

Chicago Symphony Orchestra strike nears end of first week

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Chicago Symphony Orchestra (CSO) musicians are continuing their strike, which began Monday morning. The contract agreed between CSO and the Chicago Federation of Musicians Local 10-208 in 2015 expired on Sunday. Negotiations had been going for more than 11 months and no new negotiations have been scheduled. CSO Director Riccardo Muti spoke at a lunch hour press conference on Tuesday, surrounded by the horn section of the CSO.

“I am here with my musicians,” Muti said, who is known worldwide for his public defenses of funding for the arts and opposition against budget cuts in his home country of Italy.

“The entire world, the entire musical world, is listening to what they do in Chicago. When the Chicago Symphony goes around the world, the musicians not only play, they are ambassadors for the culture of the country. It’s a big responsibility for the city of Chicago, for the board, to take care of this treasure.

“The collapse of the Chicago Symphony would be such a tragedy that can affect not only the musicians, but the world. The Chicago Symphony represents one of the temples of culture of this nation and of the world.”

Muti’s defense of the musicians exhibits a significant amount of courage as his salary is partially paid by a \$14 million donation by Helen Zell, the chairwoman of the CSO Board. This donation resulted in his official title being Zell Musical Director. Zell is the wife of real estate mogul Sam Zell with a net worth of \$5.5 billion, making him the third richest person in Chicago. The family has made major contributions to former Republican governor Bruce Rauner and former Democratic mayoral candidate Bill Daley.

Historically, CSO labor agreements set precedents for

major symphony orchestras nationwide. Under the current offer, musician base pay will rise five percent over the three-year term of the contract, which breaks out as a one percent increase in the first year to be followed by two percent increases the following two years—well below the rate of inflation. The union claims to be seeking a 12.5 percent increase to bring them in line with other top-tier orchestras. This claim has not been verified as all negotiations have taken place in secret.

The other central point of contention in the strike is CSO member pensions. The CSO management’s proposed move from a defined pension benefit plan—or traditional guaranteed pension—to a defined contribution plan, an investment fund that is up to each individual member to manage.

Traditional, guaranteed pensions, which were fought for by previous generations of workers, have been systematically attacked by companies seeking to cut back on costs. This puts the onus squarely on the shoulders of the worker to manage their retirement fund, instead of a traditional pension, which guarantees a preset retirement income.

CSO management claims the orchestra contributed \$3.8 million into the musicians’ pension fund this year—up from \$803,000 two years ago because of new federal requirements—and that those annual contributions were projected to continue to rise.

Zell, trumpeting the lie that there is no money, said in a statement: “We believe we must secure both the musicians’ future and that of the Association’s by updating our pension structure and agreeing on a complete compensation package that is sustainable. It would be irresponsible for the Board to continue to authorize a pension program that jeopardizes the Orchestra’s future.”

During fiscal year 2018, the CSO total operating revenues increased to \$72.7 million with the help of their best year ever in ticket sales at \$23.3 million. As a result of this success and \$379 million in endowment, other investments and beneficial interest in trusts, the CSO was able to make an optional prepayment on a portion of their long-term bonds. Sitting on almost \$300 million in assets, management's claims that there is no money are simply lies.

Second hornist James Smelser of the celebrated brass section of the orchestra spoke with the *World Socialist Web Site* about the importance of pensions to the musicians. "We have people who spend their lives working here, 30, 40, 50 years, and we see the pension as a deferred benefit to be received at the end of your career."

On Thursday, the Chicago Teachers Union, AFSCME and several other unions used the picket line as a backdrop to stage a photo op for mayoral candidate Toni Preckwinkle. Various union functionaries, members of the Democratic Socialists of America, and Chicago Federation of Musicians president Terry Jares walked the line long enough for Preckwinkle to give her speech and then promptly left. Preckwinkle herself was there for less than 10 minutes.

Preckwinkle made demagogic statements about the importance of supporting working people in Chicago. Her support, according to her, is demonstrated by her recent attendance at pickets by teachers, healthcare workers and now musicians. "I think it's insulting that billionaires should say to working people, in this case musicians, that they have enough."

Despite her rhetoric, Preckwinkle represents Chicago's billionaires, not the working class. After being elected to lead the Cook County Board she proposed in 2011 to close a \$487 million deficit through massive budget cuts, mass layoffs and furloughs, a role she will surely reprise as mayor.

The ability of the pension fund to meet the needs of musicians appears to be in question. The *New York Times* has reported that the American Federation of Musicians and Employers' Pension Fund, a large, multiemployer plan covering thousands of musicians, including the Chicago Federation of Musicians Local 10-208, is itself currently "in critical status." According to that report, if the pension fund's condition worsens, it could trigger pension benefit payment cuts for

retirees.

The fund is subject to a class action lawsuit for alleged mismanagement of funds as a result of gambling on risky investments to recoup losses sustained in the financial collapse of 2008. The \$1.8 billion fund lost approximately \$810 million, resulting in a decline of the funded percentage from 108.5% as of April 1, 2007, to 62.6% as of April 1, 2009.

The fund is managed by an Investment Committee consisting of at least five Employer Trustees and at least five Union Trustees. According to the class action lawsuit, the Executive Director Maureen Kilkelly, whose yearly compensation is \$422,667, and the Investment Committee approved investing up to 15 percent of the total assets in emerging markets equities. The average pension plan allocates 4.5 percent of total assets in these risky equities.

Smelser went on to say: "I point a big fat finger at the government for being irresponsible to see the need for art and culture." He added that exposure to different kinds of art and culture helps people: "Expanding the envelope and thinking outside the box and seeing what's there and living your life a little bit bigger is good for everybody."



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