

Economic Club of New York

503rd Meeting
112th Year

Jeffrey Seller
Broadway Producer, Hamilton

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New York City

Moderator: Robin Pogrebin
Staff Reporter, *New York Times*, Cultural Desk

Introduction

Chairman Marie-Josée Kravis

May I have your attention. I just want to welcome everyone to, and I'm embarrassed to say that it's the 503rd meeting of the Economic Club because it doesn't compete with Hamilton at all. (Laughter) When I think of the number of productions – I was just told; more than 2.1 million people have seen it on Broadway alone – the Economic Club seems like a very modest institution. But we have been around for 112 years, and I would hazard to say that it is probably the most prominent platform for discussing social, cultural, political and economic issues. And I want to just take a moment to recognize the members of the Centennial Society who are with us today and who are at the front of the room. These are individuals who play a very special role in keeping us financially sound. And I want to thank you for supporting us and allowing us to have this wonderful programming.

Speaking of programming, what we have tried to do at the Club – and our members hopefully have noticed and appreciated it – is diversify our discussions and extend them beyond narrow financial issues. And we're thrilled today, really thrilled to be able to address and discuss a cultural phenomenon, which is live theater, live arts. And in a world, in a digital age, I know that that is very core to the beliefs of Jeffrey Seller, who has been a great defender of live performances and live arts. So we're wonderfully thrilled to have you here today.

Jeffrey Seller is the only producer to have produced two Pulitzer Prize winning musicals – Rent and Hamilton. And we were discussing just before lunch how groundbreaking these two plays had been and how radical they have been. And Jeffrey Seller was saying, well, I look for things that delight and surprise me. And you've delighted and surprised many millions of people.

Jeffrey directed the first production of Fly at Dallas Theatre Center in 2013, The Man in the Ceiling. He produced Avenue Q, In the Heights, and of course most recently, Hamilton.

In 2016, he was the Executive Producer of the NBC Series Rise. And he also was behind the season's popular hit, The Cher Show. Now Jeffrey Seller has been, I think, as a child interested in theater and, in fact, I was reading that in the ninth grade he became very involved at every level – marketing, writing, and distributing press releases and choosing plays. So it's not surprising that today we applaud his resounding success. He grew up in Oak Park, Michigan and is a graduate of the University of Michigan in political science and theater.

So, our format today will include some brief remarks by Jeffrey Seller and then a conversation with Robin Pogrebin, who is the Staff Reporter at the *New York Times* Culture Desk. And I'm sure that we'll learn a great deal about theater and about Jeffrey's approach to his revolutionary body of work. And with no further ado, I will welcome you to say a few words. And we will keep some time, maybe five to ten minutes, at the end of the conversation between Robin and Jeffrey for questions from members, which is something that's a rare treat. We seldom have time to do that, but we will do that today. And I was told that there's only one off-limit question – no

free tickets to Hamilton. (Laughter) So, on that note, Jeffrey Seller. (Applause)

Jeffrey Seller

Producer, Hamilton

(Video Presentation–narrated by Jeffrey Seller)...In July of '86, I began my life in New York City. A friend of mine said, do you want to go with me tonight, I'm going to this rock monologue. And then out comes this tall, curly-haired, lanky guy with big ears – Jonathan Larson. And that was the beginning of our relationship in the fall of 1990 that ultimately culminated in his creation of, and my producing of Rent in 1996. (Applause)

Good afternoon. I love talking to economic clubs. And, in fact, this is my third economic club talk in a little over a year. I did Chicago a year ago, and then a month ago I spoke in my hometown at the Detroit Economic Club. And what was interesting to me today was that I've never really threaded the intersection of my love for the theater and making things and the arts and my love for selling tickets, being an entrepreneur, being a capitalist, and making money. And I thought this would probably be the perfect place to try to show how those two forces in my life intersect.

And all of this really takes me back to fifth grade. I grew up in a lower-middle class community called Oak Park, Michigan. And when I was in the fifth grade, which would have been in 1975,

they started a February break for the first time ever where they gave kids one week off in February. There was not one kid in my neighborhood who was going to be getting on a plane and going to Florida for February break. And it was a tradition of my fifth grade class to try to raise money throughout the year so that on our last day of school we could take a bus to Ann Arbor, Michigan and tour the University of Michigan. I think it was my teacher's way of trying to encourage students to excel at school and aim for something very high.

It was traditional to do a carnival in the spring to raise that money. And then I got the idea, I thought, well, let's go raise some money and do something over this winter break. So I got my best friend who lived next door to the only house in the entire neighborhood that had a garage and we convinced his neighbor to give us the garage for February break. And I said we're going to do a winter camp. And we sent out a flyer to all of the kindergarteners and the first graders saying please come to winter camp at this garage on Albany. And it will be 25 cents a day but if you sign up for all five days in advance, it'll be a buck. And I don't know why these parents gave permission to a bunch of fifth graders to take care of their kids for six hours a day, but we got 20 kids for five days the last week of February in a non-heated garage in Oak Park, Michigan.

I'm telling this story because that's the same impetus that makes a producer make a show. Let's make something. Let's provide a service. And let's make some money while we're doing it. And that strain continues. When I was in the fourth...so we're going to leave that there...and then I'm going to go back to fourth grade. And that's the first time I'm in the Purim Play. And at the

Temple Israel where I go there was an ingenious director who would juxtapose the story of Purim with a Broadway musical. And that year she chose South Pacific, so Queen Esther was singing about King Ahasuerus – “I’m Going to Wash That Man Right Out of My Hair.”

(Laughter)

For whatever reason – probably a good one – they didn’t think that these fourth and fifth grade kids who were in the chorus – I was in the chorus, I was a sailor – would sing, “There’s Nothing Like a Dame.” So we sang, we sail the ocean blue, and our saucy ship’s a beauty, which many of you may realize is HMS Pinafore, Gilbert and Sullivan. So in the fourth grade, I had my first exposure to Rogers and Hammerstein, and Gilbert and Sullivan. It was a good start.

I wrote a play the week after Purim in the fourth grade. I called it Adventure Land. And it was about my three best friends and I going up on the woodshed in our backyard, falling through the roof, landing – not on the bottom of the woodshed but in a dangerous place where we were beset by many life-threatening challenges, all of which we overcame, and then eventually got, I think, Peter Pan to fly us back home. That led to being in a community theater play when I was in the seventh grade in which I asked my dad if he would drive me to auditions which were seven miles away. And you know what he said? Get in the car.

So I was in that play and then I joined the Youth Theater Group. And then I asked this question, who gets to pick the play? And they said, well, that would be the Play Reading Committee. And

said, okay, I want to be on the Play Reading Committee. And within a year, I was the chairman of the Play Reading Committee and I was picking the play. I always say that was my first step toward becoming a producer because to this day the most important decision I ever make is what play do I want to produce and how might that play be an expression of my values – not just my musical values, but my human values, my political values, my sociological values.

Very soon after that, I started designing the programs because I was good at calligraphy, you know, relative to every other 13-year old kid. And so I was writing the programs and then I started selling the ads in the back of the program where you go around to all the businesses and you say will you please put an ad in the program, then we'll put your business card in there. And if you'll give me \$20 we'll do that. And that's how we raised money. And I was typing the press releases to send out to the local papers like the *Royal Oak Tribune*. So, by ninth grade, I was marketing the play, picking the play, and raising money for the play. It's the job of the producer.

You know today when people say what does the producer do – many people don't know – I lead by saying I pick the play. I'm the nurturer. I may hire the artists who make the play, or they may be the colleagues I work with every day. And then my job is to cheerlead, parent, nurture, and criticize. My job is to know when to say keep going and know when to ask can you do better.

And then my job is a sales job, that sales job that begins maybe with trying to sell it to a resident theater company to put it on their subscription season down at New York Theater Workshop or

the public theater. It's a sales job to the landlords in New York who – believe it or not – have more shows being offered to them to go into their theaters than they have theaters to put them in. So, therefore, we have to sell to them. Sell to the investors. Will you please invest in my \$12 million musical, my \$15 million musical? Sell it to the group sales agents who hopefully will buy tickets at 100 at a time. And then ultimately sell it to the single ticket buyer. And what I always say to my team and to folks is that when I can't sell it anymore, that's when I must close it. Because our mission on Broadway is ultimately to make money. And that is a wildly different mission than New York Theater Workshop or the public theater or Second Stage or the American Ballet Theater or the Metropolitan Opera. Because, in fact, in order for us to exist, our revenue every week must be higher than our expenses. It's just like every other business that you folks all know about. And that's not the same at those other institutions. And it is when our revenue is below our expenses that we start to have the painful and difficult conversations about closing.

So I've been interested in both of these pursuits really my whole life. I have just one other anecdote that strikes me, which is that I grew up in a family in which our socioeconomic status kept declining through the 70s, through a series of a bankruptcy, a tragic physical accident that my father had, and we had to keep moving into smaller homes. And when we finally moved into the smallest one, my father got his job from an old friend of his in high school who had become the Circuit Court Judge in Oak Park, Michigan. And the judge said – and my father had suffered from a certain degree of brain damage, so what he could do was limited – and the judge said why

don't you go be a process server for me and when we need to serve papers, you can do that. And that old friend gave him that leg up, and then he started doing it for all the different lawyers. And I was acutely aware of the inflow and outflow of money from a very young age. And I remember one New Year's Eve sitting at home with my mom and dad and they had some frozen lobsters that they were boiling, but what my father was doing that year was he was taking all of those red invoices that he had sent to the lawyers throughout the year and he was adding them up. And, you know, I think he would get about \$12 or maybe it was \$20 for serving a paper. And I remember him adding them all up and saying that year he did \$25,000 of service. And this would have been 1976, 1977.

And I also remember that year that my sixth grade social studies teacher, Mrs. Wyndham, who was teaching us anthropology, I'm losing the word here. And she said in that class one day if you don't make \$35,000, you ain't nothing. And that stuck with me. That stuck with me. So I was acutely conscious of money, and I always thought how am I going to get to Broadway? How am I going to get to New York and be able to make shows? And I thought how I'm going to do that is just by putting one step in front of the other. And that got me through high school, and then that got me through college in which I was in shows. I directed shows at the University of Michigan. I wrote about theater for the *Ann Arbor News*. I was a camp drama director at the Jewish Federation Camp in the Detroit suburbs. And then that got me to New York.

But what I love most is that intersection, which is that I was never going to be the kind of

professional that wanted to work in the not-for-profit arts field. I was always going to want to be the professional that could find a way to both make money at the same time that I was trying to make great theater.

So I welcome you to this lunch. I want Robin to come up and join me now, and I will stop pontificating and then we'll see what else we've got. Please welcome Robin Pogrebin from the *New York Times*. (Applause)

Conversation with Jeffrey Seller

ROBIN POGREBIN: Thank you Jeffrey, and thank you all for being here. I'm happy to be here. I have a history with Jeffrey. I used to cover theater for the *Times*. I know cover culture more broadly. In addition to having interviewed him before, I feel – I grew up as a kid in New York – a real theater person myself. And so in trying to, in sort of preparing for this, I realized I don't really need to prepare because I've seen every one of his shows multiple times and all of them have made a real impact in my life. And it's fun for me to talk with you through an economic lens because I do feel like we don't often explore maybe that avenue of inquiry. And I wanted to start with, you know so much of what you just talked about is counterintuitive in the sense that, you know, certainly in the world I'm in, art and commerce are often considered church and state. There's a really bright line. What you just said about how, you know, making money is, you know, just part of what your calculation is in deciding what to do and how you go about doing it.

And so I guess how have you reconciled, since you are also, you come out of an artist's background, you're very sensitive to the artistic side of things. You're not just a suit. You know, is that a hard thing to balance? And do you sometimes have difficult conversations around it when you have to say to people, you know, this is ultimately about a bottom line?

JEFFREY SELLER: Oh, I've got a great story about that. I'm going to tell that story and then I'm going to work my way backwards. We were putting *In the Heights* on Broadway. It had already played Off-Broadway for about six months. And when we were Off-Broadway we got warm reviews from the critics. They were not over the top but they were pretty good. And we were only doing maybe 60% business Off-Broadway. So going to Broadway was – in of itself – a big risk. And as many of you may or may not know, *In the Heights* was Lin-Manuel Miranda's first musical. And, in fact, it was his sophomore project at Wesleyan University. That's where it originated. And anyway, as we were getting ready to get to Broadway, we had a lot of interest from group sales agents, but they said that there was too much profanity in the show. And if we had those number of what they call F-bombs – I hate using that word but that's what they call them in that world – we would sell less groups. And if we sell less groups, we will sooner get to that moment where your expenses exceed your revenue because every show has a life span. And I went to Lin and I went to Thomas Kail, the director, and I just laid it out. This is the issue. And I was uncomfortable to say do we want to consider cutting those words from the script? And there's a couple of instances where it was used to great comic effect. And, in fact, really that was always the purpose of it. So Tommy and Lin said to me, well, how many groups do you think

we'll lose? I said, well, we'll lose all the student groups. And I said if you want me to quantify it, let's just say that over the course of the run maybe we'll run for three months less or four months less if you took all those groups and put them together. And they said cut the F-bombs, we want to run, we want the student groups. It was more important to them to have the student groups than it was to have those usages of profanity. And that was a great exercise in collaboration, in me just laying it out.

ROBIN POGREBIN: Right, I mean you included them in that decision.

JEFFREY SELLER: Exactly. I was like this is it. We can absolutely keep them, but we won't get any student groups.

ROBIN POGREBIN: Yes, but you could have said kill the F-bombs.

JEFFREY SELLER: Yes.

ROBIN POGREBIN: And you didn't.

JEFFREY SELLER: Yes. Not at all.

ROBIN POGREBIN: That doesn't seem to be the way you work.

JEFFREY SELLER: No. Because I was ambivalent about it too. I was like I don't know if I want to lose those laughs. Because, by the way, laughs are also correlated with sales. You know what I mean? Really funny shows sell more tickets.

ROBIN POGREBIN: I remember you also decided on the marketing not to call it a rap show because you thought you'd alienate some audiences.

JEFFREY SELLER: Yes, well, that's an interesting thing about that which is that within the Heights, you know, this was 2007, 2008, and what I loved about – I'm going to give another example there, which is that when people say, well, how do you decide what you want to do, and Lin and Tommy had been working on the show and then we did a private reading where we got a chorus of Broadway actors, you know, we got a chorus of about 15 people to read the show out loud. It was my first time being exposed to the show. And I am not a rap fan. I do not own any rap albums. I can't name any rap songs. And that is not my history. And I sit down in my seat and out comes this young man, Lin-Manuel, rapping. Lights up on Washington Heights, up at the break of day, I've got this little punk I gotta chase away. And I'm immediately transfixed because the form that his rap is taking is like washing over me. It's inviting me in. And then right behind him comes a Broadway chorus singing In the Heights. And that juxtaposition of rap with traditional Broadway choral singing, I had never heard anything like that before. And it made the hair on my arms stand up and I just loved it, and I just knew that's my next show. So I knew if I

could fall in love with it, everybody could fall in love with it. But I'm going to be honest, there was, I think, there were many potential audience members who thought they didn't want to go because they thought it was rap music. So I certainly was not going to use that in describing it. And I think that there was a certain degree of nascent racism about a show about Latinos. And at the end of the day, we won the Tony. We recouped. We made, I think we doubled our investment, and we ran three years on Broadway. But *Rent* ran twelve years on Broadway. *Avenue Q* ran six years on Broadway, has run eight years Off-Broadway. And I think that the reason *In the Heights* did not run longer was because a lot of potential customers decided that rap wasn't for them or a musical about Latinos wasn't for them. What was encouraging is that we attracted a Latino audience to Broadway that had never come to Broadway before. And that was very satisfying.

ROBIN POGREBIN: I think that's true of sitting in – almost all the audiences for your show are noticeably more diverse. And I don't know if this is something that you have consciously gone for, but clearly all of your casts, even *Avenue Q*, have been just sort of that whole kind of multi-ethnic casting. You were sort of way ahead of the game in that way. Was that a principle that you espoused or did it just happen organically?

JEFFREY SELLER: It happened organically. I don't, you know, I grew up in a city in which my high school was basically 50-50 Black/White. So that was my life. We were all together.

ROBIN POGREBIN: It just made sense.

JEFFREY SELLER: And then I guess I chose to work with artists who seemed to have the same values, but I did not set out to say, oh, I am going to make integrated musicals. I did set out to say I want to make musicals that please me.

ROBIN POGREBIN: What's interesting about that, Jeffrey – I find – is you've always said, because people say what's your formula, and you've had this string of successes, there's got to be something, some secret, and you always say that it's just about your gut, it's just about what you love. On the other hand, this is a risky business. It's as risky as restaurants. There's so much loss. There's no such thing as profits a lot of the time. So there's got to be some hedge against throwing your money away that you could maybe articulate. You're not using stars either. There are no guarantees in your shows.

JEFFREY SELLER: No, I've never used stars. I thought I would never be a producer because I thought, I didn't, I had no money. You know I came to New York with my bar mitzvah money which maybe I had \$1,100 in the bank. My first job my salary was \$14,500. I didn't know any rich, like I couldn't, what was I going to do, go to my parents' friends? There were no rich people in my past that I would ever be able to go to. But I wanted to work in the theater so badly and I needed to make a living. So I couldn't just be a producer. So my first job I was a booking agent. And what the booking agent is the middle man or middle woman between the producer

who produced the show in New York and the presenter in Cleveland, Denver, San Antonio, Seattle, who is presenting Broadway shows on a subscription season. They need someone to negotiate the deals and to sell the show because just like the theater landlords in New York, those presenters in those cities are being offered more shows to put on their season than they have room for and they have to make decisions. And while they're always going to choose the musical that won the Tony for Best Musical that year, there are going to be three other slots where they have a lot of latitude to choose whatever they want. And I became a booker when I was 22 years old. And through my 20s, I made my living being a booker. And that was my base. And it ultimately became a reasonable upper middle class living, like we did pretty well with it. And while I was a booker, I would go out and produce shows with my friends at night. And that's how I met Jonathan Larson and started working on Rent. So really what was happening was that at the same time that Jonathan was developing Rent and getting to the point where he would make something good enough to be a Broadway show, I was developing my business skills in commercial theater, though not exactly as a producer. And when my business partner, Kevin McCollum and I, who had a terrific 20-year partnership, made the decision to do Rent with Jonathan, we needed money. And what we were able to do, we got one investor who put up half and then we had to put up half. And our half was going to be, it was going to be \$75,000 I think we needed. And we used the money, the profits from our booking agency. So my perspective, Robin, was that I always have to have a job that will pay the bills because I never expect that the shows are going to work out. And when we were developing Rent, Jonathan and I talked about finding a garage in the lower East Side where we could set up 500 chairs and just have an Off-

Broadway show for young people. We did not expect Rent to go to Broadway. And I did not expect that Rent would become an actual business. And what happened is that Rent changed my life because it became an enormous business. And, though, yes, it also made me affluent, more important, it enabled me to continue to be a producer. Because it enabled Kevin and I to use our profits from Rent to go develop the next shows. And there would be no Avenue Q were it not for Rent.

ROBIN POGREBIN: Or In the Heights.

JEFFREY SELLER: There would be no In the Heights for two reasons. One, we would not have ever had the resources, and two, Lin went to go see Rent as a high school student at Hunter High School with a girlfriend. He sat up in the \$35 seats in the balcony that he could afford. And when he looked down at that stage, he said, oh, I can write a show about my neighborhood, about my people.

ROBIN POGREBIN: And speaking of Rent becoming a business, clearly we refer to Hamilton as Hamilton, Inc. at this point. There are six shows, I guess, around the world. And you've just opened a museum, a Hamilton museum in Chicago. And when I read about that, which was actually in the *Times* yesterday, print edition...

JEFFREY SELLER: Which I still love and subscribe to.

ROBIN POGREBIN: ...which some of us still like. I was just struck with like why does Jeffrey need to be doing this? You're raking it in hand over fist over this show. You could be cruising and this is an entirely new venture. Explain it. I mean are you just trying to...

JEFFREY SELLER: I wanted to make that museum in some ways for the same reason I wanted to make that winter camp. I wanted to do something new. I wanted to do something fun. And I wanted to engage people. And what I thought was that, the notion, and I always had some questions, and if you've seen Hamilton you know basically the thrust, but I had some other questions. Like how do you actually win the Battle of Yorktown? Like we have a great dance number and it is, in my opinion, the best choreography Broadway has seen since A Chorus Line, and my own mentor, Manny Aisenberg, says actually it's better than A Chorus Line. I'll let Manny said that. I'm not going to say that. But it's a metaphor, right? We're using dance as a metaphor to show a battle. I wanted to say I want to actually show people how we won the battle. I wanted to show what did Alexander Hamilton actually do at that trading post in St. Croix for Mr. Kruger that gave him the financial skills that he would later apply as the first Treasury Secretary of the United States of America because he actually traded for Mr. Kruger. He traded in six different denominations. He used his French skills. And he was 15 years old. So I thought I want to put you in the middle of it. So we created this museum where we take you into the trading post in St. Croix. We actually bring you into George Washington's war tent and show you the Battle of Yorktown, like a Risk Board, where all the pieces move by themselves.

ROBIN POGREBIN: And yet it's a commercial enterprise.

JEFFREY SELLER: It's a commercial enterprise. It will make nowhere near the money that Hamilton makes. The tickets are \$40, \$25, free, free for all Title I school kids in Chicago. I made it to delight myself and others. I made it to educate young people. I made it to entertain. And I made it because that museum exhibit, in its own special way, is an affirmation of our democracy. Hamilton manifests our best impulses as Americans. And this museum exhibit shows us yet again why our democracy is unique, why our democracy is special, and why we must work so hard right now to, not just maintain it, but save it. And that's why I made this museum exhibit.

ROBIN POGREBIN: When you're thinking about ancillary revenue, something like that, or, you know, just sort of the franchising of Hamilton – so to speak – there is always the risk of kind of diluting the brand – so to speak – making sure that each of these companies is of the same quality. That seems very high maintenance and somewhat risky, and how have you managed it and made sure that Hamilton sort of stays pure, you know, no matter how much, how big this thing gets?

JEFFREY SELLER: Everything we do at Hamilton has to be on the quality that we set at the very beginning, which means that Lin and Tommy and I are in touch with each other about all of these Hamilton ventures every day. And the first question is how do you maintain the quality of the show across six companies? And we have created an incredible team of deputies who are

working every single day of the week on casting and upkeep of those companies.

ROBIN POGREBIN: And you go yourself?

JEFFREY SELLER: I have been, in the last three months, to see every one of my companies except London. I have been out to every single one of them. Tommy has been to every single one of them. Alex Lacamoire, our music supervisor, has been to every single one of them. Lin was in Detroit three weeks ago to see our company at the Fisher Theater. So we all go. We're all paying attention. And I think we learned; I learned a lot from Rent. You know Rent peaked at less than six, maybe four or five, and I always remember that there was always a weak link. Like we had a good company, but like the Mimi was no good. Or we had a good company and the Maureen was no good. And I have been amazed and thrilled that my team has created six companies in which, if I moved them all around the board right now, and suddenly my Philip Company came to Broadway and my Broadway Company went to San Francisco, I would say to every audience member you're going to be just fine. I'm thrilled with where we are in quality for all of them.

ROBIN POGREBIN: That's an amazing thing to be able to say. I remember also you talked about, I mean you just mentioned that every show has a life span, but Hamilton may be the exception. This idea that it really could become like something you go to see, like the Statue of Liberty.

JEFFREY SELLER: Well, you know what's interesting about that, you know, when A Chorus Line got to, I think they got to like 15 or 16 years, well, we know, I can tell you. It closed in '89 and it opened in '76.

ROBIN POGREBIN: So that's more than The Phantom?

JEFFREY SELLER: No, not at all. I'm going all the way back. I'm saying who ever thought that Chorus Line could get to a 16-year run? That seemed absolutely crazy. And then Phantom has now had a 30-year run. Lion King is now at 21. Wicked is now at 16. And we're seeing these shows now run for so much longer than the greatest shows of their day like My Fair Lady, which was the biggest show of its day ever and probably ran for four or five years. And I think that has to do with tourism, travel, and our world where everybody can get everywhere. And I don't make any prediction about Hamilton. You know I don't know where we land. I know that we are three years and nine months old on Broadway, and we're still performing as if we just opened on Broadway.

ROBIN POGREBIN: I know a real frustration for people obviously is tickets. A real frustration for you are these scalpers and these bots that buy up huge amounts of tickets and sell them for extraordinary amounts. And yet a very important principle to you is making tickets accessible. Clearly, as a theater kid you knew the importance of that. How do you continue to make sure, and is there any hope for changing the model where this is something you can just go do like

going to the movies?

JEFFREY SELLER: Yes, so when I wanted to go see my first show ever at the Fisher Theater in Detroit, it was a teacher who said I should go see this musical called Shenandoah, which you'll remember but a lot of you won't. It was a very nice, middle of the road, Civil War musical based on a Jimmy Stewart movie. It starred John Cullum on Broadway. Didn't win any big Tony awards. Went on tour with John Raitt. And I wanted to go see this show at the Fisher Theater – this would have been 1978 – and the orchestra tickets were \$12 or \$14. And the Mezz was \$10 and there was a balcony for \$8. And when I asked my parents, of course my father said yes. And they couldn't afford it. So the four of us did not – I have a sister – actually by that point I had a brother but he was six months old – and we couldn't afford for everybody to go so my father and I would just go. We would get the \$10 tickets. Even then they wanted to make sure, you know, \$10 back then would be maybe \$35 now. So it was still affordable. And you're right about that. And I have two tracks to that question. One track is accessibility. So what we have at Hamilton are 46 tickets on Broadway every single night for \$10 that we lottery off, 46.

ROBIN POGREBIN: Do you still do the outside-the-theater ones?

JEFFREY SELLER: We can't do it outside.

ROBIN POGREBIN: You were blocking traffic.

JEFFREY SELLER: It's all, we have a Ham App and it's digital. And so now you get more notice, you have more time. If you did it from Connecticut, you'd get it the day before so you would time to get in the car and come here, or get on the train. And, you know, that's 20,000 tickets a year. And then we have our Hamilton Education Program in which we do 20,000 New York City public school kids a year at \$10. So I'm selling 40,000 tickets a year for \$10. But because it is wildly unfair that scalpers can go trade tickets online and take a full price ticket that's \$229 and go flip it for \$1,000...

ROBIN POGREBIN: For \$5,000.

JEFFREY SELLER: I guess there was a moment, there was a moment. We created our own \$850 ticket. And that \$850 ticket is financing that \$10 ticket. And that way I'm taking care of my desire to be accessible and making sure that, (a) I take care of our investors, and we do what's fair because if the ticket needs to go for \$850, then it should go for \$850 and the benefits of that ticket should go to the author of the play, the creators of the play, the actors of the play, and the investors of the play, because we're the ones that then take those monies and regenerate them to make the next show.

ROBIN POGREBIN: And speaking of the creative team, I mean you took this unorthodox step to share the profits.

JEFFREY SELLER: Yes, tell them...

ROBIN POGREBIN: So basically it was the sense that everyone, more people should be sharing in the benefits of the success and so the actors get a percentage, the choreographer gets a percentage, etc., the original team. Now I gather you didn't just jump on this as an idea initially. It took some getting your head around, but talk about why you did end up...

JEFFREY SELLER: There was a history with that. So, if you go back to the creation of A Chorus Line, A Chorus Line was created out of a late-night evening in which Michael Bennett went to a dancer's apartment, brought a few bottles of wine, turned on a tape recorder and asked all of these dancers to tell him their life story as dancers.

ROBIN POGREBIN: Didn't he like pay them each a dollar?

JEFFREY SELLER: I don't know if he paid them that. So he had all those, he has these famous tapes. They go and make a musical. Some of those people wound up in the show. Some of those people didn't even get into the show and other actors played them. Those are real stories. At the Ballet is based on a 100% true story. After the fact, they came back and said, hey, what about us? And after a certain degree of negotiation, they all shared in some very, very small piece. So that was the precedent. When I did Rent at New York Theater Workshop, there were 15 actors who were in the original show. They did not write the show. They did not contribute to the writing of

the show. They did not contribute to the choreography or the direction of the show. However, they worked at New York Theater Workshop for about \$250 a week. And after Rent blew up, Kevin, my business partner, and I made a deal with them from the get-go that if they went to Broadway – and we didn't know if Rent would succeed on Broadway. People said to me the audience that goes to see Broadway shows does not want to see Rent. Rent is a musical about gays, lesbians, heroin addicts...

ROBIN POGREBIN: AIDS.

JEFFREY SELLER: AIDS, and homeless people. No one is going to go see that on Broadway. And the people that want to go see Rent don't go to Broadway. So we knew we were taking a risk. So we asked all those actors to work on Broadway at minimum. And they said yes. And in return they got 1% of the profits of every Rent company forever. So that was the first time I did it. I did something similar with Avenue Q. I didn't do it initially with the Hamilton Company because many of them were already experienced professionals and they were already being paid a very fair and reasonable wage, for Broadway, from the get-go. Then the Company came together and said we believe we should share, and then that involved a lot of gut-wrenching emotional talks and then we came to an agreement.

ROBIN POGREBIN: Did it queer your relationship with them?

JEFFREY SELLER: It absolutely strained it and it healed. And, you know, it healed. And now, you know, when I go see Oklahoma two weeks ago and Sasha Hutchings is the understudy for Ado Annie and she goes on, I stayed after to hug her and kiss her and tell her how wonderful she is. And it certainly, it was a strain. It was a strain on everybody because the company wasn't unified either. There were some company members that did not agree with those that were rebelling. So it was a painful negotiation.

ROBIN POGREBIN: Money can divide things.

JEFFREY SELLER: And that's the history of capitalism, isn't it?

ROBIN POGREBIN: On that capitalistic note, let's go to questions. If you have them, please do make them questions. Yes, over here, and there's a mike coming around.

QUESTION: From your comments, what really struck me is that, you know, that you never wanted to go work for a non-profit arts organization. And many of us in this room serve on non-profit organizations. And I'm just wondering, how can we bring this fiscal discipline to our non-profit organization so it will change the mentality that, you know, we can make money and serve and deliver the service all at the same time. What advice would you have?

JEFFREY SELLER: (Laughter)...I am a villain if I answer that question because you know what

I'll say, I'll say start by cutting half the staff. And, you know, I have six companies of Hamilton. I am developing at least four new shows right now. And I have exactly three employees. Two are assistants and one is a CFO, or whatever, you know, my deputy. I don't like having too many people around. I like everybody working really hard. And I look at the staffs of these not-for-profits and I am just dumbfounded by how many people they're paying. And I'm like, why don't you get half the people and pay them all a little bit more and we'll get more effective. But I am off on a limb right now. Don't ever repeat that I said this because they'll all go crazy. But, you know, I think that there are two things going on out there. One is that I think they're overstaffed. But I also think that they need to be more, arts organizations need to be more conscious and we, as donors to them, need to be more conscious to ask are they really making a difference? Because if an arts organization isn't reaching an audience, but they're going to all the donors to keep making the art, I'll ask the question, if the tree falls in the forest and nobody's there, did it fall? Why make the art if no one is consuming it? And I think that a little bit of that discipline would be helpful for arts organizations. And maybe, you know, on our side, the for-profits, some of their unique ability to nurture an artist would go a long way on our side.

ROBIN POGREBIN: Yes...

QUESTION: I want to take one of your answers and turn it on a slightly different angle, which is the Broadway League statistics just came out and men, as a proportion of the audience, are shrinking dramatically. Two-thirds of folks attending Broadway the last season were women.

And is there something that has caused that, that really it seems that men are, to a certain degree, less apt to go to Broadway? And if I could go out on a limb, probably the proportion of straight white men has declined even further on Broadway.

JEFFREY SELLER: We're going to leave the second part alone. But I want to say a couple of things about that. One, Hamilton would be the exception. One of the great qualities of Hamilton is that it has brought to the theater a whole group of men, I would wager to say straight white men, who are history buffs. And some of them are even Republicans. (Laughter) And what they're finding is that they love Hamilton. Right? Because Hamilton is a unique American historical figure that Republicans love as much as Democrats. And that show seems to be the exception to the rule. Other shows that come around over the years, you know, Spamalot, that were exceptions to the rule. I think you'd be hard-pressed to find a straight, white man at Wicked. But here's the question, you know, I think you're asking another question, which is why are the number of men shrinking in American four-year colleges? The problem with men in America may be bigger than them not coming to Broadway if we're now seeing that more than 50% of college graduates are women. And I'm more interested in that question than I am in whether or not, you know, they're coming to Broadway. But I'm happy they're coming to Hamilton.

ROBIN POGREBIN: Yes...

QUESTION: What about copyright? You know in the movie business there are a lot of fake copyrighted, you know, non-copyrighted versions of films. In the live arts and in something like Hamilton, how much of an issue is that globally?

JEFFREY SELLER: Well, first of all, locally it's an issue in that I have a lawyer working at least 20 hours every week shutting down pirated Hamilton material online. That includes merchandise, oh my God, and we're always chasing it and we'll never finish chasing it and we'll never get all of it. But I'm always chasing down pirated merchandise. We're constantly having to take off of YouTube and all those places people who are posting videos of the show. So we're constantly chasing that and shutting them down, shutting them down. And that just goes on and on. In the United States, there aren't too, it's not easy to pirate a show and go put it on in your community because you have to publicize it. So because our licensing system here is so advanced, we have a pretty good control of that and there really is very little of that. Just yesterday I got an email from one of the MTI – MTI is the licensing agency for many US shows – it's the one owned by Freddie Gershon and Cameron Mackintosh. And one of their deputies sent me a note saying he saw an ad for a Hamilton production, not even in Amsterdam but way out in the hinterlands of the Netherlands. And I'm going after it right now. I don't know how they got all the music because, though, we publish vocal selections, there is no published version of the entire show or the orchestration. So some may try, but we'll try to shut it down wherever we can and rely on the fact that it will be so hard to put it together.

ROBIN POGREBIN: Do you see school productions of Hamilton happening?

JEFFREY SELLER: Oh, absolutely. I mean usually you don't do a school production until after you close on Broadway, but because Hamilton is going to run so long, I think I'll release school productions sooner rather than later. And by the way, one other thing, licensing is integral to the theater business. And keeping the integrity of licensing is integral to the theater business. And, you know, the integrity of our US economy is how our economy works. Right? Through that integrity.

QUESTION: I think I heard you say that you could have eliminated the F-bomb in In the Heights unilaterally even if Lin hadn't wanted to. But if that's true, is there a case where the artist has full control over the content?

JEFFREY SELLER: Wow, great question. First of all, Robin said that. I did not. I just kind of acceded, but here's the true rule. The Dramatists Guild makes the playwright the owner of the work. And the producer and the director cannot implement any change without the author's consent. But to Robin's point, then the producer can say, well, then I'm not doing your play. So, at the end of the day it's a negotiation. But what is unique is that in most instances in Hollywood, the screenwriter just writes, he or she writes the screenplay, they hand it to the studio and they can do whatever they want to it. And on Broadway, the writer is the king or the queen and the writer has full control over their work.

ROBIN POGREBIN: And on that note, thank you all. Thank you Jeffrey. (Applause)

JEFFREY SELLER: Great. Thank you.

CHAIRMAN MARIE-JOSEE KRAVIS: Well, Jeffrey says I did it to delight, and I have to say that Robin and Jeffrey, you really did delight us. We could hear a pin drop in the room. And I know we could have taken many more questions, but alas we can't. So thank you so much, both of you. (Applause) So, on a more sober note, the next meeting of the Club will be May 7 and that will be lunch with Ajay Banga who is the President and CEO of Mastercard. That will be followed on May 21 with a luncheon with Eric Rosengren, who is the President and CEO of the Federal Reserve Bank of Boston. Then we have on May 30 Richard Clarida, the Board of Governor's, he's a Governor of the Federal Reserve System. June 3, a reception with Stan Druckenmiller, who is the CEO of Duquesne Family Office, a well-known hedge fund trader. And finally on June 4 a luncheon with Brian Moynihan, who is the CEO of Bank of America. So we have a very full program in the month ahead and I hope you will all join us. Thank you and enjoy lunch. (Applause)