

by Charlotte J. DeWitt, CFEE

FIRST NIGHT: ANOTHER NIGHT

BOSTON STRONG



All photos courtesy First Night.



After the scorching temperatures of this past summer, it is difficult to replay memories of the howling winds and subzero temperatures that plagued Boston's oldest... and only... New Year's Eve festival, *First Night Boston*, the past three years. But this year, the first day of summer marked the beginning of the last days of operations for the 37-year-old private, non-profit organization, producer of the oldest and largest New Year's Eve celebration of the arts in North America.

It also marked its rebirth, thanks to the City of Boston's Office of Arts, Tourism, and Special Events, which has taken over stewardship of the event. Director Christopher Cook says the festival will continue.

First Night Boston was the flagship of the *First Night* movement that started in 1976 as a response by Boston's artistic community to deaths from drunken driving on New Year's Eve. It later gave rise to over 200 *First Night* celebrations worldwide as Millennium clocks from Greenwich, England, to Hastings, New Zealand, struck midnight. Signature events for the winter event in Boston included ice sculptures, a grand processional/Mardi Gras carnival-style parade, fireworks, art installations, concerts, and a day-long family festival. All *First Night* festivals were, by design, alcohol-free.

On June 21st, *First Night Boston's* Board of Directors announced its decision to cease operations on June 30th. The closure meant the loss of three full-time positions, one part-time position, six year-round contractor positions, and various seasonal contract festival production positions.

"The last several years have become increasingly challenging for us," said Executive Director Geri Guardino in her closing remarks to Boston media, "and our business model is no longer sustainable." A well-known, well-respected figure in the city's arts community, Guardino directed *First Night Boston* for the past seventeen years, aggressively cutting the festival's budget from \$1.3 million in 2008 to \$900,000 during its last year and voluntarily taking a steep salary cut that same year in order to keep the event alive. To her credit, when *First Night* officially closed its doors this past June, it did so debt-free, using a small reserve to pay its bills before closing its doors.

The mainstay of the organization's revenues had traditionally been the sale of its *First Night* button, which gave free entrance

to the more than 200 performances and activities in 35 venues throughout the city.

Retailing for US\$18, the buttons accounted for some \$510,000 in revenues of the *First Night 2013* budget of \$900,000, or about 57% of the festival costs and its year-round *First Night Neighborhood Network* outreach and arts education program-- an unlikely amount for the projected revenues for *First Night 2014* and one of the contributing factors in the decision to cease operations. Other sources of revenue came from foundations and grants, corporate sponsorship, and charitable donations, all of which had been diminishing over the past few years.

Traditionally, the City of Boston provided in-kind city services (police, public works cleanup, and permitting) and a nominal amount of cash, while the Boston Convention and Visitors Bureau provided marketing and promotional support to the annual event through its extensive resources. Under the festival's reorganizational plan, this support will continue for *First Night 2014*.

"When you look at the estimated economic impact, it's around \$25 million. It means something to the restaurants, the MBTA (Metropolitan Boston Transit Authority), the service industry professionals-- it's a revenue generator ... so I think the event is safe, but how it goes forward, that's going to alter and change," said Cook during an interview this past June with WBUR-FM.

One of the anticipated changes deals with the city government itself: after twenty years in office, Mayor Thomas M. Menino decided not to run for re-election. Boston voters elected Martin "Marty" Walsh as Menino's successor on November 5th, and as with most political changes of this nature, the new mayor will appoint his own department heads. In terms of Boston's festivals and events, and especially in terms of *First Night*, this is significant.



FIRST NIGHT BOSTON 2013 AT A GLANCE: DECEMBER 31, 2012

Attendees.....	1 Million
Button Buyers.....	30,000
Artists.....	1,000
Activities.....	200
Venues.....	35
Budget:.....	US \$900,000; 65% funds artists
Cost Per Person Attending.....	US\$0.90
Economic Impact.....	\$25million annually in fourth quarter

Source: Boston Police Department News, Dec. 30, 2012

The City of Boston's Office of Arts, Tourism, and Special Events is involved with some 220 festivals and events each year. Over 21 million people visit the city annually.

First Night Finances: Four Factors

First Night Boston, like many non-profit arts organizations, was hard-hit by the 2008 recession. Overall, major funding and sponsorship had fallen by seventy per cent since 2003, from \$880,000 to \$263,000. The top four reasons for declining revenues include:

1. Declining Corporate Sponsorship

A decade ago, the event drew \$474,000 from corporate sponsors. By 2013, sponsorship income had dwindled to \$156,000 – one third of what it had been according to both the *Boston Globe* and WBUR-FM. Patrick B. Moscaritolo, president of the Greater Boston Convention and Visitors Bureau, attributed the decline to the changing nature of corporate sponsorship: companies today are looking for more sustained exposure than the one-day event could provide. Guardino agreed. "Corporations wanted more bang for their buck," she said. Losing Boston-based sponsors like Fidelity and Fleet Bank had a major impact on the organization's finances.

2. Declining Support from Foundations

Income from foundations, meanwhile, plummeted from \$364,000 to less than \$50,000—not quite 14% of what it had been. Cook attributed this to the changing nature of foundation goals: "Foundations don't support events," he said in an interview with the author. "They are focused more on social justice or projects with a long-term impact, such as education."

The decline in foundation support impacted *First Night's* cash flow and put the organization at risk—thus contributing to its decision to close operations.

3. Weather and Earned Income

Snow, ice, and near-arctic temperatures inevitably have an effect on a one-day, outdoor winter festival's attendance and therefore, its income stream. The sale of *First Night* buttons accounted for 57% of the event's revenues this past New Year's Eve, but in prior years, button revenue was severely impacted by the snow storms of 2010 and 2011. The organization eventu-

ally recouped its losses through aggressive financial management, but weather will always be a concern.

4. Organizational Model

The ability of an organization to sustain an office with year-round staff producing one major one-day event is challenging at best. Even with its *Neighborhood Network* activities, *First Night Boston* needed a broader portfolio of events in order to pro rate its ongoing costs. "I think we're in an era of strategic partnerships and collaborations and *First Night*, like many arts organizations, is faced with the question of 'what's the next stage of our life cycle?'" said Cook (WBUR-FM interview), adding that the days of a stand-alone, non-profit organization are over. By taking on stewardship of *First Night*, the City of Boston has relieved the festival of some of its overhead costs. This is consistent with what other cities throughout the world have done in order to support a rich cultural life for their residents.

Festival Phoenix: The Next *First Night*

Both Christopher Cook and Patrick Moscaritolo are full of praise for *First Night* and all it does for both the Boston economy and the social unity of a city in celebration, but recognize that some change is inevitable. What's next? Cook hopes to focus on the core, free, outdoor





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components, such as ice sculptures, art installations, and the grand procession; to add value to the *First Night* button while reducing its cost from \$18 to \$10; and to forge partnerships with other organizations, such as the city's historic Faneuil Hall marketplace, one of America's top tourist destinations and host to a new "ice bar," an idea originating in northern Sweden. Two New Year's Eve fireworks shows are also on the menu.

Meanwhile, staff for *First Night* has been pared down to a producer, with supportive services from the city's technical staff and a strategic planning consultant with a strong background in corporate sponsorship. "Mostly," says Cook, "we anticipate contracting heavily with former staff and other event personnel as the event approaches."

The city also has its own inventory of event-related equipment, which should cut down on direct costs related to producing *First Night 2014* on December 31st, 2013.

The *First Night Family Festival* at the Hynes Convention Center has always been well-received, and this year, Cook hopes to add another element at nearby Copley Square: digital dances and digital mapping for young adults age 18 and older at the Liberty Mutual Copley Stage. The *Boston Globe* is a media sponsor. And on his wish list? Expanding the one-day festival into a winter carnival of several days, with *First Night* the signature event. "*First Night* is one of our core anchor

events in the city, and along with the Boston Marathon and Fourth of July on the Esplanade, a major draw for visitors and residents alike," says Cook.

Financial Update: Timing is Everything

On October 8th, the Highland Street Foundation announced that it will donate \$100,000 towards *First Night Boston*, making it the "lead sponsor" for 2014. The fit is a good one: the non-profit foundation targets projects benefiting children and families in Massachusetts and California, with education, mentorship, and the arts three of its focal points. The foundation is based in suburban Newton, Massachusetts. Other philanthropic angels are hovering nearby according to the City.

The donation, coupled with support from the City of Boston's Office of Arts, Tourism, and Special Events and the Greater Boston Convention and Visitors Bureau, means that *First Night Boston* will live to ring in 2014. When the *First Night* Grand Procession moves down Boylston Street on New Year's Eve, it will retrace the route of the Boston Marathon, a statement by participants as well as spectators, that the city has reclaimed what was lost temporarily in the face of terrorism. Record crowds are expected.

This philosophy is yet another reason why Boston received the IFEA World Festival and Event City Award this year. Boston Strong. It takes care of its own.