back and continues to support the work,” an audience which “grows very slowly” and learns to view the work as “a body rather than as individual events.”

37 Interview with Elizabeth Le Compte.
efforts at fund-raising have been ineffective. The seven member-playwrights make decisions jointly, filling necessary production jobs with outside specialists, and dividing costs among themselves. In need of a business manager, they admit that business matters, particularly fund-raising ones, are not done well if they are done at all, but feel there are other rewards which such a cooperative offers. Not only is the psychological boost of a cooperative venture important, but out of it there has developed a real exchange of services among members—this year Lee Breuer, Playwrights’ Group member and Artistic Director of Mabou Mines, will direct a play of Arthur Sainer while Sainer himself will direct a play by company member Victor Lipton. Several of the members of the Playwrights’ Group belonged to The Bunch at the same time, but in The Bunch they functioned as Artistic Managers of their separate companies, and in the Playwrights’ Group they function solely as playwrights."

Theatre Strategy, also founded in 1971, is another collective production agency, one which is greatly concerned with the reintegration of the playwright into the theatre process. While in the early days of Off Off Broadway a few people performed multiple roles, as soon as Off Off Broadway “became respectable,” according to founding member-playwright Maria Irene Fornes, the playwright was considered someone who “doesn’t know anything about theatre, he only knows about words.” Although the Strategy was intended as a cooperative, the playwrights

---


29 Interview with Maria Irene Fornes, founding member-playwright of Theatre Strategy, October 3, 1978.
OFF OFF BROADWAY THEATRE—COST OF GROWING UP

Although Theatre Strategy is funded primarily by grants from the New York State Council on the Arts and the National Endowment for the Arts, Ms. Fornes feels that foundations should not increase or decrease the amount of funding on the basis of the “hit syndrome. . . . Having a hit is like winning a lottery, it’s a fluke.”\textsuperscript{21} Thus, while groups may pursue larger financial gifts and grants from a variety of sources, and may seek to grow and expand both in size and production capability, Theatre Strategy seeks to maintain its subsistence-level operation and focus on play production during its three-to-four month season.

One group of theatres has attempted to ensure survival by plugging into the City’s redevelopment plans: in 1974 Playwrights Horizons was the first theatre to relocate to Theatre Row, a strip of renovated tenements on West 42nd Street between Ninth and Tenth Avenues. Directly across from Manhattan Plaza, Theatre Row has helped to rid the block of pornographic businesses and provide economic re-development for the area. Acting as “catalysts for neighborhood and community development,”\textsuperscript{22} these theatres will undoubtedly draw “new restaurants, boutiques, even new and rehabilitated housing”\textsuperscript{22} to the area and will increase its night-time use, much in the pattern of various sections of Soho, Noho and Tribeca. At the same time, the eight companies which are now housed there have received up-to-code theatre space which they might not otherwise have been able to afford, although they run the risk of

\textsuperscript{21} Ibid.

\textsuperscript{22} “Off Off Broadway Theatre and Economic Development,” prepared by Stadtmauer and Balikin, attorneys, for the Off Off Broadway Alliance.

\textsuperscript{23} Ibid.
OFF OFF BROADWAY THEATRE—COST OF GROWING UP

bers and friends and a hand-to-mouth existence is the rule rather than the exception. These theatres are the closest operationally to the profit arena simply because they lack funding, but they will undoubtedly follow the traditional pattern of non-profit incorporation as soon as it is possible.

Any consideration of these groups becoming profit operations in the commercial sense is impossible. Their theatres are small, their companies are not nationally visible and even in those theatres which seem to have adopted many of the standards common to the commercial theatre, the not-for-profit world seems to offer them the only place to develop work on a seasonal basis.

Some groups undoubtedly see themselves in an untenable situation. Viewing all intrusions by the outside world as assaults upon their work, they may feel that financial concerns, union pressure and commercial interests prevent them from pursuing their artistic goals. They may decide, like Joe Chaikin, to disband rather than compromise.

The Death of Off Off Broadway?

The history of the little theatre movement in America provides us with a distinct pattern which is now being repeated Off Off Broadway. As the small, community-based art theatres expand, they are pushed closer and closer towards the commercial arena. Traditionally, when such theatres have “sold out” to Broadway, they have spelled their own demise. Even when resisting expansion and a move “uptown,” the Provincetown Playhouse, the Neighborhood Playhouse and the Civic Repertory failed soon after their conciliation. The dilemma these “prototypes of the twenties” faced is the same one now faced by Off Off Broadway:
OFF OFF BROADWAY THEATRE—COST OF GROWING UP

As the pioneers grew up, their ideas were no longer quite so innovative, experimental or revolutionary and it was time for a new group of noncommercial theatres to take their place. 26 Thus, the Group Theatre, the Living Theatre, Circle in the Square, Off Broadway died or took sick and Off Off Broadway was born.

There is no doubt that, should Off Off Broadway go the way of its predecessors, an Off Off Off Broadway movement would surface to take its place. But, unlike past eras of noncommercial theatre, Off Off Broadway is comprised of over two hundred groups and at least one distinct part of it—theatres like Mabou Mines, the Performance Group, the Ontological-Hysteric Theatre—are holding out for their independence while receiving government funds. Although such subsidy is never enough and although it often comes with "strings attached," it still affords Off Off Broadway a different alternative from what was offered to its predecessors for survival.

26 Ibid., p. 148.