THEATRE FACTS 2014

A REPORT ON THE FISCAL STATE OF THE U.S. PROFESSIONAL NOT-FOR-PROFIT THEATRE FIELD

By Zannie Giraud Voss and Glenn B. Voss,
with Ilana B. Rose and Laurie Baskin

Erin Driscoll, Kevin McAllister, and James Gardiner in the 2014 Ford's Theatre production of *Violet*, directed by Jeff Calhoun. Photo by Carol Rosegg.

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INTRODUCTION

Theatre Facts is Theatre Communications Group's (TCG) annual report on the fiscal state of the U.S. professional not-for-profit theatre field. The report examines attendance, performance, and fiscal health using data from TCG Fiscal Survey 2014 for the fiscal year that member theatres completed anytime between October 31, 2013, and September 30, 2014. Theatres' artistry, the contributions they make to their communities, and their influence on the artistic legacy of the nation transcend the quantitative analyses that are described here. This report is organized into 3 sections that offer different perspectives:

1. The **Universe** section provides a broad overview of the U.S. not-for-profit professional theatre field in 2014. The 1,770 theatres represented are comprised of TCG Member Theatres—both those that participated in Fiscal Survey 2014 and those that did not—and additional not-for-profit professional theatres throughout the country that filed Internal Revenue Service (IRS) Form 990.

2. The **Trend Theatres** section presents a longitudinal analysis of the 118 TCG Member Theatres that responded to the TCG Fiscal Survey each year since 2010. Also, we offer a sub-section that highlights 10-year trends for 88 TCG theatres that have been survey participants each year since 2005. This section provides interesting insights regarding longer-term trends experienced by a smaller sample of mostly larger theatres. When we speak of Trend Theatres in this report, we are making reference to those included in the 5-year trend analysis unless otherwise noted, and we adjust for inflation unless otherwise noted. The adjustment for inflation in the discussion of Trend Theatres of 9% (21% for the 10-Year View) is based on compounded annual average changes in the Consumer Price Index for all urban consumers as reported by the U.S. Department of Commerce's Bureau of Labor Statistics. We adjust for inflation since a dollar today doesn't buy what it bought yesterday (i.e., prices and wages rise) and that means that you need to bring in more income over time just to keep up. What cost $100 in 2010 cost nearly $109 in 2014, so the buying power of every dollar raised and earned has to be adjusted in order to operate at a steady state over time.

3. The **Profiled Theatres** section provides an in-depth examination of all 177 Member Theatres that completed TCG Fiscal Survey 2014. This section provides the greatest level of detail, including breakout information for theatres in 6 different budget categories, based on annual expenses:

Budget Group	Budget Size	Number of Theatres
6	$10 million or more	32
5	$5 million -$9,999,999	37
4	$3 million -$4,999,999	15
3	$1 million -$2,999,999	57
2	$500,000-$ 999,999	21
1	$499,999 or less	15

The report complies with the audit structure recommended by the Federal Accounting Standards Board (FASB) in its examination of unrestricted income and expenses as well as balance sheet figures. In addition, we explore attendance, tickets sold, pricing, and performance details. We highlight key, overall findings in the Executive Summary that follows, then launch into the *Universe* section.

Unless otherwise noted, income is reported as a percentage of expenses because expenses serve as the basis for determining budget size. There may be slight discrepancies in the table totals and percentages due to rounding. In the tables, we indicate any areas skewed by outliers and we lightly shade the specific years or theatre sizes affected.

INTRODUCTION

Below we provide definitions of some Key Terms used throughout this report.

KEY TERMS

Contributed income and **total income** refer to unrestricted contributed income and total unrestricted income. Unrestricted contributed income includes unrestricted donations/grants for operating and non-operating purposes as well as **net assets released from temporary restrictions**—i.e., assets that were released into the unrestricted fund during the fiscal year by the satisfaction of time or purpose restrictions.

Capital Campaign refers to any fundraising drive for a specific purpose or purposes that is separate from an annual campaign, including campaigns related to facilities/equipment, endowments, artistic/programming, operating/technology, and recovery.

Subscriptions reflect both subscriptions and memberships. We note that line items related to subscriptions were slightly modified starting with the 2013 survey to ensure that participants reported data for both subscriptions and memberships. This change did not significantly affect the overall figures reported.

Single Ticket Income includes non-subscription/membership ticket income from Main Series Productions, Special Productions, Children's Series, Developmental Work/Staged Readings, Touring Productions, and Other productions produced by the theatre.

Children's Series reflects productions created specifically for young audiences, unless the theatre primarily produces plays for young audiences, in which case all activity is reported as "main series" rather than "children's series."

Booked-In Events are theatre, dance, film, music, or other events that a theatre presented but did not create, and that were not offered as part of a series.

Presenter Fees & Contracts Income reflects non-ticket income from tours and other presenting activities, excluding any tours and activities that were part of the theatre's education/outreach programs.

Education/Outreach Programs Income refers to non-ticket income from educational activities such as classes, lectures, performances, and workshops for children and adults. It does not include ticket income from student matinees or contributed income earmarked for education/outreach activities.

Production Income refers to income from co-productions with other not-for-profit theatres or producers and enhancement income from commercial producers.

Artistic Payroll includes salaries and fees for artistic staff—artistic director, literary manager, casting director, etc.—and contracted artists such as actors, stage managers, playwrights, directors, designers, choreographers, musicians, and dancers.

Production/Tech Payroll includes salaries and fees for staff and contracted production/tech personnel such as production managers, technical directors, shop personnel, board operators, and run crew.

Administrative Payroll includes salaries for administrative staff, including general management, finance, development, marketing, education, IT/web, and front-of-house. It does not include fees to administrative personnel who are independent contractors, which are reflected as part of non-payroll expenses.

WHAT IS CUNA?

CUNA =
TOTAL UNRESTRICTED INCOME – TOTAL EXPENSES

CUNA, or the Change in Unrestricted Net Assets, includes operating income and expenses; unrestricted equipment and facilities, board designated and endowment gifts; capital gains/losses; capital campaign expenses; and gifts released from temporary restrictions in the current year. CUNA is important since it represents the annual bottom line, indicating whether the organization brought in enough income to cover its expenses. Positive CUNA indicates that there was surplus income after paying all expenses whereas negative CUNA shows that the income brought in for the year was insufficient to cover all expenses.

WHAT IS WORKING CAPITAL?

WORKING CAPITAL =
TOTAL UNRESTRICTED NET ASSETS –
FIXED ASSETS –
UNRESTRICTED LONG-TERM INVESTMENTS

Working capital represents the readily-available funds that a theatre has to meet day-to-day obligations and cash needs. Negative working capital indicates that a theatre is borrowing funds internally or externally to meet its daily operating needs. It is a signal that an organization may be facing serious financial trouble or even nearing bankruptcy.

EXECUTIVE SUMMARY

TREND THEATRES: 2010-2014 HIGHLIGHTS

The 118 Trend Theatres largely participated in the country's general economic recovery from the Great Recession, which ended just prior to the start of the 5-year period examined here. Theatres' **upswing in total income was driven more by growth in contributions than earned income, and it exceeded the rise in expenses over time.** This left the average theatre with a positive Change in Unrestricted Net Assets (CUNA) equivalent to 2.9% of expenses in 2014. CUNA is important since it represents the annual bottom line, indicating whether the organization brought in enough income to cover its expenses. Positive CUNA indicates that there was surplus income after paying all expenses whereas negative CUNA shows that the income brought in for the year was insufficient to cover all expenses.

While theatres exhibited **robust upward trends in individual giving and foundation support, government funding was down considerably** over time and there was **lackluster growth in corporate giving**.

Ticket income got a 4.2% boost from 2013 to 2014 but **five-year growth barely kept pace with inflation**. Investment instrument income and other income earned from activities such as touring, education programs, rentals, and concessions drove the overall increase of earned income above inflation. The slight percentage drop in subscription income was roughly the same as the positive bump in single ticket income, and the **average number of both single tickets and subscription tickets sold were at a 5-year low in 2014.** Over time, theatres added **3.7% more resident performances that were met with 1.9% fewer attendees**.

Average **payroll rose annually for artists, administrators, and production/technical staff**, resulting in total compensation growth of 12.1% above inflation. The only expenditure category that was lower in inflation-adjusted dollars over time was physical production materials and other technical production, non-personnel expenses.

Figure A presents 5-year trends in income, expenses, and CUNA. **Five-year inflation-adjusted growth rates were 7.3% for earned income, 12.6% for contributed income, and 9.1% for expenses**. All three categories were at their highest 5-year level in 2014. CUNA in 2014 represented 2.9% of total expenses after fluctuating over the years. Despite a dip in 2012 driven by one theatre's extreme capital losses, earned income demonstrated an upward trend. Expenses climbed upward annually and contributed income trended positive although it wavered slightly through the years.

FIGURE A:
TREND THEATRE AVERAGES: EARNED AND CONTRIBUTED INCOME, EXPENSES, AND CUNA
(not adjusted for inflation)

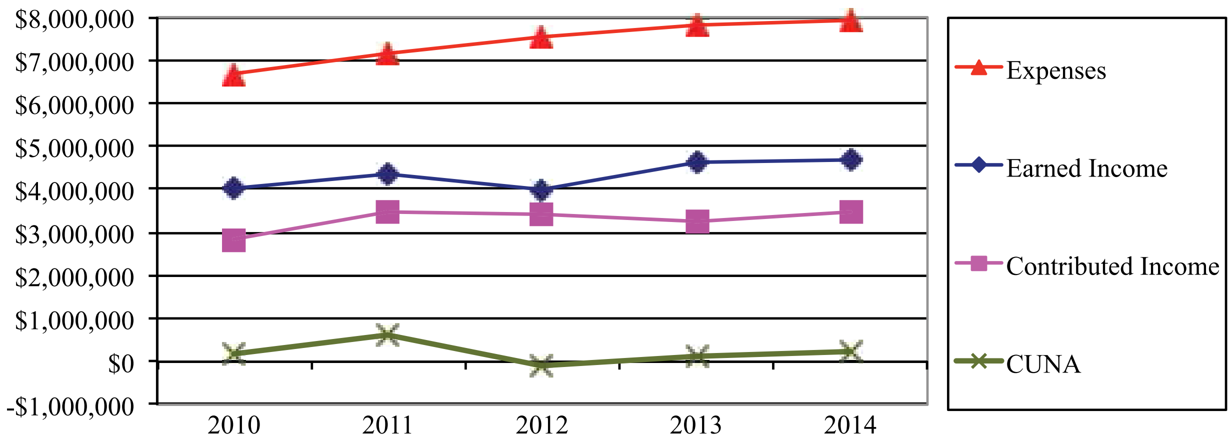


Figure B depicts levels of earned income and contributed income over time, along with total income, expenses, and CUNA. The bar chart illustrates more precisely how total income was higher than expenses in all years but 2012, driving positive CUNA all years except 2012. Earned income exceeded contributed income every year.

FIGURE B:
TREND THEATRE AVERAGES: EARNED, CONTRIBUTED, AND TOTAL INCOME, EXPENSES, AND CUNA

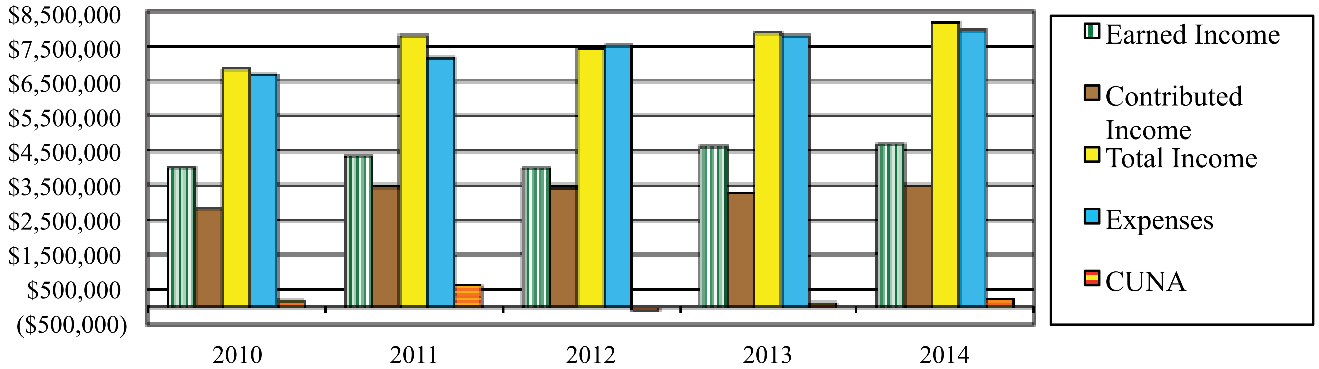
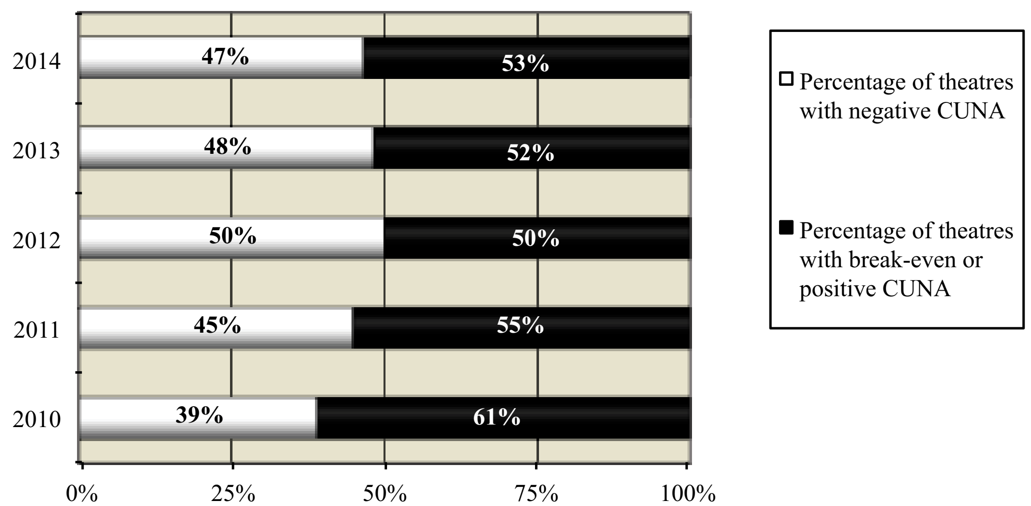


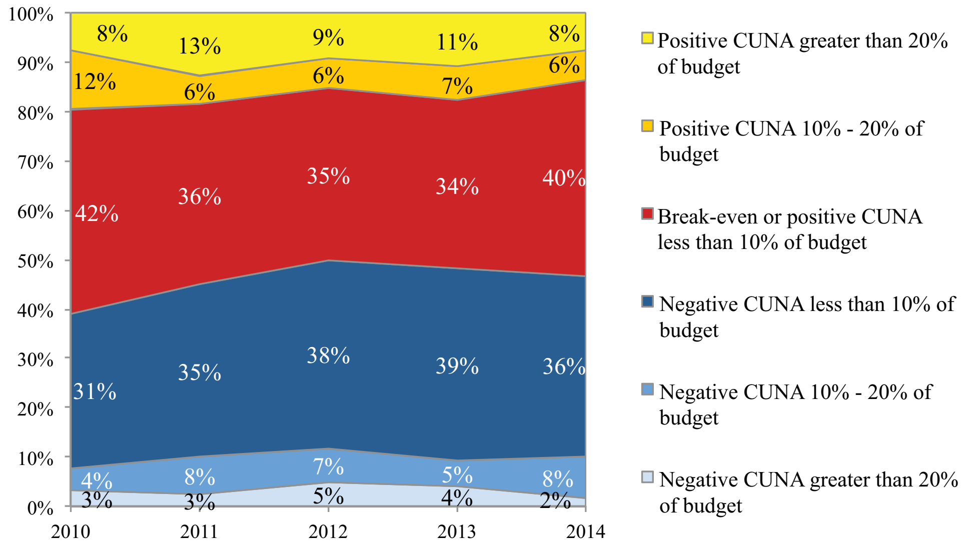
Figure C1 provides the annual percentage of Trend Theatres that broke even or had positive CUNA versus those that experienced negative CUNA. This chart highlights the fact that **half or more of Trend Theatres had positive CUNA annually**, with 2010 showing the greatest proportion of theatres operating in the black and 2012 the lowest.

FIGURE C1:
BREAKDOWN OF 118 TREND THEATRES' CHANGES IN UNRESTRICTED NET ASSETS (CUNA)



Figures A, B and **C1** tell a consistent story that positive CUNA was the norm for more than half of theatres—again, a reflection of the economic recovery—in all years except 2012. A closer examination of the data in **Figure C2**, which details the distribution of CUNA levels as a percent of expenses among theatres annually, shows that **only 3-5% of theatres had negative CUNA exceeding 20% of budget from 2010 to 2013, ending the period at 2% in 2014**. Every year, 71% to 73% percent of theatres ended the year in the CUNA span between 10% below and 10% above break-even (the two central, largest zones); however, the internal balance shifted over time as more theatres fell into the 10% below break-even category and fewer in the 10% above category. Another 14% of theatres had positive CUNA greater than 10% of budget. Eight Trend Theatres ended each of the past 5 years in negative territory and 14 ended each year with a positive bottom line.

FIGURE C2:
BREAKDOWN OF 118 TREND THEATRES' CHANGES IN UNRESTRICTED NET ASSETS (CUNA) PROPORTIONAL TO EXPENSES



Total net asset growth for the Trend Theatres was robust, increasing annually and exceeding inflation by 15.2% over the 5-year period. Capital campaigns for buildings, endowments, and other types of reserves have increased theatres' long-term investments and fixed assets, and the success of those campaigns has translated into improved but still insufficient levels of working capital. Negative working capital indicates that a theatre is borrowing funds internally or externally to meet its daily operating needs. It is a signal that an organization may be facing serious financial trouble or even nearing bankruptcy. For the Trend Theatres, average working capital was negative in each of the 5 years: at its worst in 2010, its best in 2011, worsening again in 2012, and improving slightly both years thereafter.

PROFILED THEATRES: 2014 BUDGET SIZE SNAPSHOTS

Analysis of the 177 Profiled Theatres—all of the theatres that participated in TCG Fiscal Survey 2014—reveals how theatres of different sizes have different profiles regarding their operations and finances. The **largest theatres** (69 theatres), those with budgets of $5 million or more, supported a higher share of expenses with subscription and total ticket income and a higher level of expenses with total earned income compared with their smaller counterparts. They filled a higher proportion of overall seating capacity. Their endowment earnings and capital gains supported a higher level of expenses than was the case for theatres with budgets below $5 million. Gifts from other individuals were the greatest source of contributed funds for these theatres. Large theatres obtained a lower proportion of their budget than their smaller counterparts from foundation and government funding; they spent more of their budget on production payroll and less on occupancy expense. The largest theatres also spent comparatively more on physical production expenses and recognized higher levels of depreciation. They tended to end 2014 with positive CUNA but still had critically negative working capital. The largest of these theatres can be found almost exclusively in urban markets and have a much greater tendency to own their spaces.

Findings for **mid-sized theatres** (72 theatres), whose total expnses range from $1 million to $4,999,999, were in between the larger and smaller theatres in most areas. Comparatively, they earned more from education/outreach programs, less from co-productions and enhancement funds, spent less of their budget on physical production expenses and more on administrative payroll. They tended to operate under a working capital shortage but end the fiscal year with positive CUNA. The larger theatres in this group had the highest average gift from other individuals and spent more on occupancy expenses. Mid-size theatres have a greater presence in suburban and rural communities than other groups, and they reported the highest subscriber renewal rates. Smaller theatres in this group tended to cover more than the average level of expenses with income from presenting activity.

With budgets below $1 million, **smaller theatres** (36 theatres) are inclined to be much more reliant on contributed income, particularly foundation and government support. They filled fewer seats with subscribers and retained fewer subscribers relative to mid-sized and larger theatres; they covered a far lower level of expenses with subscription and single ticket income relative to the industry average. Comparatively, more of their resources went to artistic payroll and general management fees, such as office supplies and audit fees, and they earned far less from investment instruments. As theatres grow in size even within this category, they tended to add paid professional staff and artists and increase the share of the budget allocated to administrative payroll and production payroll. The larger theatres in this group were more likely to operate in urban areas, tended to fill smaller percentages of their capacity, earned more from presenting fees and tour contracts, and ended the year with negative CUNA, on average. The smallest of the theatres offered comparatively few productions annually, spent proportionally more on marketing and development, and operate with positive working capital.

The full report begins on the following page with the *Universe* section, an examination of key indicators for the largest body of theatres in 2014. The *Universe* section is followed by the 5-year and 10-year Trend Theatre analyses, then detailed 2014 facts and figures for the Profiled Theatres.

THE UNIVERSE

In 2014, U.S. professional not-for-profit theatres presented the creative work of 90,000 artists to 32.8 million audience members. This conclusion is based on an extrapolation of data from the 177 TCG Member Theatres that participated in Fiscal Survey 2014 to 1,593 additional theatres, including TCG Member Theatres that did not complete the Fiscal Survey and additional theatres that completed Form 990 for the Internal Revenue Service, which collects financial information from not-for-profit organizations. We avoid comparisons to Universe Theatres of years past because different theatres are represented from year to year, due in part to new theatres being formed and others closing. We used total annual expenses—the only data available for all theatres—to generate the estimates presented in **Table 1** for the Universe of U.S. professional not-for-profit theatres.

We estimate that in 2014, 1,770 Theatres in the U.S. Professional Not-for-Profit Theatre Field:

- **Attracted 32.8 million audience members to 216,000 performances of 22,000 productions**. Nearly 1.5 million Americans subscribed to a theatre season.
- **Contributed over $2 billion to the U.S. economy** through direct payments for goods and services, and hired 135,000 artists, administrators, and technical production staff. Many of these employees live in the theatre's community where they pay rent or buy homes, are regular consumers, and contribute to the overall tax base, while audience members frequently dine at restaurants, pay for parking, hire babysitters, etc. as part of their theatre-going experience. Therefore, **the real economic impact on local communities is much higher** than the $2 billion.
- **Employed artists as the majority of the workforce**. We estimate that the theatre workforce (i.e., all paid full- time, part-time, jobbed-in, or fee-based employees) is comprised of 67% artistic, 22% production/technical, and 11% administrative professionals. It is noteworthy that these percentages shift based on theatre size. We estimate that theatres with total expenses of half a million dollars or less (i.e., 65% of Universe Theatres) employ 80% of their workforce in artistic positions, 14% in production, and 6% as administrators. Theatres with total expenses greater than $500,000 employ 58% in artistic positions, 27% in production, and 15% in administration.
- **Obtained 53% of their income from earned sources and 47% from contributions**. Theatres with total expenses of $500,000 or less received 44% from earned sources and 56% from contributions.
- **Experienced a positive Change in Unrestricted Net Assets (CUNA)**, equivalent to 4.2% of total expenses. CUNA captures changes in all unrestricted funds and includes Net Assets Released from Temporary Restriction (NARTR). NARTR occurs, for example, if a trustee made a contribution to a capital campaign in a prior year but the capital project did not get started until the current year. Once the project begins, the net assets are released from temporary restriction.

TABLE 1: ESTIMATED 2014 UNIVERSE OF U.S. PROFESSIONAL NOT-FOR-PROFIT THEATRES (1,770 Theatres)

Estimated Productivity			
Attendance		32,800,000	
Subscribers		1,460,000	
Performances		216,000	
Productions		22,000	
Estimated Finances			
Earned Income	$	1,190,000,000	
Contributed Income	$	1,050,000,000	
Total Income	$	2,240,000,000	
Total Expenses	$	2,150,000,000	
Changes in Unrestricted Net Assets (CUNA)	$	90,000,000	
Earned Income as a % of Total Income		53%	
Contributed Income as a % of Total Income		47%	
CUNA as a % of Total Expenses		4.2%	
Estimated Workforce			**% of Total**
Artistic		90,000	67%
Administrative		15,000	11%
Production/Technical		30,000	22%
Total Paid Personnel		135,000	

TREND THEATRES

This section of the report shares findings on activity for the 118 Trend Theatres that responded to the TCG Fiscal Survey each year from 2010 to 2014. By following the same set of theatres over time, we avoid variations attributable to theatres with exceptional activity participating in some years but not in others. Trend Theatres tend to be significantly larger than theatres found in the *Universe* section. Naturally, theatres change size over time. In 2014, the smallest Trend Theatre had a budget of $316,000 and the largest $62 million. The average expenses for the Trend Theatres were $8 million in 2014, and the breakdown of those theatres by budget size was as follows: 28 of the 118 Trend Theatres (24%) had annual expenses of $10 million or more; 31 (26%) were between $5 million and $9,999,999; 10 (8%) were between $3 million and $4,999,999; 36 (31%) were between $1 million and $2,999,999; 12 (10%) were between $500,000 and $999,999; and 1 (1%) was lower than $499,999. Several large theatres skew the average budget size. A look at the midpoint in the budget range—called the median—reveals quite a different budget size of $4.8 million. We continue, however, to refer to the average (arithmetic mean) throughout this report, rather than the median, unless otherwise noted.

To reflect the story of the past 5 years, we organize the analysis into 5 sections: (1) earned income; (2) attendance, ticket, and performance trends; (3) contributed income; (4) expense allocations and Change in Unrestricted Net Assets (CUNA); and (5) Balance Sheet. All dollar figures and percentages represent averages. In each section, we present 1-year percentage changes that compare activity levels in 2014 to activity levels in 2013 and 4-year percentage changes that offer a longer-term perspective comparing activity levels in 2014 to those of 2010. We highlight key facts that deserve attention. We also include a 10-year trend analysis for a subset of 88 long-term Trend Theatres that have participated in the TCG Fiscal Survey each year since 2004. We indicate when 1 or 2 theatres' activities skew the trend and distort the reality faced by the rest of the Trend Theatres.

EARNED INCOME

In this section we examine changes in earned income. **Table 2** shows average earned income from each source and 3 trend indicators: 1-year percentage change, 4-year percentage change, and 4-year percentage change adjusted for inflation. **Table 3** shows each earned income category in relation to total expenses in order to see which income categories are increasing or decreasing as a proportion of total budget. There is a positive dollar increase in an income category in some cases—even after adjusting for inflation—reported in **Table 2** but a decrease in the percentage of expenses that it supports reported in **Table 3**. This occurs when the increase in an income category does not keep pace with the increase in total expenses over the 5-year period. Average 5-year earned income *exclusive of investment income* rose annually and its growth exceeded inflation by 5.7%. When we add in investment income, inflation-adjusted earned income growth rises to 7.3%, primarily because of 5-year overall increases in capital gains.

For the 118 Trend Theatres:

- **Earned income** rose on average from 2010 to 2011, fell to its lowest 5-year level in 2012, recovered in 2013, and achieved its highest 5-year level in 2014. Earned income growth surpassed inflation by 7.3% over the 5-year period (see **Table 2**) but supported 1% less of total expenses in 2014 than in 2010 (see **Table 3**).
- **Average subscription income** grew annually from 2010 to 2013 then diminished a slight 0.8% in 2014. Despite the years of growth, subscription income was 2.0% lower in 2014 than in 2010 after adjusting for inflation. As shown in **Table 3**, subscription income covered a progressively lower level of total expenses each year, from a high of 17.0% in 2010 to a low of 15.3% in 2014. Thirty-five theatres earned more subscription income than single ticket income in both 2010 and 2014, with fewer theatres in this position during the interim years. Just over 100 theatres reported subscription income annually; of these, half increased their subscription revenue relative to inflation over time.
- **Flexible subscription income** (not shown in the tables) accounted for 11% of total subscription income in 2010 and 2013, 8% in 2011, 9% in 2012, and 12% in 2014. The number of theatres reporting flexible subscription income fluctuated between a low of 66 in 2011 and a high of 84 in 2013. Of the 67 theatres that consistently offered flexible subscriptions, 61% reported increases over the 5 years.
- **Average single ticket income** increased annually from 2010 to 2012 then dropped in 2013 and rebounded in 2014. Growth exceeded inflation by 1.6% over the 5 years (see **Table 2**) while single ticket income supported 1.7% less of average total expenses in 2014 than 2010 (see **Table 3**). Seventy-one theatres reported more inflation-adjusted total single ticket income in 2014 than in 2010. Single ticket sales were the greatest source of earned income annually. Each year 7% to 8% of single ticket sales are generated through **group sales**.
- **Booked-in event income**, generated by shows, films, or events that the theatre neither created nor offered as part of a series, followed the same trend as single ticket income over the years: it increased annually from 2010 to 2012 then fell in 2013 and recovered in 2014. Overall growth in this area was 33.4% above inflation. The set of theatres reporting booked-in event income changes annually. Seventeen theatres reported it in each of the past 5 years, two-thirds of which saw growth in booked-in event income over time. One theatre had nearly 10-fold growth in this area.
- The net effect on **total ticket income** was growth that exceeded inflation by 0.8%. Total ticket income covered 39.6% of expenses in 2014 as compared with 42.9% in 2010 (see **Table 3**).
- Income from **presenter fees and contracts for toured performances** was at a 5-year high in 2013 due to one theatre with exceptional, 8-figure income in this area. This same theatre had 7-figure income from presenter fees and contracts in 2014, driving overall growth for the Trend Theatres to exceed inflation by 38.2%. Without this theatre in the analysis, income from presenter fees and contracts for the remaining 117 theatres would have been 31.5% lower in 2014 than in 2010, declining steadily since 2011. Fifteen theatres reported income from presenter fees and contracts every year, 8 of which brought in less income in 2014 than in 2010.

TABLE 2: AVERAGE EARNED INCOME (118 theatres)													
		2010		2011		2012		2013		2014	1-yr % chg	4-yr % chg	4yr%chg CGR*
Subscription Income	$	1,139,265	$	1,149,608	$	1,187,419	$	1,227,166	$	1,217,437	-0.8%	6.9%	-2.0%
Single Ticket Income		1,670,709		1,771,632		1,905,626		1,729,519		1,850,837	7.0%	10.8%	1.6%
Booked-In Events		56,757		70,319		82,828		66,640		82,523	23.8%	45.4%	33.4%
Total Ticket Income	**$**	**2,866,730**	**$**	**2,991,558**	**$**	**3,175,873**	**$**	**3,023,325**	**$**	**3,150,796**	**4.2%**	**9.9%**	**0.8%**
Presenter Fees & Contracts**	$	24,880	$	28,455	$	27,135	$	145,865	$	37,479	-74.3%	50.6%	38.2%
Education/Outreach Programs		182,601		**186,244**		193,088		212,094		226,901	7.0%	24.3%	14.0%
Royalties		44,472		38,332		33,143		32,938		31,616	-4.0%	-28.9%	-34.8%
Concessions		86,215		99,732		110,035		119,588		134,384	12.4%	55.9%	43.0%
Production Income (co-production & enhancement income)		65,451		138,169		76,294		135,137		124,059	-8.2%	89.5%	73.9%
Advertising		17,693		19,652		21,445		21,121		22,544	6.7%	27.4%	16.9%
Rentals**		79,833		102,205		98,798		117,295		175,149	49.3%	119.4%	101.3%
Other (ticket handling, insur., etc.)		210,474		197,927		191,050		254,427		221,157	-13.1%	5.1%	-3.6%
Total Other Earned Income	**$**	**711,620**	**$**	**810,716**	**$**	**750,988**	**$**	**1,038,465**	**$**	**973,290**	**-6.3%**	**36.8%**	**25.5%**
Interest and Dividends		$29,451		$25,791		$16,855		$21,412		$31,061	45.1%	5.5%	-3.2%
Endowment Earnings/Transfers		257,683		235,547		192,419		239,268		292,505	22.2%	13.5%	4.1%
Capital Gains/(Losses)**		148,271		284,880		(138,204)		305,617		245,706	19.6%	65.7%	52.0%
Total Investment Income	**$**	**435,405**	**$**	**546,217**	**$**	**71,070**	**$**	**566,297**	**$**	**569,272**	**0.5%**	**30.7%**	**19.9%**
Total Earned Income	**$**	**4,013,755**	**$**	**4,348,491**	**$**	**3,997,932**	**$**	**4,628,086**	**$**	**4,693,358**	**1.4%**	**16.9%**	**7.3%**

*Compounded Growth Rate adjusted for inflation. **Trend skewed by 1 or 2 theatres' exceptional activity.

TABLE 3: AVERAGE EARNED INCOME AS A PERCENTAGE OF TOTAL EXPENSES (118 theatres)							
	2010	2011	2012	2013	2014	1-yr % chg	4-yr % chg
Subscription Income	17.0%	16.0%	15.8%	15.7%	15.3%	-0.4%	-1.7%
Single Ticket Income	25.0%	24.7%	25.3%	22.2%	23.3%	1.1%	-1.7%
Booked-In Events	0.8%	1.0%	1.1%	0.9%	1.0%	0.2%	0.2%
Total Ticket Income	**42.9%**	**41.7%**	**42.2%**	**38.8%**	**39.6%**	**0.8%**	**-3.3%**
Presenter Fees & Contracts**	0.4%	0.4%	0.4%	1.9%	0.5%	-1.4%	0.1%
Education/Outreach Programs	2.7%	2.6%	2.6%	2.7%	2.9%	0.1%	0.1%
Royalties	0.7%	0.5%	0.4%	0.4%	0.4%	0.0%	-0.3%
Concessions	1.3%	1.4%	1.5%	1.5%	1.7%	0.2%	0.4%
Production Income (co-production & enhancement income)	1.0%	1.9%	1.0%	1.7%	1.6%	-0.2%	0.6%
Advertising	0.3%	0.3%	0.3%	0.3%	0.3%	0.0%	0.0%
Rentals**	1.2%	1.4%	1.3%	1.5%	2.2%	0.7%	1.0%
Other (ticket handling, insur., etc.)	3.1%	2.8%	2.5%	3.3%	2.8%	-0.5%	-0.4%
Total Other Earned Income	**10.6%**	**11.3%**	**10.0%**	**13.3%**	**12.2%**	**-1.1%**	**1.6%**
Interest and Dividends	0.4%	0.4%	0.2%	0.3%	0.4%	0.1%	0.0%
Endowment Earnings/Transfers	3.9%	3.3%	2.6%	3.1%	3.7%	0.6%	-0.2%
Capital Gains/(Losses)**	2.2%	4.0%	-1.8%	3.9%	3.1%	-0.8%	0.9%
Total Investment Income	**6.5%**	**7.6%**	**0.9%**	**7.3%**	**7.2%**	**-0.1%**	**0.6%**
Total Earned Income	**60.0%**	**60.7%**	**53.1%**	**59.3%**	**59.0%**	**-0.3%**	**-1.0%**

**Trend skewed by 1 or 2 theatres' exceptional activity.

For the 118 Trend Theatres:

- **Education and outreach income** was up for the fourth straight year and at its highest 5-year level in 2014, with 5-year growth of 14% above inflation. The average number of people served by outreach and education activity was at a 5-year high of 18,864 in 2014 and a low of 15,093 in 2011. Theatres offered an average of 7 different types of education and outreach programs in 2010 through 2012 and 8 in 2013 and 2014. Roughly two-thirds of all education and outreach income came from training programs that target people of all ages and one-third from arts-in-education/youth services programs annually (not shown in the tables). Earned income from adult access/outreach programs was negligible.
- **Royalty income** was down for the fourth straight year and at a 5-year low in 2014, for an overall drop of 34.8% after adjusting for inflation. Income per property fell over time from a high of $16,197 in 2010 to a low of $10,193 in 2014. The collective number of world premieres by the Trend Theatres fluctuated from a low of 156 in 2010 to a high of 242 in 2012, ending the period at 225. Theatres that produce the most world premieres are not the same ones that earn the highest levels of royalty income.
- **Concessions income** increased annually and was at a 5-year high in 2014. Its growth surpassed inflation by 43% and it covered 0.4% more expenses in 2014 than in 2010.
- **Enhancement income** (income from commercial producers) per theatre ranged from $6,400 to $2 million in 2014. Five theatres received enhancement income in every one of the 5 years. The table below shows the number of theatres reporting enhancement income and their average amount (in thousands) received each year:

ENHANCEMENT INCOME TABLE

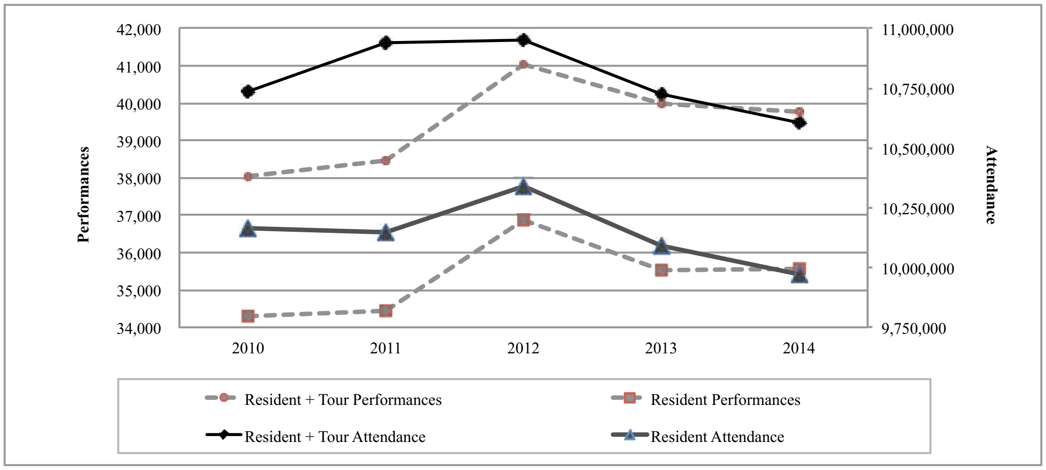
	2010	2011	2012	2013	2014
# theatres reporting enhancement income	16	15	13	14	19
Average enhancement income (in thousands)	$322	$845	$420	$845	$525

- Twenty to 33 theatres co-produce each year. Examining only the sub-group of theatres reporting **co-production income**, the lowest average level was $124,533 in 2013 and the highest was $155,620 in 2014. Five theatres reported co-production income in each of the past 5 years.
- Average **production income**—a combination of enhancement and co-production income—varied over time, attaining its highest levels in 2011 and 2013. Five-year growth in production income surpassed inflation by 73.9%. One theatre has reported both co-production and enhancement income in every one of the past 4 years.
- **Rental income** growth was at its highest 5-year level in 2014. It more than doubled in magnitude over time even after accounting for inflation and it covered 1.0% more expenses in 2014 than in 2010. One theatre earned 3 to 6 times as much as any other theatre in 2013 and 2014, respectively. Between 81% and 86% of theatres earned income from rentals annually, indicating that they are taking advantage of their spaces to earn ancillary income.
- **Other Earned Income** (income earned from special projects, ticket handling, insurance claims, etc.) fluctuated considerably over the 5-year period, peaking in 2013 and ending 3.6% lower in 2014 than it was in 2010 after adjusting for inflation.
- Growth in total income from categories other than ticket income or investment instrument income, referred to as **"Total Other Earned Income"** in **Tables 2 and 3**, outpaced inflation by 25.5% and supported 1.6% more of total expenses over time.
- Average **interest and dividends** fell in 2011 and 2012 and were up in 2013 and 2014. The recent rally was not robust enough to make up for lost ground. As a result, interest and dividends ended the 5-year period 3.2% below 2010 levels, adjusting for inflation. Of theatres reporting interest and dividends, 62% experienced growth that fell short of inflation for the period. This trend reflects the U.S. prime interest rate, which was lowered in December of 2008 to its lowest level since the turn of the millennium and remained at the same level throughout the rest of the 5-year period. This area will likely rebound when interest rates become more favorable.
- Average **endowment earnings/transfers** were at their highest 5-year level in 2014 after 2 years of downswings in the recession and 2 years of upswings during the recovery. There was a 4.1% overall increase in the average after considering inflation. This line item includes earned and transferred investment income from endowments (donor restricted) or quasi-endowments (board designated) that were established specifically to provide income.
- Theatres report **capital gains or losses** in the present market value of their investment portfolios in addition to gains or losses from the sale of securities. As such, these reports represent realized and unrealized gains or losses in the present market value of the portfolio from year to year. The expectation is that, with a long-term investment strategy, the portfolio will increase in value over time despite annual fluctuation. Average **capital gains (losses)** from investment assets increased 52% above inflation over the 5-year period. One theatre had fluctuating, 8-figure capital gains or losses in 2011 through 2013. Forty-two of 69 theatres that reported capital gains in both 2010 and 2014 had higher levels over time after adjusting for inflation.
- Of **total investment instrument income**, the average annual amount dedicated to supporting operating expenses ranged from $154,000 to $185,000 over the 5 years (not shown in the Table).

ATTENDANCE, TICKET, AND PERFORMANCE TRENDS

This section of the report shares findings related to attendance levels, numbers of tickets sold, ticket prices, and performance details that underlie the results regarding ticket revenue reported in the previous section. **Figure D** charts aggregate performances and attendance for resident productions (the lower two lines), as well as performances and attendance for overall activity including tours (the upper two lines). **Table 4** displays aggregate attendance levels, as well as average capacity utilization, tickets sold, packaging, and pricing. **Table 5** shows the number of performances at the 118 Trend Theatres and some average figures for performance-related trends. The Figure and Tables show that Trend Theatres added resident performances (i.e., performances that took place in the organization's home theatre) in 2011 and 2012, scaled them back in 2013, and held them steady in 2014. Meanwhile, audience figures for resident performances over the span of the 5-year period peaked in 2012 then fell in 2013 and again in 2014. As shown in **Tables 4** and **5**, the average number of both single tickets and subscription tickets sold were at a 5-year low in 2014.

FIGURE D: ATTENDANCE AND PERFORMANCE TRENDS



For the 118 Trend Theatres:

- **Total attendance**—including resident productions and tours—was at a 5-year low in 2014 after peaking in 2012, down 1.2% from its 2010 level. Meanwhile, the related **total number of performances** grew by 4.6% as seen in the upper 2 trend lines of **Figure D**. The addition of performances in 2012 was not met with a corresponding increase in attendance. Fewer performances were then offered in 2013 and 2014 but attendance diminished at a proportionally higher rate. Just over half of the theatres saw total attendance rise over time. Every year, 3% to 4% of total performances were completely free of charge, attracting 2% to 3% of total attendees.

- Five-year 3.7% growth in the **number of resident performances** was met with a 1.9% drop in **attendance at resident productions**, as seen in the lower 2 trend lines of **Figure D**. Resident attendance peaked in 2012 and diminished in both 2013 and 2014. Over time, 52% of theatres experienced a decrease in resident production attendance. As shown in **Tables 4** and **5**, the average number of both single tickets and subscription tickets sold were at a 5-year low in 2014 while the reported percent of capacity filled with paying and non-paying audience members remained largely consistent over the years.

- **Main series attendance** peaked in 2012 then fell in 2013 and again in 2014, ending the period at a 5-year low. While main series attendance decreased 1.1%, the total number of **main series performances** was 5.7% higher in 2014 than in 2010. About half of the theatres reduced their number of main series performances and half increased. Thirty-two percent of theatres that reduced their number of main series performances saw corresponding attendance increases, while 54% of those that increased performances experienced either relatively lackluster attendance growth or an attendance decrease over time. Theatres consistently averaged 34 **performance weeks** per year. During those weeks, an average of one more main series production and 13 more performances per year were held over time, as shown in **Table 5**.

- **Children's series activity** (i.e., production series for young audiences by theatres that are not Theatre for Young Audience theatres) was a bright spot. Attendance was at a 5-year high in 2014 after dipping to a low in 2012. Five-year growth in the number of children's series performances was 9.8% while corresponding growth in attendance was 12.9%. Income from children's series, included as part of total single ticket income in the previous section, grew an inflation-adjusted 12% over the period. Roughly 25 theatres report children's series activity annually.

- The **number of special production performances** (e.g., non-subscription holiday productions) varied over time. **Attendance at special productions** was at a 5-year high in 2013, waning in 2014 to end the period 7.3% lower than in 2010. Meanwhile, there was a five-year 6.6% rise in the number of special production performances.

- Attendance at **staged readings and workshops** was at its lowest 5-year level in 2014, dropping 1.4% over time. The reduction in attendance corresponds to a 12.5% cut in the number staged readings and workshop performances over the 5-year period.

- **Attendance at booked-in offerings** peaked in 2012, tapered off in 2013 and rebounded somewhat in 2014, with 34.6% more people attending booked-in event performances in 2014 than in 2010. Starting in 2011, one theatre regularly offered roughly 7 times more booked-in performances than other theatres. Eliminating this theatre from the analyses would leave booked-in performance growth at 26% over the 5-year period with a corresponding 6% decline in attendance.

TABLE 4: AGGREGATE ATTENDANCE AND AVERAGE CAPACITY UTILIZATION, TICKETS SOLD, PACKAGING, PRICING (118 theatres)

	2010	2011	2012	2013	2014	1-yr % chg	4-yr % chg	4yr%chg CGR*
AGGREGATE ATTENDANCE								
Main Series (total)	8,490,489	8,620,363	8,766,048	8,468,534	8,392,987	-0.9%	-1.1%	
Special Productions	774,920	684,938	745,472	788,472	718,462	-8.9%	-7.3%	
Children's Series	348,060	359,045	332,376	374,276	393,008	5.0%	12.9%	
Staged Readings/ Workshops	46,946	54,556	47,075	51,923	46,283	-10.9%	-1.4%	
Other	258,916	142,181	104,756	94,536	92,129	-2.5%	-64.4%	
Booked-In Events**	242,667	288,672	342,431	310,791	326,684	5.1%	34.6%	
In-Residence Subtotal	**10,161,998**	**10,149,755**	**10,338,158**	**10,088,532**	**9,969,553**	**-1.2%**	**-1.9%**	
Touring	572,438	791,391	613,361	637,725	636,330	-0.2%	11.2%	
Total	**10,734,436**	**10,941,146**	**10,951,519**	**10,726,257**	**10,605,883**	**-1.1%**	**-1.2%**	
AVERAGE								
Total In-Residence Capacity Utilization (%)	73.3%	74.3%	72.6%	73.7%	73.7%			
Total In-Residence Paid Capacity Utilization (%)	63.4%	64.1%	62.7%	63.6%	63.9%			
Total In-Residence Seating Capacity Sold to Subscribers (%)	25.6%	26.4%	26.0%	26.0%	25.8%			
Number of Subscription Tickets Sold	32,731	32,248	33,434	32,350	32,070	-0.9%	-2.0%	
Number of Single Tickets Sold	49,033	51,132	52,036	49,282	48,898	-0.8%	-0.3%	
Number of Subscribers	6,459	6,245	6,346	6,398	6,343	-0.9%	-1.8%	
Subscription Renewal Rate	74%	76%	74%	74%	74%			
Number of Subscription Packages Offered	6.6	6.6	6.6	6.2	5.6	-9.0%	-14.9%	
Highest Subscription Discount	39.8%	37.4%	37.0%	38.4%	42.2%			
Lowest Subscription Discount	10.8%	10.3%	10.6%	9.9%	11.0%			
Subscription Ticket Price	$ 32.88	$ 34.24	$ 33.86	$ 35.02	$ 36.42	4.0%	10.8%	1.6%
Single Ticket Price	$ 32.65	$ 33.79	$ 34.07	$ 35.15	$ 36.55	4.0%	11.9%	2.7%

*Compounded Growth Rate adjusted for inflation. **Trend skewed by 1 theatre's exceptional activity.

TABLE 5: AGGREGATE NUMBER OF PERFORMANCES, OTHER AVERAGE PERFORMANCE-RELATED TRENDS (118 theatres)

	2010	2011	2012	2013	2014	1-yr % chg	4-yr % chg
AGGREGATE # OF PERFORMANCES							
Main Series (total)	26,620	27,467	28,354	28,235	28,145	-0.3%	5.7%
Special Productions	2,356	2,196	2,645	2,298	2,511	9.3%	6.6%
Children's Series	1,517	1,510	1,639	1,611	1,666	3.4%	9.8%
Staged Readings/ Workshops	535	650	594	606	468	-22.8%	-12.5%
Other	2,340	1,113	999	947	903	-4.6%	-61.4%
Booked-In Events**	929	1,509	2,658	1,827	1,884	3.1%	102.8%
In-Residence Subtotal	**34,297**	**34,445**	**36,889**	**35,524**	**35,577**	**0.1%**	**3.7%**
Touring	3,749	4,013	4,158	4,480	4,207	-6.1%	12.2%
Total	**38,046**	**38,458**	**41,047**	**40,004**	**39,784**	**-0.5%**	**4.6%**
AVERAGE							
Number of Main Series Performances	226	233	240	239	239	-0.3%	5.7%
Number of Main Series Productions	7.5	7.0	7.4	7.9	8.2	3.5%	9.1%
Number of Performance Weeks	34.1	34.3	34.3	34.4	34.2	-0.7%	0.5%
Number of Actor Employment Weeks (sum of # weeks for all actors employed)	509	545	563	581	572	-1.6%	12.4%

**Trend skewed by 1 theatre's exceptional activity.

For the 118 Trend Theatres:

- Theatres added 12.2% more **tour performances** over time and saw a corresponding 11.2% rise in **attendance at tour performances**.
- **"Other" performances** include pre-show education events, backstage and walking tours, park lectures, cabaret performances, and late-night short musicals and plays.
- The highest average **number of subscribers** occurred in 2010, decreasing a slight 1.8% by 2014. The percentage of available seats sold to subscribers varied by no more than 1% in any year, remaining at a rounded 26% over the period. Between 2010 and 2014 the average number of **subscription tickets** (i.e., the number of subscribers x the number of tickets per subscription) declined 2.0%. The average subscription renewal rate fluctuated between 74% and 76% annually. Fifteen theatres did not report having subscriptions in 2014. Of those that did, 52% experienced subscriber attrition over the 5-year period while 48% attracted more subscribers in 2014 than in 2010.
- Not all performances for resident productions are offered on subscription. If we focus only on the portion of **seats available to subscribers**, 36% of those seats were sold to subscribers in 2010, 34% in 2013, 33% in 2011, and 32% in 2012 and 2014 (not shown in the Tables).
- The **number of single tickets sold** was down 0.3% for the period in 2014 while the **average single ticket price** increased 2.7% above inflation (see **Table 4**). The average price increase is behind the growth in average single ticket income reported in the previous section. The increase in the lowest single ticket price lagged inflation by 5% while the increase in the highest single ticket prices surpassed inflation by 27% (not shown in the tables).
- The **average price per subscription ticket** was at its highest 5-year level in 2014, raised only 1.6% above inflation. The **lowest average subscription package discount** was between 10% and 11% annually while the **deepest discounts** offered during the 5-year period were in 2014. Theatres raised **subscription prices** nearly in line with inflation and generally countered attrition with discounts.
- The **average number of actor employment weeks** rose annually from 2010 to 2013 then were reduced 1.6% in 2014, ending the 5-year period 12.4% higher in 2014 than in 2010 (see **Table 5**).

CONTRIBUTED INCOME

We share findings on contributed income and total income trends in this section. Contributed sources include Net Assets Released from Temporary Restriction (NARTR). For example, contributions may include capital campaign gifts granted in a prior year but not released from temporary restrictions until the current year, as was the case for 1 Trend Theatre whose NARTR significantly inflated the 2011 average state funding.

Table 6 shows average contributed income from each source for 2010 through 2014 along with 1-year percentage changes, 4-year percentage changes, and 4-year percentage changes adjusted for inflation. Public funding was down but private support rallied over time. Total contributed income growth surpassed inflation by 12.6% from 2010 to 2014, reflecting increases in the 5 contributed income categories that provide the highest average levels of support. Contributed income also provided for 1.3% more of expenses (see **Table 7**). Total income growth exceeded inflation by 9.5% (see **Table 6**).

For the 118 Trend Theatres:

- As shown in **Table 6**, average **federal funding** was at a 5-year low in 2014, less than half of its 2010 level in inflation-adjusted dollars. This 56% decrease represents the biggest reduction in support of all contributed income sources. In 2010, 3 theatres had total federal funding exceeding $580,000. By contrast, the highest federal funding reported in 2014 was $348,000.

  National Endowment for the Arts (NEA) funding initiatives and programs shifted somewhat over the 5-year period, making detailed comparisons problematic. The NEA's one-time American Recovery and Reinvestment Grant initiative provided Trend Theatres collectively with $632,000 in funds in 2010. The average Shakespeare for a New Generation grant was at its lowest 5-year level in 2014 while the average Art Works: Theater & Musical Theater (formerly Access to Artistic Excellence) grant peaked in 2013 but still finished the period higher than it began.

  Funding from non-NEA federal sources plunged 76% in inflation-adjusted figures. Those federal funding sources included: National Endowment for the Humanities (NEH); Institute for Museum and Library Services; U.S. Embassy; Combined Federal Campaign; Department of Housing and Urban Development; Department of State; Federal Work Study; National Parks Service; National Arts and Humanities Youth Program Award; and National Capital Arts and Cultural Affairs Program of the U.S. Commission of Fine Arts, which funds organizations in Washington, DC.
- The portion of **federal funding** earmarked for education programs was at a high of 22% in 2011, 14% in 2010 and 2012, 15% in 2013, and 16% in 2014.
- **State support** was 19% lower in 2014 than in 2010 after adjusting for inflation (see **Table 6**). As mentioned above, 1 theatre skewed the 2011 average as it recognized capital campaign-related NARTR that accounted for 66% of aggregate state funding that year. General state arts agency funding was down while funding earmarked for education was slightly up. Thirty-two percent of theatres saw higher, inflation-adjusted state support in 2014 than in 2010.

TABLE 6: AVERAGE CONTRIBUTED INCOME AND TOTAL INCOME (118 theatres)	2010	2011	2012	2013	2014	1-yr % chg	4-yr % chg	4yr%chg CGR*
Federal	$ 63,580	$ 39,864	$ 31,888	$ 34,605	$ 30,463	-12.0%	-52.1%	-56.0%
State**	101,114	318,894	83,261	85,461	89,228	4.4%	-11.8%	-19.0%
City/County**	180,267	281,807	260,900	129,074	141,787	9.8%	-21.3%	-27.8%
Corporations	237,568	277,828	264,490	269,328	260,238	-3.4%	9.5%	0.5%
Foundations**	480,035	575,509	754,658	632,417	725,043	14.6%	51.0%	38.6%
Trustees	343,272	447,102	379,693	433,250	499,649	15.3%	45.6%	33.5%
Other Individuals	735,904	818,823	931,646	968,620	974,908	0.6%	32.5%	21.5%
Fundraising Events/Guilds	339,640	349,878	366,903	400,361	456,253	14.0%	34.3%	23.2%
United Arts Funds	26,156	25,729	26,303	23,761	25,838	8.7%	-1.2%	-9.4%
In-Kind Services/Materials/Facilities	156,825	162,844	171,748	164,514	169,104	2.8%	7.8%	-1.1%
Other Contributions	180,712	158,029	149,296	132,656	118,068	-11.0%	-34.7%	-40.1%
Total Contributed Income	**$ 2,845,071**	**$ 3,456,309**	**$ 3,420,787**	**$ 3,274,047**	**$ 3,490,579**	**6.6%**	**22.7%**	**12.6%**
Total Income	**$ 6,858,826**	**$ 7,804,800**	**$ 7,418,719**	**$ 7,902,134**	**$ 8,183,937**	**3.6%**	**19.3%**	**9.5%**

*Compounded Growth Rate adjusted for inflation. **Trend skewed by 1 or 2 theatres' exceptional activity.

TABLE 7: AVERAGE CONTRIBUTED INCOME AND TOTAL INCOME AS A PERCENTAGE OF TOTAL EXPENSES (118 theatres)	2010	2011	2012	2013	2014	1-yr % chg	4-yr % chg
Federal	1.0%	0.6%	0.4%	0.4%	0.4%	-0.1%	-0.6%
State**	1.5%	4.4%	1.1%	1.1%	1.1%	0.0%	-0.4%
City/County**	2.7%	3.9%	3.5%	1.7%	1.8%	0.1%	-0.9%
Corporations	3.6%	3.9%	3.5%	3.5%	3.3%	-0.2%	-0.3%
Foundations**	7.2%	8.0%	10.0%	8.1%	9.1%	1.0%	1.9%
Trustees	5.1%	6.2%	5.0%	5.6%	6.3%	0.7%	1.1%
Other Individuals	11.0%	11.4%	12.4%	12.4%	12.3%	-0.2%	1.3%
Fundraising Events/Guilds	5.1%	4.9%	4.9%	5.1%	5.7%	0.6%	0.7%
United Arts Funds	0.4%	0.4%	0.3%	0.3%	0.3%	0.0%	-0.1%
In-Kind Services/Materials/Facilities	2.3%	2.3%	2.3%	2.1%	2.1%	0.0%	-0.2%
Other Contributions	2.7%	2.2%	2.0%	1.7%	1.5%	-0.2%	-1.2%
Total Contributed Income	**42.5%**	**48.2%**	**45.5%**	**42.0%**	**43.9%**	**1.9%**	**1.3%**
Total Income	**102.5%**	**108.9%**	**98.6%**	**101.3%**	**102.9%**	**1.6%**	**0.3%**

**Trend skewed by 1 or 2 theatres' exceptional activity.

For the 118 Trend Theatres:

- Average **local government funding** had dramatic swings from year to year and ended 27.8% lower in 2014 than 2010 after adjusting for inflation. Shifts were largely driven by exceptional city or county unrestricted support of capital campaigns for 2 theatres in 2011 and 2012. Overall city and county funding supported nearly 1% less expenses in 2014 than in 2010.
- Average **corporate giving** was at its peak in 2011 and fluctuated over time, ending 0.5% higher in 2014 than in 2010 after adjusting for inflation, but supporting 0.3% less of expenses (see **Tables 6** and **7**). Each year, either 5 or 6 theatres reported no corporate support. On average, 22 corporations donated per theatre in 2010 and 2014, with a 5-year high of 25 in 2011. The average corporate gift in 2014 was $12,190, the highest of the 5-year period while the lowest was $11,120 in 2010. Forty-seven percent of theatres saw higher, inflation-adjusted corporate support in 2014 than in 2010. Four percent of corporate gifts were earmarked for capital campaigns in 2010 and 2014 as compared to the high of 9% in 2011 and 2012. Thirteen percent of corporate gifts were earmarked for education programs annually in 2010 through 2012, rising to 16% by 2014.
- The **foundation support** average fluctuated considerably. It was at a 5-year high in 2012 primarily due to 1 theatre's elevated capital campaign support, fell in 2013, and rebounded somewhat in 2014 for overall growth that surpassed inflation by 38.6% (see **Table 6**), representing the highest growth category of contributed funds. Foundation grants supported 1.9% more of expenses in 2014 than in 2010, the largest positive shift in expense coverage (see **Table 7**). The average theatre received support from 17 to 20 foundations annually, with the number of foundation grants rising over time. The average foundation gift was at a 5-year low of $27,200 in 2010 and a high of $39,900 in 2012, with the 2014 average being $36,200. Fifty-nine percent of the theatres saw their foundation support grow at a more robust rate than inflation over the 5 years. Education programs received 7% to 10% of foundation funding annually.
- Individuals were the greatest source of contributed funds each year. The average **combined individual contributions** from trustees and non-trustees rose annually, outpacing inflation by 25.4% and supporting 2.4% more expenses. Unrestricted gifts for capital campaigns represented a low of 12% of total individual giving in 2010 and a high of 20% in 2011, ending the period at 13%.
- Having increased in 2013 and 2014, average **trustee giving** was at its highest 5-year level in 2014, with overall growth outpacing inflation by 33.5%. The higher 2013 and 2014 levels of trustee giving are widely shared, with 62% of theatres reporting growth in trustee giving that outpaced inflation over the 5-year period. Annually, an average of 28 to 31 trustees per theatre make donations. The average trustee gift ranged from a low of $11,500 in 2010 to a high of $18,400 in 2014.
- Average **gifts from other individuals (non-trustees)** rose annually (see **Table 6**). Growth in support from non-trustee individuals outpaced inflation by 21.5% and covered 1.3% more expenses in 2014 compared to 2010.

  Additional analyses indicate that aggregate other individual gifts were at a low of $86 million in 2010 and a high of $115 million in 2014. Individual donors contributed higher average gifts over time, and the average number of other individual donors rose annually from 1,543 in 2010 to 1,604 in 2014. There were annual increases in the average gift from other individuals, from $480 in 2010 to $608 in 2014. Seventy-two percent of theatres saw inflation-adjusted growth in non-trustee contributions over the 5-year period.
- **Fundraising events and guilds** generated an increasing level of support annually, with 23.2% growth in excess of inflation. By contrast, United Arts Funding growth trailed inflation by 9.4%. In-kind giving grew annually through 2012, diminished slightly in 2013, and rebounded somewhat in 2014, with growth trailing inflation by 1.1%. In-kind giving from sheltering organizations, corporations, and individuals were lower in 2014 than in 2010.
- Considering both earned and contributed income combined, **total income growth** over the 5-year period exceeded inflation by 9.5% and supported 0.3% more of expenses. Expenses and CUNA will be examined in detail in the section that follows.

EXPENSES AND CHANGES IN UNRESTRICTED NET ASSETS (CUNA)

In this section we share findings related to Expenses and Changes in Unrestricted Net Assets (CUNA), which is the balance that remains after subtracting total expenses from total unrestricted income. We examine each category of expenses and how theatres reallocated their resources over time. **Table 8** displays average expenses and CUNA in dollars and 1-year percentage changes, 4-year percentage changes and 4-year percentage changes adjusted for inflation. **Table 9** presents each expense category and CUNA as a percentage of total expenses and **Table 10** points to a subset of administrative expense-to-income ratios.

Employment expanded over time and every payroll area increased annually, as did development expense and expenses related to occupancy of facilities. The only expense category that failed to keep pace with inflation over time was non-payroll production/technical (i.e., physical production materials). The overall effect was an increase in total expenses of 9.1% over the 5 years after adjusting for inflation.

Average CUNA was below break-even in 2012, mainly due to one theatre's extreme capital losses that year, as described in the preceding Earned Income section. There was triple-digit average CUNA in all other years. It is important to recognize that CUNA includes both operating and non-operating activity related to unrestricted funds, such as unrealized capital gains and losses, exceptional contributed income for theatres in capital campaigns, and depreciation. Average CUNA was greatly affected by two outliers in 2011 and 2012, one of which continued to distort the bottom line in 2013. Eliminating these two theatres would leave CUNA at an average of $216,000 in 2011, -$91,000 in 2012, and -$18,000 in 2013. Even so, 50% of theatres ended 2012 in the red, the highest percentage of the 5-year period.

Positive annual CUNA in 2010, 2011, 2013, and 2014 strengthened unrestricted net assets, which were not only 10.1% higher in 2014 than in 2010 after adjusting for inflation but also at a 5-year high. Eighty-seven of the 118 Trend Theatres experienced budget growth that exceeded inflation over the 5 years.

For the 118 Trend Theatres:

- **The employment trends reflect annual growth. Total payroll** growth exceeded inflation by 12.1% from 2010 to 2014, climbing 3.4% from 2013 to 2014 alone (see **Table 8**). It rose annually and accounted for 1.5% more of theatres' total expenses over the 5-year period (see **Table 9**). Every payroll category rose annually and ended the 5-year period with overall growth at higher rate than inflation. The average number of paid personnel expanded annually, from an average of 224 in 2010 to a high of 274 in 2014. The average number of **full- and part-time employees** was at a low of 63 in 2010, with workforce averages growing annually to 70 in 2014. The average number of **fee-based or jobbed-in workers** was at a low of 162 in 2010 and rose annually to 204 by 2014.
- **Artistic and administrative payroll** were the largest areas of resource allocation on an annual basis (see **Tables 8** and **9**). Artistic payroll represented 18.2% to 18.4% of total expenditures in all years but 2012 when it was closer to 19%. Administrative payroll was raised annually and its growth outpaced inflation by 13% (see **Table 8**).
- Additional analyses (not shown in the tables) indicate that the **number of full-time and part-time artistic staff per theatre**, including actors on staff, was 9 in 2010 and 2011, 10 in 2012 and 2013, and 11 in 2014. The average total number of paid artists—including staff and contracted artists—grew 28% over the period. **Each year theatres compensated more artists**, starting at a low of 105 in 2010 and ending at a high of 135 in 2014. The average **number of permanent administrative personnel** (full- and part-time) grew over time from 34 in 2010 to 39 in 2013 and 2014.

  Theatres supplemented the salaried administrative workforce with an average of 11 fee-based or jobbed-in staff in 2010 and 2011, 12 in 2012 and 2013, and 14 in 2014.
- **Production payroll** outpaced inflation over the 5-year period by 15.8%—the highest growth rate of all payroll areas (see **Table 8**). In 2014, it accounted for nearly 1% more of total expenses (see **Table 9**). The average number of paid production personnel (full-time, part-time, and over-hire) fluctuated over time from a low of 74 in 2010 to a high of 86 in 2014.
- **General artistic non-payroll expenses** (housing and travel, per diem, company management and stage management expenses) rose annually from 2010 to 2013 then diminished 8.5% in 2014. The years of growth led to an overall increase of 23.7% above inflation.
- Average **royalty expenses** were at their highest in 2012 and diminished slightly in 2013 and again in 2014. Overall growth in royalty expenses outpaced inflation by 12.7%. The average theatre paid royalties on 7 properties in 2010 and 8 every year thereafter. The average royalties paid per property varied considerably over time, from a high of $25,834 in 2012 to a low of $11,431 in 2014.
- **Production/technical non-payroll expenses** (physical production materials, supplies, and rentals) were 5.8% lower in 2014 than in 2010 after adjusting for inflation (see **Table 8**), and accounted for 1.1% less of total expenses (see **Table 9**). One theatre accounted for 16% to 32% of all production expenses annually, and spent a minimum of twice that of any other theatre annually. Eliminating this theatre from the analysis would leave growth in this area falling short of inflation by 8.2% rather than 5.8% over the 5-year period.

TABLE 8: AVERAGE EXPENSES AND CUNA (118 theatres)	2010	2011	2012	2013	2014	1-yr % chg	4-yr % chg	4yr%chg CGR*
Artistic Payroll	$ 1,232,958	$ 1,322,309	$ 1,419,754	$ 1,423,094	$ 1,456,353	2.3%	18.1%	8.4%
Administrative Payroll	1,377,075	1,453,590	1,551,214	1,627,267	1,695,593	4.2%	23.1%	13.0%
Production Payroll	956,573	1,051,218	1,082,788	1,165,477	1,207,709	3.6%	26.3%	15.8%
Total Payroll	**$ 3,566,605**	**$ 3,827,117**	**$ 4,053,757**	**$ 4,215,837**	**$ 4,359,655**	**3.4%**	**22.2%**	**12.1%**
General Artistic Non-Payroll	$ 219,823	$ 267,380	$ 280,485	$ 323,840	$ 296,459	-8.5%	34.9%	23.7%
Royalties	142,405	160,097	176,390	175,817	174,889	-0.5%	22.8%	12.7%
Production/Tech Non-Payroll (physical production)**	556,104	547,187	573,938	593,519	570,910	-3.8%	2.7%	-5.8%
Development/Fundraising Non-Payroll	230,288	253,442	257,432	261,550	278,996	6.7%	21.2%	11.1%
Marketing/Front-of-House/Education Non-Payroll	787,344	835,131	869,761	863,546	899,841	4.2%	14.3%	4.9%
Occupancy/Building/Equipment/ Maintenance	615,319	629,658	658,917	670,170	681,379	1.7%	10.7%	1.6%
Depreciation	343,278	376,257	388,755	410,755	412,811	0.5%	20.3%	10.3%
General Management/Operations Non-Payroll	227,373	272,224	263,912	283,935	279,988	-1.4%	23.1%	13.0%
Total Expenses	**$ 6,688,540**	**$ 7,168,494**	**$ 7,523,348**	**$ 7,798,969**	**$ 7,954,929**	**2.0%**	**18.9%**	**9.1%**
Changes in Unrestricted Net Assets (CUNA)**	**$ 170,286**	**$ 636,306**	**$ (104,629)**	**$ 103,165**	**$ 229,008**	**122.0%**	**34.5%**	**23.4%**

*Compounded Growth Rate adjusted for inflation. **Trend skewed by 1 or 2 theatres' exceptional activity.

TABLE 9: AVERAGE EXPENSES AND CUNA AS A PERCENTAGE OF TOTAL EXPENSES (118 theatres)	2010	2011	2012	2013	2014	1-yr % chg	4-yr % chg
Artistic Payroll	18.4%	18.4%	18.9%	18.2%	18.3%	0.1%	-0.1%
Administrative Payroll	20.6%	20.3%	20.6%	20.9%	21.3%	0.4%	0.7%
Production Payroll	14.3%	14.7%	14.4%	14.9%	15.2%	0.2%	0.9%
Total Payroll	**53.3%**	**53.4%**	**53.9%**	**54.1%**	**54.8%**	**0.7%**	**1.5%**
General Artistic Non-Payroll	3.3%	3.7%	3.7%	4.2%	3.7%	-0.4%	0.4%
Royalties	2.1%	2.2%	2.3%	2.3%	2.2%	-0.1%	0.1%
Production/Tech Non-Payroll (physical production)**	8.3%	7.6%	7.6%	7.6%	7.2%	-0.4%	-1.1%
Development/Fundraising Non-Payroll	3.4%	3.5%	3.4%	3.4%	3.5%	0.2%	0.1%
Marketing/Front-of-House/Education Non-Payroll	11.8%	11.7%	11.6%	11.1%	11.3%	0.2%	-0.5%
Occupancy/Building/Equipment/Maintenance	9.2%	8.8%	8.8%	8.6%	8.6%	0.0%	-0.6%
Depreciation	5.1%	5.2%	5.2%	5.3%	5.2%	-0.1%	0.1%
General Management/Operations Non-Payroll	3.4%	3.8%	3.5%	3.6%	3.5%	-0.1%	0.1%
Total Expenses	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		
Changes in Unrestricted Net Assets (CUNA)**	**2.6%**	**8.9%**	**-1.4%**	**1.3%**	**2.9%**	**1.6%**	**0.3%**

**Trend skewed by 1 or 2 theatres' exceptional activity.

TABLE 10: TREND THEATRES ADMINISTRATIVE EXPENSE INDEX (118 theatres)

	2010	2011	2012	2013	2014	1-yr % chg	4-yr % chg
Single ticket marketing expense (excluding personnel expense) to single ticket income:	21%	22%	21%	22%	21%	-0.8%	0.1%
Subscription marketing expense (excluding personnel expense) to subscription income:	12%	11%	12%	11%	12%	0.3%	-0.5%
Total marketing expense (includes personnel expense) to total ticket sales:	29%	29%	29%	30%	30%	-0.4%	0.9%
Development expense (excluding personnel expenses, fundraising event expenses) to total unrestricted contributed income (excluding fundraising event income):	4%	4%	4%	5%	4%	-0.5%	-0.3%
Fundraising event expense (excluding personnel expense) to fundraising event income:	35%	34%	35%	31%	33%	2.0%	-1.4%
Total development expense (including fundraising event expense and personnel expense) to total unrestricted contributed income:	17%	15%	16%	17%	17%	0.0%	0.1%
Education/outreach expense (excludes personnel expense) to education/outreach income (earned and contributed):	25%	25%	24%	24%	24%	0.4%	-0.3%
Total education/outreach expense (includes personnel expense) to education/outreach income (earned and contributed):	77%	81%	83%	80%	84%	3.4%	6.5%

- Average **non-payroll development expenses** grew annually from 2010 to 2014. Overall growth in this area surpassed inflation by 11.1% (see **Table 8**). **Table 10** shows that the ratio of development expense to contributed income had very slight decline when considered without personnel or fundraising event expenses and a negligible increase of 0.1% if all costs are considered in the calculation. The most cost-effective index examined each year is non-personnel development expenses compared with total unrestricted contributed income (excluding fundraising event activity), with 4 to 5 cents of expenditure yielding each donated dollar (see **Table 10**).
- Theatres spent slightly less to generate each dollar of **fundraising event** revenue over the period, dropping from 35% in 2010 and 2012 to 33% in 2014.
- Combined **marketing, front-of-house, and education non-payroll expense** growth was 4.9% higher than inflation, ending the period at a 5-year high (see **Table 8**).
- As shown in **Table 10**, the efficiency in **expenditures targeting single ticket buyers** vacillated over the years, requiring 21 to 22 cents to generate each dollar of revenue annually. As reported earlier in **Table 4**, the number of single ticket buyers was 0.3% lower in 2014 than in 2010, and single ticket revenue growth surpassed inflation by 1.6% **Table 2**.
- Generating a dollar of subscription income required 11 or 12 cents in each of the 5 years, as shown in **Table 10**. Including marketing personnel expense, it took 1 cent more of total marketing resources to generate a dollar of ticket income in 2013 and 2014 than in prior years. As described in previous sections, subscription revenue was down 2% over the 5-year period, as was the number of subscription tickets sold.
- The growth in earned and contributed income related to **education/outreach programs** surpassed inflation over the 5-year period by 14% (not shown in tables) while the expenses allocated to generate education/outreach income increased by 8.7%. The net effect is a -0.3% change in the expense-to-income ratio (see **Table 10**).

  Including personnel costs, it cost 6.5% more to raise each dollar of education/outreach income in 2014 as in 2010, even though it varied quite a bit annually (see **Table 10**). We note that total education/outreach expenses include education program staff salaries, but not the development costs associated with grant writing for education or outreach funding (see **Table 10**).
- **Occupancy/building and equipment maintenance costs** rose annually. Overall growth in this area was 1.6% above inflation (see **Table 8**). The proportion of theatres reporting that they owned their stage and office space increased annually, from 44% in 2010 to 49% in 2014. The percentage of theatres renting space shrunk from 46% most years to a low of roughly 40% in 2014. Annually, 11% to 12% of theatres occupied donated space. The largest component of this expense category is the cost of rent or debt service on facilities and regularly scheduled maintenance of infrastructure and utilities, which rose 5% more than inflation over the 5-year period.
- **General management/operations non-payroll expenses** were at a 5-year high in 2013 and diminished somewhat in 2014. Nevertheless, their growth surpassed inflation by 13% (see **Table 8**), and they accounted for 0.1% more of expenses (see **Table 9**).
- **Depreciation**, the non-cash expense that accounts for the decrease in the book value of property and equipment, increased 10.3% between 2010 and 2014. This increase is linked to the increase in fixed assets, which we discuss in the Balance Sheet section that follows.

BALANCE SHEET

The Balance Sheet reflects a theatre's fiscal history and sheds light on overall fiscal health and long-term stability. Whereas the Statement of Activities gives a summary of unrestricted income and expenses for the year, the Balance Sheet provides a fiscal year-end snapshot of the value of a theatre's cumulative assets, liabilities, and net assets (unrestricted, temporarily restricted, and permanently restricted).

Each year, CUNA is added to the year's beginning balance of unrestricted net assets to arrive at total unrestricted net assets. CUNA serves as a connection between annual activity and the Balance Sheet, but the unrestricted net assets are only one of many components of a theatre's capital structure. A second way that the Balance Sheet links back to annual activity is when funds that were temporarily restricted meet their designated restriction and release into the annual statement of activities as NARTR. Theatres also add to their assets through purchased or donated investments, acquisition of land, buildings, money, stocks, etc.

Not every Trend Theatre responds to the Balance Sheet section of the survey because some theatres that operate as part of a sheltering organization do not keep a separate Balance Sheet. Of the 118 Trend Theatres, 109 are included in the Balance Sheet analyses. These theatres' Balance Sheets show growth in total assets over the past 5 years that outpaced inflation by 14.7%, averaging $17.3 million per theatre in 2010 and rising annually to $21.5 million in 2014. To balance the asset growth, theatres' liabilities grew 13.2% above inflation and total net assets rose 15.2% above inflation, increasing annually and ending the 5-year period at an average of $15.8 million.

Quick Reference for Calculation of Key Balance Sheet Indicators

WORKING CAPITAL = TOTAL UNRESTRICTED NET ASSETS – FIXED ASSETS – UNRESTRICTED LONG-TERM INVESTMENTS

WORKING CAPITAL RATIO = WORKING CAPITAL/TOTAL EXPENSES

FIXED ASSETS = TOTAL LAND + BUILDING + EQUIPMENT AT COST – ACCUMULATED DEPRECIATION

INVESTMENT RATIO = TOTAL INVESTMENTS/TOTAL EXPENSES

Table 11 displays the aggregate value of the different asset categories net of liabilities for the 109 Trend Theatres for each of the past 5 years, along with the 1-year percentage changes, 4-year percentage changes, and inflation-adjusted 4-year percentage changes. The Table also shows the investment ratio over time, which we describe in detail below. We acknowledge the assistance of Cool Spring Analytics for recommending the Balance Sheet categories and ratios reported in this section. Aggregate total net assets—unrestricted, temporarily restricted, and permanently restricted—for all 109 Trend Theatres were at their 5-year peak in in 2014 after rising annually since 2010, with growth in their value being 15.2% more robust than inflation for the 5-year period. Net assets were at a collective low of $1.37 billion in 2010 coming out of the Great Recession and grew to $1.72 billion by 2014. Growth was driven by investments and other net assets such as building and plant funds, undesignated cash, and net assets not in a reserve or endowment. Fixed asset growth was 1.6% higher in 2014 than in 2010 after adjusting for inflation.

TABLE 11: AGGREGATE NET ASSETS (in Millions) (109 theatres)

	2010	2011	2012	2013	2014	1-yr % chg	4-yr % chg	4yr%chg CGR*
Working Capital**	$ (279)	$ (219)	$ (275)	$ (264)	$ (248)	*-6.2%*	*-11.2%*	*-18.5%*
Fixed Assets	$ 963	$ 1,017	$ 1,075	$ 1,069	$ 1,067	-0.2%	10.8%	1.6%
Investments	$ 529	$ 585	$ 578	$ 608	$ 671	10.4%	26.8%	16.4%
Other Net Assets	$ 156	$ 121	$ 141	$ 181	$ 230	27.1%	47.4%	35.3%
Total Net Assets	**$ 1,369**	**$ 1,505**	**$ 1,520**	**$ 1,594**	**$ 1,720**	**7.9%**	**25.6%**	**15.2%**
Total Expenses	**$ 749**	**$ 801**	**$ 844**	**$ 869**	**$ 891**	**2.5%**	**19.0%**	**9.2%**
Investment Ratio	**71%**	**73%**	**69%**	**70%**	**75%**	**5.4%**	**4.6%**	

*Compounded Growth Rate adjusted for inflation. *Italicized negative percentages reflect an increasingly positive trend.*
**Trend skewed by 1or 2 theatres' exceptional activity.

Working capital is a fundamental building block of a theatre's capital structure that reflects the unrestricted resources available to meet day-to-day cash needs and obligations. It is a better indicator of a theatre's operating position than CUNA, which includes non-operating activity and doesn't reflect the theatres' savings or outstanding obligations. Negative working capital indicates that a theatre is borrowing funds (e.g., dipping into deferred subscription revenue, delaying payables, taking out loans, tapping lines of credit, etc.) to meet daily operating needs.

Capital campaigns over the years have increased theatres' long-term investments and fixed assets, and the success of those campaigns has translated into improved but still insufficient levels of readily-available funds to meet daily needs. **Table 11** shows that working capital was negative in each of the 5 years, at its worst in 2010, its best in 2011 fluctuating between the two in subsequent years, and ending at -$248 million, in aggregate. Annually, 68 to 72 theatres have negative working capital. **Fifty-two percent of theatres reported negative working capital each of the past 5 years**. Sixty-one percent of theatres that had negative working capital in 2010 saw their situation improve but remain negative by 2014, 14% turned their negative working capital into positive working capital by the end of the period, 21% had working capital that became increasingly severe over time, and 4% had the same level of negative working capital in 2014 as in 2010, in inflation-adjusted figures. Only 20% of theatres that began the period with positive working capital ended it with negative working capital. Five theatres annually reported 8-digit negative working capital, one of which accounted for 29% to 34% of aggregate negative working capital each year. Another theatre reported 8-digit positive working capital every year except 2010. Eliminating the theatre with extremely high negative working capital from the analysis would leave aggregate working capital of -$183 million in 2010 and -$170 million in 2014, with fluctuating highs and lows in interim years.

Additional investigation (not shown in the tables) revealed that growth in total cash reserves fell short of inflation by 20%, even though the unrestricted part of the total (which is part of working capital) dropped by 44% and permanently restricted cash reserves lost 20% of their value, adjusting for inflation. Temporarily restricted cash reserves, largely reported by theatres either in or having just completed a capital campaign, rose 10% above inflation. Forty-five to 47 theatres per year reported cash reserves. In **Table 12**, we use average figures to relate working capital to total expenses to create a working capital ratio.

TABLE 12: AVERAGE WORKING CAPITAL (109 theatres)

	2010	2011	2012	2013	2014	1-yr % chg	4-yr % chg	4yr%chg CGR*
Total Unrestricted Net Assets	$ 7,091,122	$ 8,176,920	$ 8,160,271	$ 8,235,894	$ 8,515,439	3.4%	20.1%	10.2%
Fixed Assets	$ 8,834,476	$ 9,333,277	$ 9,863,504	$ 9,808,639	$ 9,785,219	-0.2%	10.8%	1.6%
Unrestricted Long-Term Investments	$ 812,889	$ 849,446	$ 817,256	$ 848,410	$ 1,000,879	18.0%	23.1%	13.0%
Working Capital**	**$ (2,556,244)**	**$ (2,005,802)**	**$ (2,520,488)**	**$ (2,421,155)**	**$ (2,270,660)**	***-6.2%***	***-11.2%***	***-18.5%***
Total Expenses	**$ 6,866,977**	**$ 7,350,463**	**$ 7,740,635**	**$ 7,971,617**	**$ 8,171,906**	**2.5%**	**19.0%**	**9.2%**
Working Capital Ratio**	**-37%**	**-27%**	**-33%**	**-30%**	**-28%**	**2.6%**	**9.4%**	

*Compounded Growth Rate adjusted for inflation. *Italicized negative percentages reflect an increasingly positive trend.*
**Trend skewed by 1or 2 theatres' exceptional activity.

The working capital ratio, or the proportion of unrestricted resources available to meet operating expenses, indicates how long a theatre could pay its short-term obligations if it had to survive on current resources. The negative working capital ratio annually suggests that theatres are regularly experiencing cash flow crunches, with the most severe crunch taking place in 2010 and with 2014 ending 18.5% better than the 2010 level (despite the counter-intuitive negative sign in the table). Were we to again eliminate from the analyses the theatre with extremely negative working capital each year, the working capital ratio for remaining theatres would be -25% in 2010, -22% in 2012 and 2013, and -20% in 2011 and 2014. Cool Spring Analytics recommends that each theatre determine its own working capital needs based on its cyclical cash flow. In the absence of that determination, 25%, or 3 months of funds, is a benchmark for adequate working capital to handle most cash flow fluctuations. At best over the 5-year period, 14% of theatres met this benchmark in 2011, with only 9% attaining the mark in 2014.

Many theatres held capital campaigns to raise funds to build and renovate facilities, purchase new equipment or technology, develop their endowment, or secure artistic or programming funds. Thirty-nine percent of Trend Theatres were in a capital campaign in 2013 and 2014, the highest level of the 5 years. The percentage of theatres reporting that they completed a capital campaign within the last 5 years diminished annually from 33% in 2010 to 19% in 2013, then rose to 26% in 2014. Six theatres fell into both categories as they transitioned from one capital campaign into another, likely with different campaign purposes.

Tables 11 and **12** both indicate that growth in total fixed assets (i.e., land, property, and equipment less accumulated depreciation) surpassed inflation by 1.6%. The purchase value (pre-depreciation) of buildings, land, and/or improvements was 9.5% higher over time and that of equipment was 17.5% greater over the 5-year period in inflation-adjusted figures (not shown in the tables). Growth in these areas naturally resulted in a steady increase in depreciation. Fixed assets accounted for a low of 62% of total net assets in 2014 and a high of 71% in 2012. Investments accounted for 38% to 39% of total net assets every year, ending at 39% in 2014 (see **Table 11**).

We relate investments to total expenses in **Table 11** to form an investment ratio. An increasing investment ratio over time is a sign of financial strength because increases in invested capital generate income for operating purposes. The investment ratio was at its highest in 2014 at 75% and lowest in 2012 at 69%, vacillating in other years. Overall growth in investments outpaced inflation by 16.4%, with a resulting 4.6% improvement in the investment ratio between 2010 and 2014. As illustrated in **Table 12**, unrestricted long-term investments gained 13% in value from 2010 to 2014, in inflation-adjusted figures, rising 18% from 2013 to 2014 alone. Fifty-six of the 69 theatres reporting investments in 2014 experienced an inflation-adjusted gain in investment value over the 5-year period.

SIDE NOTE: A 10-YEAR VIEW

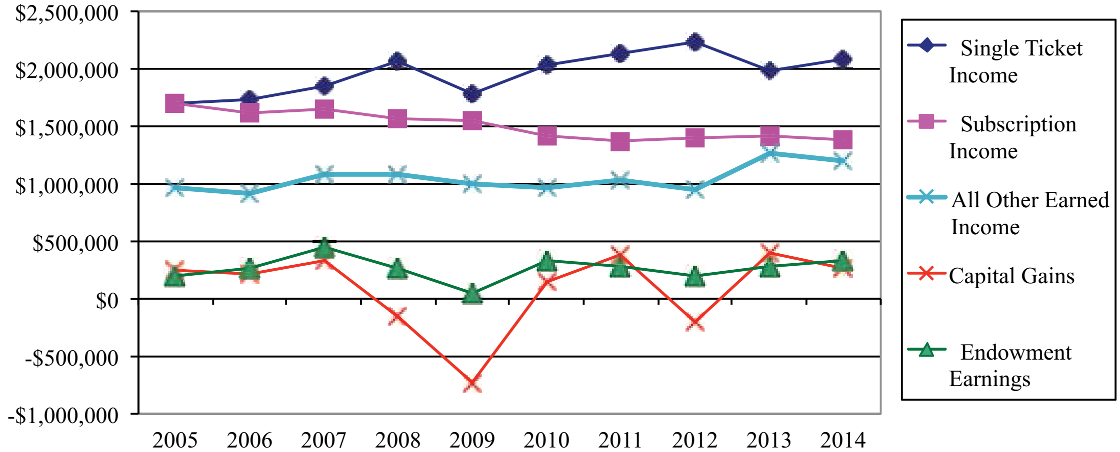
Eighty-eight of the 118 Trend Theatres participated in the TCG Fiscal Survey annually for the 10-year period of 2005 to 2014. These theatres tend to have budgets that are a bit larger than the rest of the Trend Theatres, with 2014 total expenses averaging $8.7 million compared to $8.2 million for the average Trend Theatre. The historical activity for this group sometimes contradicts the trends reported in the section above because of the underrepresentation of smaller theatres. To illustrate, a look at the midpoint in the budget range—i.e., the median – reveals a budget size of $6 million. Our examination of this subset of theatres provides a longer-term horizon of key trends.

For the 88 Theatres:

EARNED INCOME AND ATTENDANCE (See Side Note Figures A and B)

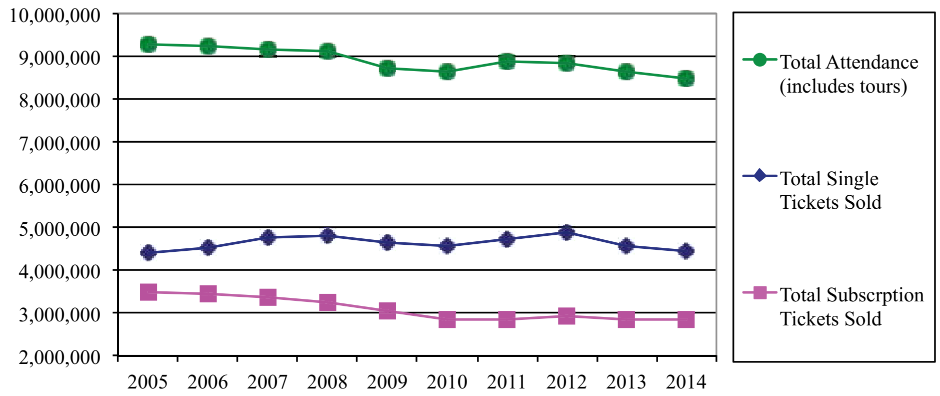
- It appears that **subscriber loyalty held fairly steady but subscribers who left were not replaced sufficiently by new subscribers, leading to a downward trend**. Average **subscription income** (see **Side Note Figure A**) growth lagged inflation by 18.7%, continuing the downward trend since its 2007 peak. Roughly 78 theatres report subscription activity annually. Subscription renewals were at a low of 72% in 2005 and 2006, peaked at 75% in 2011, and ended the period not far behind at 74% in 2013 and 2014. Aggregate **subscription tickets sold** (i.e., (#subscribers x #tix/package sold) were at a 10-year high in 2005 (see **Side Note Figure B**) and steadily declined until 2010, remaining relatively flat since and ending with an 18% drop over the period. The number of **subscribers** was down 19% over time. If we focus only on the portion of seats available to subscribers, 38% of those subscription seats were sold in 2005, dwindling to a low of 33% in 2011, and attaining 34% each year since. Growth in the average **subscription price** per ticket exceeded inflation by 9%.
- **Single ticket income was on an upward trend** (see **Side Note Figure A**) from 2005 through 2014, despite dips in 2009 and 2013. Single ticket income growth outpaced inflation by 22.7% and the average number of **single tickets sold** increased 1% over the 10-year period, with a low average of 51,200 in 2005 and a high of 56,700 in 2012, ending at 52,100 in 2014 (see **Side Note Figure B**). Average **single ticket price** growth surpassed inflation by 8.1%.
- **Total attendance trended downward while the number of total performances increased**. An overall 2% increase in the **number of total performances** offered was met with a 8.7% decrease in **total attendance**, which was at its highest point in 2005, remained fairly constant until a slide in 2009, and has risen and fallen since but never attained its pre-2009 level (see **Side Note Figure B**).
- **Endowment earnings/transfers** grew steadily to their peak in 2007, dropped off during 2008 and 2009 with the recession, and have since trended upward to their second highest level for the 10-year period in 2014 (see **Side Note Figure A**). Endowment earnings in 2014 were 71% higher than their 2005 level after adjusting for inflation.
- **Capital gains and losses** fluctuated with the stock market (see **Side Note Figure A**). The peaks and valleys in 2011 through 2013 were driven by one outlier theatre, whose situation was described earlier in the *Trend Theatres* section. Despite the volatility, capital gains were 8.3% higher in 2014 than in 2010 in inflation-adjusted figures.
- **All other earned income** (see **Side Note Figure A**) was relatively flat from 2005 through 2012 then spiked in 2013 and diminished only slightly in 2014. The rigorousness of the spike in recent years was primarily due to outlier theatres with exceptional income from presenter fees/contracts and rental fees, as discussed earlier in the *Trend Theatres* section. Education/outreach, concession, and rental income were all at a 10-year high in 2014.
- Overall, **earned income growth** exceeded inflation by 9.5%. Earned income supported a higher level of expenses than contributed income each year except 2009 during the depth of the recession.

SIDE NOTE FIGURE A: Selected 10-Year Average Earned Income Trends (inflation adjusted)



SIDE NOTE: A 10-YEAR VIEW

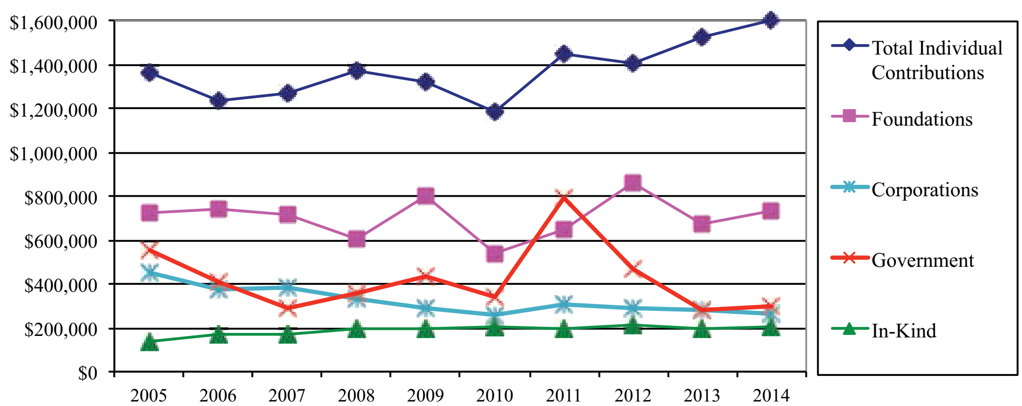
SIDE NOTE FIGURE B: 10-Year Aggregate Attendance and Ticket Trends



CONTRIBUTED INCOME (See Side Note Figure C)

- **Individual contributions trended upward.** Average **individual contributions** rose 17.1% above the rate of inflation, fluctuating greatly over time. Individual contributions dropped sharply in 2010 but sustained a subsequent recovery. Growth in trustee giving outpaced inflation by a robust 30.3% and that of non-trustee individuals grew 11.3% above inflation. The average number of non-trustee individual donors per theatre was at its highest of 1,998 in 2005, trended downward to a low of 1,662 in 2011, and edged back up to 1,751 in 2013 and 2014.
- **Foundation funding** swung broadly and **ended at just about the 2005 level in 2014** with overall growth outpacing inflation by 0.9%. The drastic upticks in 2009 and 2012 were due to outlier theatres referenced earlier in the *Trend Theatres* section. Theatres averaged gifts from 18 or 20 foundations annually.
- Corporate giving trailed inflation by 41.3%. **Corporate funding has been on a downward trend since 2005**, bottoming out in 2010 and never climbing much since then. Theatres averaged support from 35 or more corporations annually until 2007, falling to 29 in 2008, and varying between 22 and 27 each year since.
- **Total government funding was less than half of its 2005 level in 2014**, trailing inflation by 56%. **Local government funding** ended the period 51% lower than its 2005 level in inflation-adjusted dollars while **state funding** growth trailed inflation by 25%. Both local and state funding spiked erratically with capital campaign support in 2011 and 2012, as described in the *Trend Theatres* section. **Federal funding** growth fell short of inflation by 63%.
- **In-kind contributions** trended steadily upward, growing 49% over the 10-year period after adjusting for inflation.
- **Growth in contributed income lagged inflation by 1%. Total income growth exceeded inflation by 4.9%.**

SIDE NOTE FIGURE C: Selected 10-Year Average Contributed Income Trends (inflation adjusted)

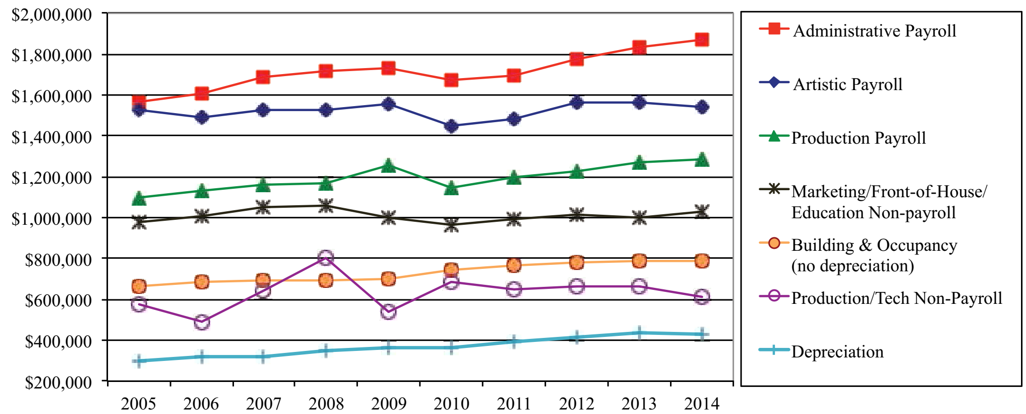


EXPENSES (See Side Note Figure D)

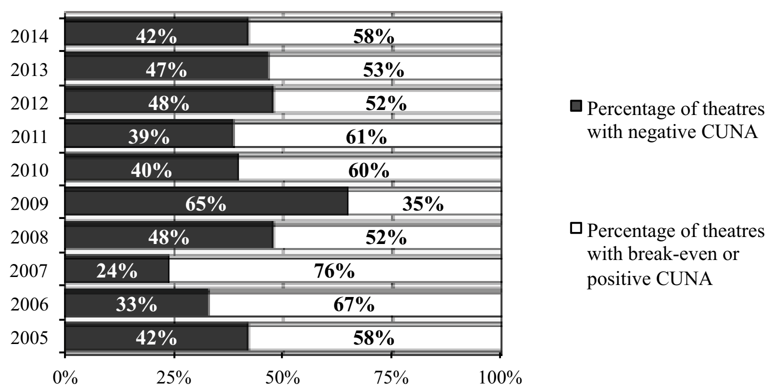
- There has been great divergence in growth of **artistic and administrative payroll**, which were at nearly an identical level in 2005 and at their largest 10-year gap in 2014, which has widened annually since 2011. Growth in artistic payroll outpaced inflation by 1% over the 10-year period while that of administrative payroll outperformed inflation by 19.4%. Theatres generally hired more artists annually with the exception of actors. The most actors hired on average was in 2005 and the fewest in 2010, with the number hired in 2014 bumped up from the low but not to the 2005 level. The number of paid administrative staff rose annually since 2010 and ended in 2014 at a 10-year high, as was the case for production personnel. **Production payroll** growth outpaced inflation by 17.0%.

- Among non-payroll expenses, **depreciation**, **general artistic non-payroll** (artist housing and travel, per diems, company and stage management costs; not in the graph), and **building and occupancy** expenses saw substantial increases, rising 44%, 19%, and 18% respectively in inflation-adjusted figures. Average **marketing expenses** have been hovering around $1 million in inflation-adjusted figures since 2006 and without much variation since 2009. **Production/technical** (production materials and rentals) expenses had peaks and valleys driven by an outlier and ended in 2014 5.5% higher than in 2010, adjusting for inflation.
- **Overall expense growth** exceeded inflation by 12.5%.
- **Expense growth exceeded total income growth**. Average **CUNA** for the 10-Year Trend Theatres was negative in 2008, 2009, and 2012 and positive all other years. It varied in proportion to expenses, from a high of 11.4% in the strong economies of 2005 and 2011 to a low of -10.5% in 2009, ending the period at 3.8%. **Side Note Figure E** shows the percentage of theatres that broke even or better each year. Only 2009 brought more 10-Year Trend Theatres a negative bottom line than a positive.

SIDE NOTE FIGURE D: Selected 10-Year Expense Trends (inflation adjusted)



SIDE NOTE FIGURE E: Breakdown of 88 Trend Theatres' Changes in Unrestricted Net Assets (CUNA)



BALANCE SHEET (Completed by 80 of the 88 10-Year Trend Theatres)

- The value of **total assets** rose 41% above inflation, a collective $1.9 billion in 2014 compared to $1.1 billion in 2005. The value of investments increased by 34% and the value of fixed assets grew 41% over the 10-year period in inflation-adjusted figures, despite the economic turbulence of the past decade. Theatres added assets through market growth and successful capital campaigns. All but 15 of the theatres conducted a capital campaign at some point during the period, and 35 of the 80 were in a capital campaign in 2014, which will add assets in future years. One theatre was in a capital campaign every one of the 10 years.
- Growth in **net assets** topped inflation by 30% and liabilities increased 83% from 2005 to 2014, after adjusting for inflation. Total net assets represented a high of 80% of total assets in 2006, a low of 71% in 2009 and 2012, and 72% in 2014, underscoring the growth in liabilities over the period.
- The **investment ratio** was at its highest point of the 10-year period in 2014 at 54.3%. It rose and fell and rose again twice over the period. Total investments reached their peak value in 2014 at an average of $6.8 million and their second highest of $6.3 million in 2008.
- Average **working capital** was negative each of the 10 years. Within that negative territory, working capital ebbed and flowed considerably, with a low of -$2.7 million in 2010 (an average -35% working capital ratio) and a high of -$254,000 in 2008 (an average -3% working capital ratio). The 2014 average working capital was -$2.3 million and the working capital ratio was -26%. Between 61% and 69% of theatres per year experienced negative working capital.

PROFILED THEATRES

In the *Profiled Theatres* section we share findings on the 177 theatres that completed TCG Fiscal Survey 2014. We avoid comparisons to Profiled Theatres of years past because the pool of theatres that participate in the survey is different from year to year. We examine the same details covered in the *Trend Theatres* section—i.e., earned income; attendance, tickets, and performances; contributed income; expenses and CUNA; and Balance Sheet ratios. We begin with a brief overview of aggregate, industry-wide activity then break down information into Budget Group Snapshots, which provide income, expense, attendance, and performance details for the Profiled Theatres organized into 6 budget groups, based on annual expenses. Budget Group Snapshots reveal how different size theatres have distinctive resource needs and operating results. We end with an examination of Profiled Theatres' Balance Sheet activity.

The 2014 Profiled Theatres' average budget size was $6.2 million, and **budgets ranged from $92,000 to $62 million**. Several large theatres skew the average budget size. A look at the midpoint in the budget range—called the median—reveals quite a different budget size of $2.7 million. We continue, however, to refer to the average (arithmetic mean) throughout this report, rather than the median.

The chart to the right shows the budget ranges and the number of theatres for each group. **Most theatres operate in cities**: 74% of Profiled Theatres are resident in urban areas, 19% operate in suburban communities, and 7% are located in rural areas. Ninety-one percent of Group 6 Theatres and 81% of Group 2 Theatres are based in urban areas. One-quarter of Group 1 and 5 Theatres and one-third of Group 4 Theatres are located in suburban communities. Rural theatres are most prominent in Group 3, representing 13% of theatres, while no Group 4 Theatre is in a rural community.

2014 PROFILED THEATRES (177 Theatres)

Budget Group	Number of Theatres	Budget Size
6	32	$10 million or more
5	37	$5 million -$9,999,999
4	15	$3 million -$4,999,999
3	57	$1 million -$2,999,999
2	21	$500,000-$ 999,999
1	15	$499,999 or less

Overall for the Profiled Theatres, earned income financed 58.4% of total expenses and contributed income financed 44.2% of total expenses. These figures add up to 102.6% because total income exceeded total expenses by 2.6%, leaving theatres with positive average CUNA. The Profiled Theatres collectively ended 2014 with a positive bottom line equal to 2.6% of total expenses. Theatres' CUNA ranged from a low of -$4.5 million to a high of $8.5 million, with the high value largely driven by capital campaign donations released from restriction.

EARNED INCOME

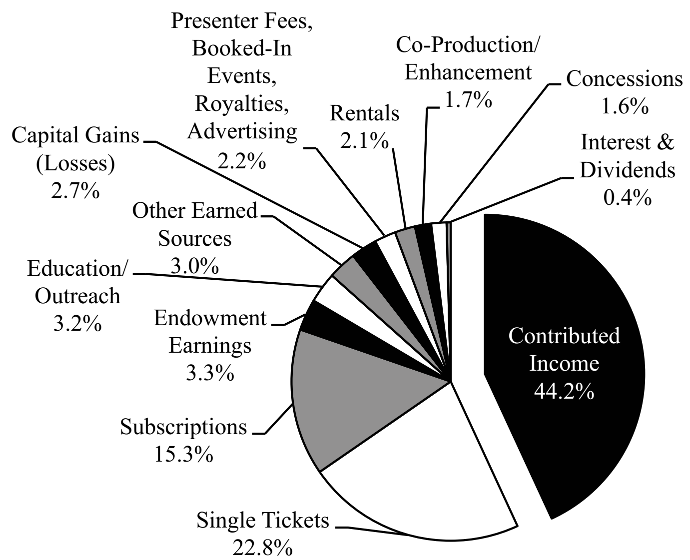
Figure E shows Profiled Theatres' earned income by source in relation to expenses. **Single ticket income funded 22.8% of expenses and was the largest source of earned income, followed by income from subscriptions.**

The 177 Profiled Theatres:

- **Earned over $432 million in ticket sales towards $1.1 billion in expenses, thereby covering 39.2% of total costs and accounting for 67% of all earned income with ticket income.**
- Attracted **791,000 subscribers**, representing 4.1 million tickets and sold **6.6 million single tickets**.
- **While 27 theatres offered neither subscriptions nor memberships, the majority of theatres offered multiple options for relational purchases**. Of the 123 Profiled Theatres that offered traditional subscriptions, 74% also offered flexible subscriptions and/or memberships. Fifteen theatres offered only a flexible subscription, 2 offered flexible subscriptions and some type of membership, 7 offered only "all-in-one" memberships, and 3 offered only "pay-as-you-go" memberships, where the individual pays a membership fee for the year and can then purchase discounted tickets. Flexible subscriptions represented 11.6% of subscription/membership income and the "fee" portion of "pay-as-you-go" memberships accounted for 0.6%.
- Brought in 8.1% of single ticket sales as **group sales** and 1.4% through **pick-and-choose** vouchers.
- **Presenter fees and contracts** (non-ticket income related to tours and other presenting activities) brought in $5.3 million, 42% of which was earned by 1 theatre.
- Received $18.6 million in **production income**—a combination of enhancement and co-production income. Thirty-six theatres earned co-production income and 26 reported enhancement income; of these, 7 theatres reported both.
- Earned $4.8 million from 425 **royalty properties** for an average of $11,400 per property. One theatre with only 5 properties earned 28% of the income from royalties and subsidiary rights reported by all theatres. Another theatre earned royalties on 99 properties.
- Produced 298 **world premieres**, creating potential for future royalties.
- Offered 1,190 **education and outreach programs** that **served 2.7 million people around the country**. Education activity generated $35.2 million in earned income and attracted another $18.1 million in earmarked contributions.
- Attracted $1.1 million to support **touring** programs.

FIGURE E: INCOME AS A PERCENTAGE OF EXPENSES WITH EARNED INCOME DETAIL*

**Percentages total more than 100% because total unrestricted income exceeded total expenses.*

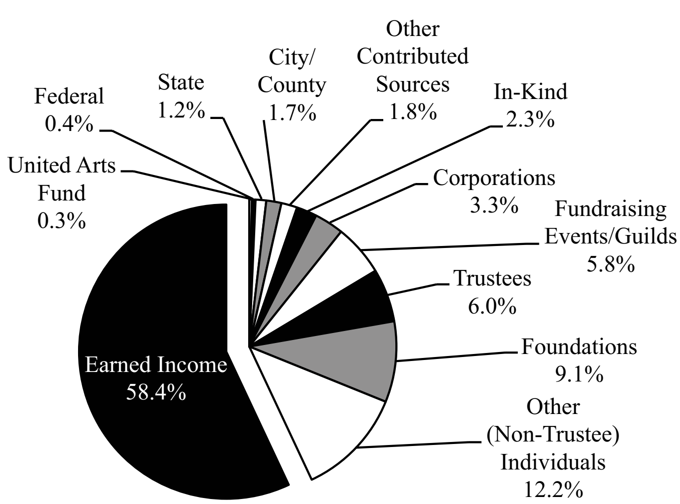


CONTRIBUTED INCOME

The contributed income analysis examines all unrestricted funds, including unrestricted gifts to capital campaigns and Net Assets Released from Temporary Restriction (NARTR), which are contributions received in a prior fiscal year and held temporarily for activity occurring in the current fiscal year, hence the release of funds from temporary restriction. **Figure F** breaks out income for Profiled Theatres, with detail on different sources of contributed income. **Unrestricted contributions amounted to an aggregate $488 million and financed 44.2% of total expenses**, with donations from **Other Individuals (non-trustees) representing the largest single source of contributed income, followed by Foundations.** If we add in 2014 gifts that were temporarily or permanently restricted, the aggregate amount of contributions rises to $673 million. As with the rest of this report, however, we focus our attention in this section on unrestricted funds.

FIGURE F: INCOME AS A PERCENTAGE OF EXPENSES WITH CONTRIBUTED INCOME DETAIL*

**Percentages total more than 100% because total unrestricted income exceeded total expenses.*



Collectively, the 177 Profiled Theatres:

- Released $111 million of net assets from temporary restriction (**NARTR**), which **was reported by theatres of every budget size and supported 10% of total expenses**. Thirty-eight percent of all NARTR came from federal grants.
- Generated **capital campaign** contributions of $45 million or **9% of all contributed funds**. Individual donors gave 57% of these funds and foundations 33%. Fifty-one Profiled Theatres were in capital campaigns in 2014 and 39 completed a capital campaign in the past 5 years. One theatre began its current capital back in 2000. **All Groups had at least one theatre in a capital campaign in 2014.**

  Of the 51 theatres currently in a capital campaign, 82% were raising funds for facilities and equipment, 41% for endowment, 33% for artistic/programming, 14% for operating/technology, and 6% for recovery. Two-thirds were in the process of raising capital campaign funds for more than one purpose. Of the 39 theatres that completed a capital campaign in the last 5 years, 79% raised funds for facilities and equipment, 15% for endowment, 21% for artistic/programming, and 13% for technology.
- Received nearly $202 million in **gifts from trustees and other individuals,** which accounted for 41% of all contributed dollars and supported 18.2% of total expenses.

  Raised one-third of total individual contributions from **trustees**, who gave an average of $16,299 (see **Table 13**), including NARTR.

  Profiled Theatres' boards averaged 24 members. **Board size tends to increase with theatre size, as does the average trustee contribution**. Group 1 Theatres averaged 9 trustee donors, whereas Group 6 Theatres averaged 39.

  Attracted contributions from 282,483 **non-trustee individuals** who gave an average gift of $580 (see **Table 13**). Group 4 Theatres had the highest average other individual gift. The Group 1 average is skewed low by one theatre with thousands of very small gifts. Without this outlier, the average would be $269 for Group 1 Theatres. Gifts from other individuals were the greatest source of contributed funds for theatres in Groups 4, 5, and 6.
- Raised $37 million from 3,144 **corporations**. The average corporate gift in 2014 was $11,642 (see **Table 13**). Corporate support covered a higher proportion of expenses for Group 2 Theatres than for other Groups.
- Received $101 million in grants from 3,197 **foundations**, which averaged $31,596 (see **Table 13**). Foundation support was the greatest source of contributed funds for theatres in Groups 1, 2, and 3.
- Accepted over $25 million in **in-kind donations**, raised more than $64 million from **fundraising events or guilds,** and received $20 million in **other contributed support** from sources such as service organizations and sheltering organizations.

TABLE 13: AVERAGE GIFT BY SOURCE (includes NARTR and unrestricted capital campaign gifts)

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Average Trustee Gift	$ 16,299	$ 30,208	$ 15,123	$ 12,609	$ 5,909	$ 2,748	$ 1,834
Average Other Individual Gift	$ 580	$ 598	$ 642	$ 855	$ 495	$ 394	$ 73
Average Corporate Gift	$ 11,642	$ 19,580	$ 9,889	$ 5,720	$ 6,234	$ 3,259	$ 2,146
Average Foundation Gift	$ 31,596	$ 50,282	$ 32,514	$ 23,610	$ 21,842	$ 13,197	$ 13,670

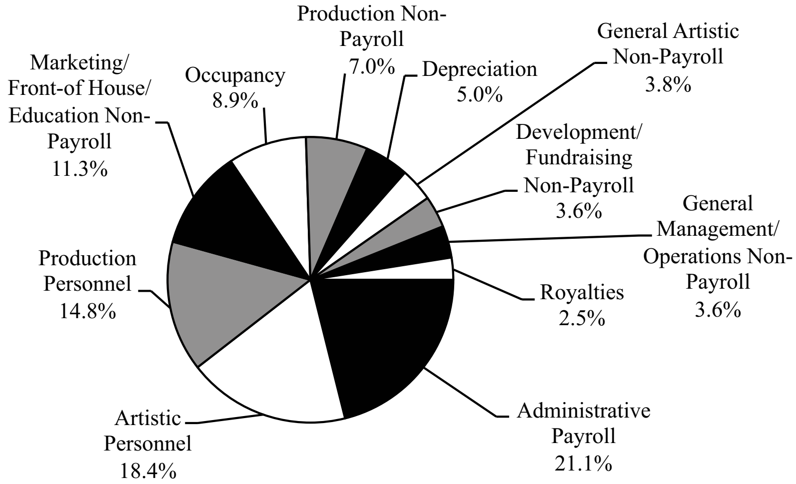
EXPENSES AND CHANGES IN UNRESTRICTED NET ASSETS (CUNA)

Figure G details Profiled Theatres' expenses. In the process of delivering artistry, theatres provide jobs for artists and other cultural workers. **Theatre is a labor-intensive art form, reflected in the fact that 54% of total expenses–over $600 million in total–goes to payroll** allocated to artistic (18.4%), administrative (21.1%), and production (14.8%) activities. These figures include salaries, payroll taxes, health insurance, unemployment insurance, welfare and retirement programs, and vacation pay. This figure rises to 56.8% of total expenses–nearly $628 million–if we also add in payment to authors in the form of royalties. It does not include payment to consultants.

Profiled Theatres added over $1.1 billion to the U.S. economy in 2014 in direct payments for goods and services. Direct production expenses–artistic and production payroll, royalties, general production expenses (artist housing and travel, designer expenses, etc.), and production materials (including production management expenses)–totaled $513 million, or 46.5% of all expenses. Profiled Theatres spent over $138 million in occupancy/building/equipment maintenance (not including depreciation) and other administrative costs, such as audit fees, IT, and office supplies, comprising 12.5% of total expenses. Combined CUNA for the 177 Profiled Theatres was $28 million, or the equivalent of 2.6% of total expenses. **On average, theatres in every group except Group 2 ended the year in the black.**

Theatres added to their unrestricted net assets, which increase with positive CUNA and audit adjustments that restate or adjust up previously reported numbers. The aggregate balance of unrestricted net assets for Profiled Theatres was $1.0 billion at the beginning of the fiscal year and nearly $1.04 billion at the end of the year.

FIGURE G: BREAKDOWN OF EXPENSES



Collectively, the 177 Profiled Theatres:

- **Are more likely to rent than own their spaces**. Forty-one percent rent both their theatre and office space, 37% own their theatre and office space, and 10% operate in donated theatre and office space. Five percent of theatres own their office space but rent theatres space, another 3% own their theatre space but rent office space, and the remaining 3% operate in donated theatre space but either own or rent office space. No theatre reported that it owned its theatre space but operated in donated office space.
- Recognized $55 million in **depreciation**, the annual decrease in the book value of property and equipment. The gross value of fixed assets was $1.8 billion.
- **Paid an average of $22,400 in royalties per property**—just over $27.5 million for 1,228 properties.
- Hired independent contractors or consultants whose fees accounted for 8% of development expenses, 6% of marketing expenses, and 18% of general management expenses. Another 9% of general management expenses went to web services and IT consultants.

As detailed in Table 14, the 177 Profiled Theatres also:

- **Spent 21 cents to generate every dollar of single ticket income and 11 cents to generate every dollar of subscription income**. Not surprisingly, it costs less to market to the three-quarters of all subscribers who renew from year-to-year.
- Disbursed a total of 29 cents, including marketing personnel salaries and benefits, to bring in every dollar of **ticket income.**
- Paid 4 cents **to generate each dollar of unrestricted contributed income,** excluding fundraising event income and considering only non-personnel expenses. If we add in all development costs, including staff compensation and fundraising event expenses, that figure rises to 16 cents.
- Disbursed 34 cents for each dollar generated from **fundraising events**.
- Spent 82 cents **to bring in each dollar of education and outreach income**, including income earned from education and outreach activities as well as contributed income that supports education and outreach programs. This figure also contains education and outreach personnel compensation but does not include development costs associated with grant writing for education or outreach funding. Of the 82 cents, 58 cents go to payroll and 24 cents to items such as study guides, promotional materials, etc. We recognize that motives for conducting education and outreach programming focus more on returns to society than financial returns.

TABLE 14: PROFILED THEATRES ADMINISTRATIVE EXPENSE INDEX (177 theatres)

- ▶ Single ticket marketing expense to single ticket income (excludes personnel expense): 21%
- ▶ Subscription marketing expense to subscription income (excludes personnel expense): 11%
- ▶ Total marketing expense to total ticket sales (includes personnel expense): 29%
- ▶ Development expense (excludes personnel expense and fundraising event expenses) to total unrestricted contributed income (excludes fundraising event income): 4%
- ▶ Fundraising event expense (excludes personnel expense) to fundraising event income (includes cash and in-kind): 33%
- ▶ Total development expense to total unrestricted contributed income (includes fundraising event expense and personnel expense): 16%
- ▶ Total development expense (includes fundraising event expense, personnel expense) to total contributed income (includes unrestricted, temporarily restricted and permanently restricted contributed income): 12%
- ▶ Education/outreach expense to total education/outreach income (excludes personnel expense, includes earned and contributed income): 25%
- ▶ Total education/outreach expense to total education/outreach income (includes personnel expense, earned and contributed income): 82%

BUDGET GROUP SNAPSHOT: EARNED INCOME

In this Budget Group Snapshot we share findings related to average earned income dollar figures for all Profiled Theatres and each budget group. Table 15 shows average dollar figures for each earned income source and Table 16 reports each line item as a percentage of total expenses. **There are 3 general observations that emerge from the tables:** (1) larger theatres relied more on earned income overall and ticket income in particular to support expenses, as shown in Table 16; (2) smaller theatres relied less on subscription income to support expenses, as illustrated in Tables 15 and 16; and (3) smaller theatres relied more on income from presenter fees and tour contracts, as shown in Table 16.

Other Observations for the 177 Profiled Theatres:

- Two Group 6 Theatres earned 28% of that group's **single ticket income** (see Table 15), averaging more than double that of other theatres. Excluding these theatres would leave the Group 6 average at $3.9 million. Group 1 and 2 Theatres tended to support less expenses with subscription income (see Table 16). With the exception of Group 4, at least 1 theatre in every group reported no subscription income. Three Group 1 and 5 Group 3 Theatres reported no ticket income at all.
- One Group 1 Theatre earned all of the group's income from **booked-in events** and 2 Group 4 Theatres brought in 85% of that group's booked-in income.
- Smaller budget groups tended to have more theatres that report income from **presenter fees and contracts**. As a result, **Group 2 and 3 Theatres covered far more expenses with presenter fees and contracts than other groups** (see Table 16). One Group 6 Theatre earned 89% of all Profiled Theatres income from presenter fees. Without this theatre, average presenter fees would be $17,244 for all Profiled Theatres and $9,099 for Group 6 Theatres. One Group 4 Theatre earned 74% of that group's presenter fees. Without this theatre, the Group 4 average would be $5,322.
- Group 4 and 5 Theatres covered a larger percentage of expenses with income from **education/outreach programs** (see Table 16). One Group 4 Theatre earned 69% of that group's total. Excluding it, the Group 4 average would be $68,575.
- Group 6 Theatres earned proportionally more from **royalty income** than theatres in other groups (see Table 16), as a percentage of expenses. One Group 4 Theatre earned all of that group's royalty income, as was the case for 2 Group 1 Theatres.
- **Group 2 and 6 Theatres covered a higher percentage of expenses with production income (i.e., co-production and enhancement income) than other groups.** Outliers account for at least half of the production income and interest/dividend results for Groups 1, 2, 3, and 4.
- Group 2, 4, and 5 Theatres had single outliers that skewed **capital gains** for the group.
- No Group 1 Theatre reported **endowment earnings**. One Group 2 Theatre and 1 Group 4 Theatre earned nearly all of their respective group's endowment earnings. Of total average endowment earnings, $134,980 was the endowment draw.
- One-third of total investment income supported operating expenses.

TABLE 15: AVERAGE EARNED INCOME

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	177	32	37	15	57	21	15
Subscription Income	$ 953,980	$ 3,192,028	$ 1,213,674	$ 498,738	$ 228,392	$ 49,386	$ 17,804
Single Ticket Income**	1,425,550	5,130,228	1,441,413	647,017	383,520	114,578	56,714
Booked-In Events**	63,779	251,648	46,290	51,017	11,291	5,439	28
Total Ticket Income	**$ 2,443,309**	**$ 8,573,904**	**$ 2,701,376**	**$ 1,196,772**	**$ 623,202**	**$ 169,403**	**$ 74,546**
Presenter Fees & Contracts**	29,758	78,569	7,380	18,811	31,647	16,569	3,060
Education/Outreach Programs**	199,044	418,729	374,671	204,872	77,956	18,262	4,569
Royalties**	27,375	109,603	29,791	4,120	2,980	166	48
Concessions	99,712	323,941	126,338	58,798	23,613	15,207	4,077
Production Income (co-production & enhancement income)**	105,336	450,889	82,513	23,908	6,831	18,359	1,967
Advertising	18,630	32,313	24,986	31,228	12,188	8,225	204
Rentals	132,259	564,624	69,604	61,029	25,023	19,024	1,683
Other	185,894	719,449	177,332	105,189	26,563	9,536	1,819
Total Other Earned Income	**$ 798,007**	**$ 2,698,118**	**$ 892,616**	**$ 507,955**	**$ 206,801**	**$ 105,348**	**$ 17,429**
Interest and Dividends**	26,438	55,004	57,187	18,767	8,865	499	412
Endowment Earnings/Transfers**	204,387	724,120	271,162	52,456	36,560	4,809	-
Capital Gains/(Losses)**	168,574	850,673	57,605	3,198	7,322	419	702
Total Investment Income	**$ 399,399**	**$ 1,629,797**	**$ 385,954**	**$ 74,420**	**$ 52,747**	**$ 5,727**	**$ 1,115**
Total Earned Income	**$ 3,640,715**	**$ 12,901,819**	**$ 3,979,946**	**$ 1,779,147**	**$ 882,750**	**$ 280,479**	**$ 93,089**

**Skewed by 1 or 2 theatres' exceptional activity.

TABLE 16: AVERAGE EARNED INCOME AS A PERCENTAGE OF EXPENSES

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**177**	**32**	**37**	**15**	**57**	**21**	**15**
Subscription Income	15.3%	15.7%	16.9%	13.1%	11.9%	6.2%	5.9%
Single Ticket Income**	22.8%	25.3%	20.0%	17.1%	19.9%	14.4%	18.7%
Booked-In Events**	1.0%	1.2%	0.6%	1.3%	0.6%	0.7%	0.0%
Total Ticket Income	**39.2%**	**42.2%**	**37.5%**	**31.5%**	**32.4%**	**21.2%**	**24.6%**
Presenter Fees & Contracts**	0.5%	0.4%	0.1%	0.5%	1.6%	2.1%	1.0%
Education/Outreach Programs**	3.2%	2.1%	5.2%	5.4%	4.0%	2.3%	1.5%
Royalties**	0.4%	0.5%	0.4%	0.1%	0.2%	0.0%	0.0%
Concessions	1.6%	1.6%	1.8%	1.5%	1.2%	1.9%	1.3%
Production Income (co-production & enhancement income)**	1.7%	2.2%	1.1%	0.6%	0.4%	2.3%	0.6%
Advertising	0.3%	0.2%	0.3%	0.8%	0.6%	1.0%	204
Rentals	2.1%	2.8%	1.0%	1.6%	1.3%	2.4%	0.6%
Other	3.0%	3.5%	2.5%	2.8%	1.4%	1.2%	0.6%
Total Other Earned Income	**12.8%**	**13.3%**	**12.4%**	**13.4%**	**10.7%**	**13.2%**	**5.8%**
Interest and Dividends**	0.4%	0.3%	0.8%	0.5%	0.5%	0.1%	0.1%
Endowment Earnings/Transfers**	3.3%	3.6%	3.8%	1.4%	1.9%	0.6%	0.0%
Capital Gains/(Losses)**	2.7%	4.2%	0.8%	0.1%	0.4%	0.1%	0.2%
Total Investment Income	**6.4%**	**8.0%**	**5.4%**	**2.0%**	**2.7%**	**0.7%**	**0.4%**
Total Earned Income	**58.4%**	**63.5%**	**55.3%**	**46.9%**	**45.8%**	**35.1%**	**30.7%**

**Skewed by 1 or 2 theatres' exceptional activity.

BUDGET GROUP SNAPSHOT:

ATTENDANCE, TICKETS, AND PERFORMANCES

We report on marketing and performance measures as well as employment figures for the Profiled Theatres in the observations below and in **Table 17**. Averages reported in this section reflect the number of theatres that responded to each question, since not every theatre offers a subscription package.

The 177 Profiled Theatres, as detailed in Table 17:

- **Collectively held over 35,000 main series performances of 1,270 main series productions for an average of 28 performances per production**. The number of main series performances and productions increases progressively with budget size.
- Averaged **attendance** of 71,477 at home and away performances. Of the total, 57,055 was main series production attendance. The higher presenting fees and contract income for Group 2 and 3 Theatres discussed above is reflected in the bigger gap between in-residence attendance and total attendance for these groups in the table below.
- **Filled an average of 72.8% of their available seats in total, with 61.2% being filled by paying customers.** Group 2 Theatres tended to play to smaller percentages of their houses overall.
- The **percentage of in-residence seats sold to subscribers** was lowest for Group 1 and 2 Theatres and highest for Group 4 and 6 Theatres, with the overall average of 24.5% for Profiled Theatres. Theatres offered some **resident performances off subscription** (not shown in the Table). Considering only the portion of seats available to subscribers, an average of 29% of the potential capacity was sold to subscribers, ranging from 18% for Group 1 to 36% for Group 6.
- Averaged 39,257 **single tickets sold** and 27,173 **subscription tickets**. The subscriber renewal rate average was 74%; Group 3 Theatres experienced the highest retention and Groups 1 and 2 the lowest.
- **Set very similar average ticket prices for subscribers and single ticket buyers, with that of subscribers slightly higher**. Higher average subscription prices than single ticket prices were the norm for theatres in Groups 1, 2, and 3. Group 6 Theatres gave subscribers the heaviest discounts and the broadest range of discounts.
- **Employed** an average of 234 full-time, part-time, and jobbed-in personnel during the course of the year. The aggregate number of people employed across all Profiled Theatres was 41,344. Employee turnover averaged 9%.
- **Averaged 491 weeks of actor employment**, which increase on average with budget size, as do the number of **total performance weeks**. Theatres were lit 31 weeks of the year, on average, and they collectively offered 5,488 weeks of performances around the country.

TABLE 17: INDUSTRY AVERAGES

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**177**	**32**	**37**	**15**	**57**	**21**	**15**
Number of Main Series Performances	200	398	276	151	133	81	60
Number of Main Series Productions	7	10	8	8	6	5	4
Number of Performance Weeks (all offerings)	31	42	36	26	28	24	20
Number of Actor Employment Weeks (sum of # weeks each actor employed)	491	1,022	554	381	363	183	159
Main Series Attendance	57,055	164,192	72,984	38,663	22,666	9,199	5,277
Total In-Residence Attendance	67,632	195,853	85,766	42,615	27,721	10,286	6,326
Total Attendance (including touring)	71,477	198,594	90,632	43,902	33,301	13,507	6,840
Total In-Residence Capacity Utilization (%)	72.8%	76.3%	76.8%	73.6%	70.9%	66.1%	70.7%
Total In-Residence Paid Capacity Utilization (%)	61.2%	67.0%	66.5%	60.9%	60.6%	49.6%	52.8%
Total In-Residence Seating Capacity Sold to Subscribers (%)	24.5%	28.6%	28.2%	28.6%	22.4%	14.4%	13.6%
Number of Subscription Tickets Sold	27,173	71,502	31,898	17,962	9,674	3,360	1,416
Number of Single Tickets Sold	39,257	110,251	45,092	20,702	18,301	6,275	3,665
Number of Subscribers	5,276	13,803	6,621	2,798	1,835	598	292
Subscription Renewal Rate (%)	74%	73%	74%	76%	77%	69%	69%
Number of Subscription Packages Offered	5	8	6	6	4	3	3
Highest Subscription Discount (%)	42%	48%	45%	46%	40%	31%	37%
Lowest Subscription Discount (%)	11%	9%	12%	21%	11%	6%	8%
Subscription Ticket Price	$35.52	$46.23	$40.24	$34.69	$29.66	$26.24	$26.36
Single Ticket Price	$34.35	$49.28	$42.43	$35.99	$27.25	$21.71	$20.53
Number of Paid Staff (full-time and part-time personnel)	55	152	69	45	23	12	5
Paid Staff Turnover (# vacated positions/total # paid full-time and part-time personnel) (%)	9%	8%	12%	10%	10%	8%	1%
Total Number of Paid Employees (includes full-time, part-time and jobbed-in personnel)	234	539	296	155	141	88	64

BUDGET GROUP SNAPSHOT:

CONTRIBUTED INCOME

Table 18 reports average contributions for all Profiled Theatres and for each budget group and **Table 19** displays contributions and total income as a percentage of expenses. The following observations relate to these tables.

For the 177 Profiled Theatres:

- Average **federal funding** supported 0.4% of expenses (see **Table 19**) and equaled 1% of total contributed income. The smaller the theatre, the higher the proportion of expenses supported by federal funding. Of theatres that reported funds from the National Endowment for the Arts (NEA), 75 averaged a grant of $30,630 in the category of Art Works: Theater & Musical Theater; 3 theatres received funding between $20,000 and $80,000 for Art Works: Arts Education; and 10 theatres received grants averaging $19,200 for the Shakespeare for a New Generation program. No theatre reported receiving either a Challenge America Fast-Track grant or an Our Town grant. Two theatres received National Endowment for the Humanities (NEH) funding. Numerous theatres received federal funding from sources other than the NEA or NEH, such as the Institute for Museum and Library Services; U.S. Embassy; Combined Federal Campaign; Departments of State and Housing and Urban Development; Federal Work Study; Center for Disease Control; National Parks Service; National Arts and Humanities Youth Program Award; and National Capital Arts and Cultural Affairs Program of the U.S. Commission of Fine Arts, which funds organizations in Washington, DC. Every group benefited from some form of federal funding.
- One Group 4 Theatre's **state funding** accounted for 71% of the group's total. The high level was not tied to any particular activity such as touring or a capital campaign. Without this theatre, Group 4 state funding would average $41,702.
- One Group 3, 1 Group 4, and 2 Group 6 Theatres received **city and county funding** tied to a capital campaign whereas no theatre in other groups received local funding earmarked for this purpose. Numerous theatres received local funding for education programs while only 1 theatre received local funding for touring.

TABLE 18: AVERAGE CONTRIBUTED INCOME AND TOTAL INCOME

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**177**	**32**	**37**	**15**	**57**	**21**	**15**
Federal	$ 26,790	$ 69,777	$ 26,683	$ 19,951	$ 14,516	$ 11,429	$ 10,333
State**	72,074	130,584	106,862	134,053	37,521	19,582	4,252
City/County	106,742	315,038	84,533	175,645	41,306	19,187	19,491
Corporations**	206,792	685,310	234,928	92,287	63,429	40,035	9,301
Foundations	570,685	1,329,335	797,033	395,076	322,262	165,272	81,107
Trustees	374,333	1,185,652	474,122	281,610	99,618	32,058	13,203
Other Individuals	762,152	2,343,649	917,001	581,256	245,230	123,984	44,964
Fundraising Events/Guilds	362,306	1,120,017	427,669	246,126	129,134	54,812	17,353
United Arts Funds	18,069	77,771	12,057	-	3,448	3,184	-
In-Kind Services/Material/Facilities**	143,986	331,491	218,489	219,751	44,138	36,295	14,619
Other Contributions	115,252	250,432	212,816	3,000	75,103	248	12,036
Total Contributed Income	**$ 2,759,182**	**$ 7,839,058**	**$ 3,512,192**	**$ 2,148,755**	**$ 1,075,706**	**$ 506,084**	**$ 226,660**
Total Income	**$ 6,399,897**	**$ 20,740,877**	**$ 7,492,138**	**$ 3,927,902**	**$ 1,958,456**	**$ 786,562**	**$ 319,749**

**Skewed by 1 theatre's exceptional activity.

TABLE 19: AVERAGE CONTRIBUTED INCOME AND TOTAL INCOME AS A PERCENTAGE OF EXPENSES

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**177**	**32**	**37**	**15**	**57**	**21**	**15**
Federal	0.4%	0.3%	0.4%	0.5%	0.8%	1.4%	3.4%
State**	1.2%	0.6%	1.5%	3.5%	1.9%	2.5%	1.4%
City/County	1.7%	1.6%	1.2%	4.6%	2.1%	2.4%	6.4%
Corporations**	3.3%	3.4%	3.3%	2.4%	3.3%	5.0%	3.1%
Foundations	9.1%	6.5%	11.1%	10.4%	16.7%	20.7%	26.8%
Trustees	6.0%	5.8%	6.6%	7.4%	5.2%	4.0%	4.4%
Other Individuals	12.2%	11.5%	12.7%	15.3%	12.7%	15.5%	14.8%
Fundraising Events/Guilds	5.8%	5.5%	5.9%	6.5%	6.7%	6.9%	5.7%
United Arts Funds	0.3%	0.4%	0.2%	0.0%	0.2%	0.4%	0.0%
In-Kind Services/Material/Facilities**	2.3%	1.6%	3.0%	5.8%	2.3%	4.5%	4.8%
Other Contributions	1.8%	1.2%	3.0%	0.1%	3.9%	0.0%	4.0%
Total Contributed Income	**44.2%**	**38.6**	**48.8%**	**56.6%**	**55.9%**	**63.4%**	**74.8%**
Total Income	**102.6%**	**102.1%**	**104.0%**	**103.5%**	**101.7%**	**98.5%**	**105.5%**

**Skewed by 1 theatre's exceptional activity.

For the 177 Profiled Theatres:

- Group 4 Theatres supported proportionally less expenses with **corporate support** than other groups (see Table 19). Every Group 4 and 6 Theatre received corporate support. One Group 1 Theatre received 41% of that group's corporate dollars.
- Smaller theatres tended to sustain more expenses with **foundation support** than other groups (see Table 19). Only 3 theatres received no foundation support.
- Individual giving from **trustees** played a more significant role in financing expenses of Group 4 Theatres than for other Groups, followed by Group 5 Theatres (see Table 19).
- Support from **other individuals** (non-trustees) played a more significant role in financing expenses of Group 2 and 4 Theatres than for other Groups (see Table 19). Overall, 4 theatres reported other individual gifts earmarked for touring while many reported gifts designated for capital campaigns or education programs.
- No Group 1 or 4 Theatre reported **United Arts Funds**.
- One Group 1 Theatre accounted for 60% of the group's donations of in-kind services, materials, and facilities. On average, **6.5% of in-kind donations were related to fundraising events.**
- **All but 6% of Other Contributions come from sheltering organizations** such as a university or museum.
- Larger theatres tended to support a lower level of total expenses with **total contributed income** (see Table 19).
- All but Group 2 Theatres finished the year with average **total income in excess of average total expenses** (see Tables 18 and 19).

BUDGET GROUP SNAPSHOT:

EXPENSES AND CHANGES IN UNRESTRICTED NET ASSETS (CUNA)

Table 20 displays average expense figures for all Profiled Theatres for each budget group. In **Table 20** all administrative payroll costs are captured in the second line and the non-payroll costs are broken out by administrative area, whereas **Table 21** provides detail on both payroll and non-payroll expenses for key administrative departments. **Table 22** shows each expense line item in proportion to total expenses. We share observations about findings that emerge from the tables. **It is quite unusual that there were no outliers skewing results.**

TABLE 20: AVERAGE EXPENSES AND CUNA

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**177**	**32**	**37**	**15**	**57**	**21**	**15**
Artistic Payroll	$ 1,146,956	$ 3,463,482	$ 1,336,041	$ 689,045	$ 464,058	$ 220,821	$ 88,138
Administrative Payroll	1,316,927	4,187,834	1,599,562	854,607	407,790	149,129	47,113
Production Payroll	926,406	3,227,368	1,101,319	443,169	201,776	71,997	19,238
Total Payroll	**$ 3,390,289**	**$ 10,878,683**	**$ 4,036,922**	**$ 1,986,821**	**$ 1,073,624**	**$ 441,948**	**$ 154,490**
General Artistic Non-Payroll	237,202	752,401	288,679	167,194	71,912	23,536	8,381
Royalties	155,501	501,773	188,810	96,718	47,896	9,034	7,359
Production/Tech Non-Payroll (physical production)	435,042	1,661,170	372,716	191,118	105,049	45,352	16,510
Development/Fundraising Non-Payroll	222,536	717,000	242,942	157,602	73,099	33,188	15,225
Marketing/Front-of-House/Education Non-Payroll	704,942	2,279,612	848,451	391,858	213,280	86,872	38,353
Occupancy/Building/Equipment/Maintenance	557,635	1,764,862	603,996	494,175	174,032	95,594	35,869
Depreciation	310,924	1,110,060	306,160	193,186	80,389	30,505	4,212
General Management/Operations Non-Payroll	225,249	642,355	313,954	115,848	86,761	32,167	22,593
Total Expenses	**$ 6,239,321**	**$ 20,307,915**	**$ 7,202,629**	**$ 3,794,519**	**$ 1,926,042**	**$ 798,197**	**$ 302,991**
Changes in Unrestricted Net Assets (CUNA)	**$ 160,576**	**$ 432,961**	**$ 289,509**	**$ 133,382**	**$ 32,414**	**$ (11,634)**	**$ 16,758**

For the 177 Profiled Theatres, as detailed in Table 21:

Summing up personnel and non-personnel program costs allocated to the various administrative departments reveals that Profiled Theatres spent an average of $453,565 on development, $719,578 on marketing, $307,215 on front-of-house (including box office, house management, and concessions), and $246,683 on education programs and outreach. **Some theatres** in Groups 1, 2, and 3 **reported no salaries for some or all of the administrative areas detailed in the table.** It is likely that job functions are performed in these cases either by other staff, an outside consultant, or board volunteers. Theatres **tended to spend more on non-personnel expenses with respect to marketing than they did on marketing staff, regardless of budget size**. **Staff compensation was a larger allocation of total development, education/outreach, and front-of-house expenses, with a few exceptions in the case of smaller theatres** that likely use more volunteer fundraisers, ushers, etc.

TABLE 21: SELECTED AVERAGE ADMINISTRATIVE EXPENSES: PERSONNEL AND NON-PERSONNEL

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Development/Fundraising Payroll	$ 231,029	$ 724,070	$ 282,574	$ 161,417	$ 75,623	$ 21,253	$ 5,902
Non-Payroll Development Expenses	222,536	717,000	242,942	157,602	73,099	33,188	15,225
Marketing Payroll	214,554	685,422	273,623	135,109	60,965	18,242	2,255
Non-Payroll Marketing Expenses	505,023	1,715,628	585,007	220,319	136,344	60,873	32,601
Front-of-House Payroll	182,214	617,143	214,223	110,830	47,645	8,611	1,202
Non-Payroll Front-of-House Expenses	125,002	376,156	167,432	78,651	40,065	17,460	4,213
Education/Outreach Programs Payroll	171,766	473,911	289,701	172,699	77,998	14,528	1,668
Non-Payroll Education/Outreach Expenses	74,917	202,057	56,349	51,466	14,952	7,963	4,679

TABLE 22: AVERAGE EXPENSES AND CUNA AS A PERCENTAGE OF TOTAL EXPENSES

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**177**	**32**	**37**	**15**	**57**	**21**	**15**
Artistic Payroll	18.4%	17.1%	18.5%	18.2%	24.1%	27.7%	29.1%
Administrative Payroll	21.1%	20.6%	22.2%	22.5%	21.2%	18.7%	15.5%
Production Payroll	14.8%	15.9%	15.3%	11.7%	10.5%	9.0%	6.3%
Total Payroll	**54.3%**	**53.6%**	**56.0%**	**52.4%**	**55.7%**	**55.4%**	**51.0%**
General Artistic Non-Payroll	3.8%	3.7%	4.0%	4.4%	3.7%	2.9%	2.8%
Royalties	2.5%	2.5%	2.6%	2.5%	2.5%	1.1%	2.4%
Production/Tech Non-Payroll (physical production)	7.0%	8.2%	5.2%	5.0%	5.5%	5.7%	5.4%
Development/Fundraising Non-Payroll	3.6%	3.5%	3.4%	4.2%	3.8%	4.2%	5.0%
Marketing/Front-of-House/Education Non-Payroll	11.3%	11.2%	11.8%	10.3%	11.1%	10.9%	12.7%
Occupancy/Building/Equipment/Maintenance	8.9%	8.7%	8.4%	13.0%	9.0%	12.0%	11.8%
Depreciation	5.0%	5.5%	4.3%	5.1%	4.2%	3.8%	1.4%
General Management/Operations Non-Payroll	3.6%	3.2%	4.4%	3.1%	4.5%	4.0%	7.5%
Total Expenses	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Changes in Unrestricted Net Assets (CUNA)	**2.6%**	**2.1%**	**4.0%**	**3.5%**	**1.7%**	**-1.5%**	**5.5%**

For the 177 Profiled Theatres, as detailed in Table 22:

- **The smaller the theatre, the larger the proportion of budget spent on artistic payroll. The larger the theatre, the larger the proportion of budget spent on production payroll**.
- **Administrative payroll** was the largest budget line item for Group 4, 5, and 6 Theatres while **artistic payroll** was the largest for Group 1, 2, and 3 Theatres.
- Group 4 Theatres spent slightly more proportionally than other groups on **non-personnel general artistic expenses** such as artist housing; travel and per diems; designer expenses; and stage management and company management expenses.
- Group 2 Theatres had lower **royalty income** than other groups, likely related to their proportionally lower ticket income (see Table 16).
- Group 4 Theatres also spent more of total budget than other groups on **occupancy expenses** related to facilities while Group 5 Theatres spent a lower share of their budget on this area. As theatre size increases, so does the likelihood that the organization owns its facilities. This explains why Group 1 Theatres spent proportionally less on depreciation.
- Group 6 theatres spent a much greater share of their budgets on **physical production**.
- Smaller theatres spent a greater share of their budgets on **development, marketing, general management, and operations non-payroll expenses**. It should be noted that while the development marketing and general management expense line items do not include payment to staff, they do include payment to independent contractors.
- Twelve of 21 Group 2 Theatres reported negative **CUNA.** Only 2 Group 1 Theatres ended the year in the red.

BUDGET GROUP SNAPSHOT: BALANCE SHEET

The Balance Sheet reflects the bigger picture of a theatre's capital structure that has been added to, subtracted from, or has simply changed in value over time. While CUNA is an important indicator of activity for a given year only, the Balance Sheet reflects a theatre's long-term stability and fiscal health. The 165 Profiled Theatres that completed the Balance Sheet section of the survey collectively held $2.58 billion in total assets and $1.89 billion in net assets, 55% of which was in unrestricted funds. As was the case in the *Trend Theatres* section, we use Cool Spring Analytics' measures of fiscal health with respect to investments, physical capital, and working capital.

Quick Reference for Calculation of Key Balance Sheet Indicators

WORKING CAPITAL = TOTAL UNRESTRICTED NET ASSETS – FIXED ASSETS – UNRESTRICTED LONG-TERM INVESTMENTS

WORKING CAPITAL RATIO = WORKING CAPITAL/TOTAL EXPENSES

FIXED ASSETS = TOTAL LAND + BUILDING + EQUIPMENT AT COST – ACCUMULATED DEPRECIATION

INVESTMENT RATIO = TOTAL INVESTMENTS/TOTAL EXPENSES

The averages presented in **Table 23** indicate that 63% of Profiled Theatres' **total net assets**—unrestricted, temporarily restricted, and permanently restricted—are **fixed assets**, 37% are **investments,** and 14% are **other net assets** such as building/plant funds, undesignated cash, and net assets not in a cash reserve or endowment. Negative **working capital** reduces the total by 14%, as detailed further in **Table 24**.

The distribution of net assets varies depending on theatre size, with **Group 2 and 3 Theatres having a greater proportion of fixed assets** and **Group 4 more of other net assets.** Profiled Theatres possess an aggregate $1.2 billion in fixed assets. Assets were more than one-half depreciated for Group 4 and 5 Theatres. **Growth in investments goes hand-in-hand with growth in budget size; that is, the proportion of total net assets held in investments increases steadily as theatre size increases**. Of the 165 Theatres, 91 hold endowments ranging from $1,000 to $52.5 million, with the average total endowment value at $3,628,978. No Group 1 Theatre reported having an endowment. Seven theatres are beneficiaries of endowments ranging in value from $28,000 to $10 million that are held by other entities (e.g., by a community foundation) and are not reflected on their Balance Sheet or in the Tables below. **Only Group 1 Theatres averaged positive working capital**.

The **investment ratio** is best examined over time. Investments were reported by just over half of Profiled Theatres and include endowments and cash reserves that generate growth in value and interest income that theatres can either reinvest or use for operations, thereby lessening the burden on other income sources and making it easier to weather hard economic times. Group 6 Theatres' aggregate investments are the equivalent of 84% of their combined total expenses (see **Table 23**). As we see in **Table 24**, no Group 1 or Group 2 Theatre reported having unrestricted endowment funds or unrestricted other investments.

TABLE 23: AVERAGE TOTAL NET ASSETS

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**165**	**30**	**35**	**15**	**51**	**20**	**14**
Working Capital**	$ (1,556,704)	$ (6,167,846)	$ (863,905)	$ (1,156,803)	$ (466,946)	$ (37,698)	$ 24,012
Fixed Assets	$ 7,211,533	$ 26,937,718	$ 6,256,349	$ 3,813,514	$ 1,850,773	$ 493,876	$ 94,967
Investments	$ 4,264,089	$ 17,481,184	$ 4,012,107	$ 1,252,983	$ 352,614	$ 83,062	$ 19,724
Other Net Assets	$ 1,552,821	$ 4,393,806	$ 1,865,338	$ 2,072,455	$ 517,311	$ 75,717	$ 9,312
Total Net Assets	**$ 11,471,739**	**$42,644,862**	**$ 11,269,890**	**$ 5,982,148**	**$ 2,253,753**	**$ 614,958**	**$ 148,015**
Total Expenses	**$ 6,353,389**	**$ 20,764,181**	**$ 7,182,451**	**$ 3,794,519**	**$ 1,902,313**	**$ 790,074**	**$ 304,336**
Investment Ratio	**67%**	**84%**	**56%**	**33%**	**19%**	**11%**	**6%**

**Skewed by 1 theatre's exceptional activity.

On average, working capital was negative for Profiled Theatres, meaning that the average theatre is borrowing funds internally or externally to meet day-to-day cash needs and current obligations (see **Tables 23** and **24**). **Fifty-nine percent of theatres had negative working capital**: 36% of Group 1 Theatres, 45% of Group 2 Theatres, and 60% to 67% of Group 3 through 6 Theatres. The lowest working capital was -$77 million (an outlier over 3 times more negative than that of any other theatre) and the highest was $16.6 million. Eliminating the negative outlier theatre would leave Group 6's working capital average at -$3.7 million and the average for all theatres at -$1.1 million.

Another way to look at working capital and organizational health is the **working capital ratio**, which compares working capital to total expenses. One way to think about working capital is whether there is enough capital to handle cash flow shortages for a period of time. For example, a ratio of 25% translates into 3 months of working capital. Of the 165 Profiled Theatres that completed the Balance Sheet portion of the survey, **12% of theatres reported a working capital ratio of 25% or more**; another 29% had positive working capital that was less than 25% of their expenses. As described above, the majority of theatres (59%) reported negative working capital in 2014.

The overall working capital ratio for the Profiled Theatres was -25% (see **Table 24**). The most negative reported working capital ratio was a magnitude of roughly 2.7 times the size of the budget; 10 theatres had negative working capital greater than their annual budget size. On the other end of the spectrum, 4 theatres had positive working capital equivalent to more than 75% of budget. Group 4 and 6 Theatres experienced relatively severe working capital shortages averaging -30% of expenses, leaving them with little financial flexibility. Group 1 Theatres' working capital ratio was 8%. If we were to eliminate the Group 6 Theatre discussed above with exceptional negative working capital, the working capital ratio for both remaining Group 6 Theatres and all Profiled Theatres would be -18%.

TABLE 24: AVERAGE WORKING CAPITAL

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**165**	**30**	**35**	**15**	**51**	**20**	**14**
Total Unrestricted Net Assets	$ 6,321,301	$ 23,221,217	$ 5,968,180	$ 3,191,107	$ 1,545,802	$ 456,178	$ 118,979
Fixed Assets	$ 7,211,533	$ 26,937,718	$ 6,256,349	$ 3,813,514	$ 1,850,773	$ 493,876	$ 94,967
Unrestricted Long-Term Investments	$ 666,471	$ 2,451,344	$ 575,736	$ 534,396	$ 161,975	$ -	$ -
Working Capital**	**$ (1,556,704)**	**$ (6,167,846)**	**$ (863,905)**	**$ (1,156,803)**	**$ (466,946)**	**$ (37,698)**	**$ 24,012**
Total Expenses	**$ 6,353,389**	**$ 20,764,181**	**$ 7,182,451**	**$ 3,794,519**	**$ 1,902,313**	**$ 790,074**	**$ 304,336**
Working Capital Ratio**	**-25%**	**-30%**	**-12%**	**-30%**	**-25%**	**-5%**	**8%**

**Skewed by 1 theatre's exceptional activity.

CONCLUSION

According to The National Bureau of Economic Research, the trough of the Great Recession occurred for the U.S. in June 2009, marking the end of the recession and the beginning of recovery. The *Trend Theatres* section of this report examines the 5-year period that began with 2010, and shows that theatres largely participated in the nation's economic expansion. Overall, earned and contributed income had robust growth over the 5-year period, both outpacing inflation. Although expenses increased at a more aggressive pace than earned income, the overall growth in total income was greater than expense growth, leaving the average theatre in the black all years except 2012. Investment instrument income and other income earned from activities such as touring, education programs, rentals, and concessions drove the rise in earned income. Ticket income got a boost from 2013 to 2014 but its overall growth barely kept pace with inflation. The slight percentage drop in subscription income over time was roughly the same as the positive bump in single ticket income, and the average number of both single tickets and subscription tickets sold were at a 5-year low in 2014. Contributed support was robust over the period, with double-digit percentage increases in giving from foundations, trustees, other individuals, and fundraising events. By contrast, all levels of government support had double-digit percentage decreases over time. Expense growth was 9.1% above inflation. Employment expanded over time and every payroll area increased annually, as did development expense and expenses related to occupancy of facilities. The only expense category that failed to keep pace with inflation over time was non-payroll production/technical. Total net asset growth was robust and capital campaigns have increased theatres' long-term investments and fixed assets. However, negative working capital remains a critical cause for concern and a threat to the future viability of many theatres in the field.

Professional not-for-profit theatres can be found in every state and provide meaningful employment to artists, technicians, and administrators. In 2014, they created a diverse and rich theatrical legacy. They are significant contributors to their communities and to the U.S. economy. We estimate that theatres contributed over $2 billion to the economy in the form of direct compensation and payment for space, services, and materials. They shared their art with 32.8 million patrons and provided employment to 135,000 artists, administrators, and technical personnel. They created 216,000 performances of 22,000 productions that now represent the U.S. professional not-for-profit theatre heritage of 2014.

METHODOLOGY

Theatre Facts 2014 includes information on participating theatres' fiscal years ending anytime between October 31, 2013, and September 30, 2014. Profiled Theatres' reported figures were verified against certified financial audits. The adjustment for inflation in the discussion of Trend Theatres of 9% (21% for the 10-Year View) is based on compound annual average changes in the Consumer Price Index for all urban consumers as reported by the U.S. Department of Commerce's Bureau of Labor Statistics.

We base the *Universe* section extrapolation on weighted averages for TCG Member Theatres of similar budget sizes. TCG Member Theatres tend to have higher total expenses than others, so weighting is necessary to provide realistic estimates of the activity, finances, and workforce breakdown for the larger Universe. It is important to keep in mind that the figures reported in the Universe table are estimates and do not represent data provided directly by the 1,593 that did not participate in the TCG Fiscal Survey. To check the accuracy of the estimates, we compared total expenses reported by these theatres (the one item reported by all theatres) with a total expense figure predicted using our extrapolations. The two came within 1% of each other, suggesting that the extrapolated figures, while imperfect, are reasonably accurate estimates.

One editing note: TCG opted to use numerals rather than the conventional spelling out of numbers under 10, except when a number began a sentence, for the sake of consistency and readability. In the tables, any cells with outliers are shaded.

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Theatre Facts 2014 was written by Zannie Giraud Voss, Professor and Chair of Arts Management and Director of the National Center for Arts Research (NCAR) at Southern Methodist University (SMU); and Glenn B. Voss, Professor, Marketing Department, Cox School of Business, and NCAR Research Director, SMU; along with Ilana B. Rose, Associate Director of Research & Collective Action, TCG; and Laurie Baskin, Director of Research, Policy & Collective Action, TCG.

For more information on TCG research, visit the Tools & Research section of the TCG website, *www.tcg.org*.

2014 PROFILED THEATRES

The following 177 theatres participated in TCG Fiscal Survey 2014. The theatres are presented below by state; each theatre's budget group is noted in parentheses. **Trend Theatres are bolded**. ***10-Year Trend Theatres are bolded and in italics.***

ALABAMA
Alabama Shakespeare Festival (5)

ALASKA
Perseverance Theatre (3)

ARIZONA
Arizona Theatre Company (5), ***Childsplay (3)***

ARKANSAS
Arkansas Repertory Theatre (4), **TheatreSquared (2)**

CALIFORNIA
AlterTheater Ensemble (1), ***American Conservatory Theater (6)***, ***Berkeley Repertory Theatre (6),*** The Chance Theater (1), ***Center Theatre Group (6),*** Cornerstone Theater Company (3), The Cutting Ball Theater (2), ***Geffen Playhouse (6)***, Golden Thread Productions (1), **La Jolla Playhouse (6),** Marin Theatre Company (4), The New Conservatory Theatre Center (3), A Noise Within (3), **North Coast Repertory Theatre (3)**, ***The Old Globe (6),*** The Pasadena Playhouse (5), ***PCPA – Pacific Conservatory Theatre (4)***, Playwrights Foundation (1), Sacred Fools Theater (1), ***San Diego Repertory Theatre (4),*** San Francisco Playhouse (3), ***South Coast Repertory (6), TheatreWorks (5)***

COLORADO
Arvada Center for the Arts & Humanities (6), Boulder Ensemble Theatre Company (1), Colorado Springs Fine Arts Center Theatre Company (3), **Creede Repertory Theatre (3)**, ***Curious Theatre Company (3)***, ***Denver Center Theatre Company (6),*** THEATREWORKS (3)

CONNECTICUT
Connecticut Repertory Theatre (3), Elm Shakespeare Company (1), Eugene O'Neill Theater Center (4), ***Hartford Stage (5), Long Wharf Theatre (5), Yale Repertory Theatre (5)***

D.C.
Arena Stage (6), Constellation Theatre Company (1), dog & pony dc (1), ***Folger Theatre (3),*** Ford's Theatre (6), ***The Shakespeare Theatre Company (6), The Studio Theatre (5),*** **Woolly Mammoth Theatre Company (4)**

DELAWARE
Delaware Theatre Company (3)

FLORIDA
American Stage Theatre Company (3), Asolo Repertory Theatre (5), ***Florida Studio Theatre (5),*** Maltz Jupiter Theatre (5), Palm Beach Dramaworks (4), Stageworks Theatre (1)

GEORGIA
Alliance Theatre (6), Aurora Theatre (3), ***Dad's Garage (2)***

IDAHO
Boise Contemporary Theater (2), ***Idaho Shakespeare Festival (4)***

ILLINOIS
Chicago Shakespeare Theater (6), Court Theatre (4), **Goodman Theatre (6)**, **Lookingglass Theatre Company (5),** ***Northlight Theatre (3),*** Silk Road Rising (2), ***Steppenwolf Theatre Company (6)***, **Timeline Theatre Company (3)**, **Victory Gardens Theater (3)**, ***Writers' Theatre (5)***

INDIANA
Indiana Repertory Theatre (5)

KENTUCKY
Actors Theatre of Louisville (6)

MAINE
Penobscot Theatre (3), ***Portland Stage Company (3)***

MARYLAND
Center Stage (5), Everyman Theatre (4), Imagination Stage (5), Rep Stage (1)

MASSACHUSETTS
American Repertory Theater (6), ArtsEmerson (5), **Barrington Stage Company (4),** Central Square Theater (3), ***Huntington Theatre Company (6),*** **The Lyric Stage Company of Boston (3),** ***Merrimack Repertory Theatre (3), New Repertory Theatre (3),*** SpeakEasy Stage Company (3)

MINNESOTA
Children's Theatre Company (6), **Guthrie Theater (6)**, **Penumbra Theatre Company (3)**, ***Pillsbury House Theatre (3),*** **Ten Thousand Things Theater Company (2)**

MISSOURI
The Coterie Theatre (3), Kansas City Repertory Theatre (5), **The Repertory Theatre of St. Louis (5)**, ***Unicorn Theatre (2)***

MISSISSIPPI
New Stage Theatre (3)

NEBRASKA
Omaha Theater Company (4)

NEW JERSEY
McCarter Theatre Center (6), **Two River Theater Company (5)**

NEW YORK
Amas Musical Theatre (2), ***Atlantic Theater Company (5),*** **Castillo Theatre (2)**, **The 52nd Street Project (3)**, **The Finger Lakes Musical Theatre Festival (5)**, ***Geva Theatre Center (5),*** **HERE (3)**, Hi-ARTS (1), Hudson Valley Shakespeare Festival (3), Irondale Ensemble Project (2), LAByrinth Theater Company (3), ***Lark Play Development Center (3), Mabou Mines (2), Manhattan Theatre Club (6),*** Ma-Yi Theater Company (2), **New Dramatists, Inc. (3)**, New York Stage & Film, Inc. (3), New York Theatre Workshop (5), The Play Company (2), The Playwrights Realm (2), Playwrights Horizons (6), **The Public Theater (6)**, ***Roundabout Theatre Company (6), Signature Theatre Company (6)***, ***SITI Company (3)***, ***Syracuse Stage (5), Theatre for a New Audience (5), The Wooster Group (3)***

NORTH CAROLINA
Actor's Theatre of Charlotte (2), **PlayMakers Repertory Company (3)**, **Triad Stage (3)**

OHIO
Cleveland Play House (5), Cleveland Public Theatre (3), Dobama Theatre (1), ***The Human Race Theatre Company (3)***

OREGON
Artists Repertory Theatre (3), Miracle Theatre Group (2), Oregon Shakespeare Festival (6), Portland Center Stage (5)

PENNSYLVANIA
Arden Theatre Company (5), Bloomsburg Theatre Ensemble (2), Bristol Riverside Theatre (3), ***City Theatre Company (3),*** EgoPo Classic Theater (1), People's Light (5) Pig Iron Theatre Company (3), ***Pittsburgh Public Theater (5), The Wilma Theater (4)***

RHODE ISLAND
Trinity Repertory Company (5)

SOUTH CAROLINA
Arts Center of Coastal Carolina (4), Charleston Stage (3), **The Warehouse Theatre (2)**

TENNESSEE
Clarence Brown Theatre Company (3), **Nashville Repertory Theatre (3)**

TEXAS
Alley Theatre (6), Dallas Theater Center (5), The Ensemble Theatre (3), **Main Street Theater (3)**, Shakespeare Dallas (2), ***WaterTower Theatre (3), ZACH Theatre (5)***

VERMONT
Dorset Theatre Festival (2), Weston Playhouse Theatre Company (3)

VIRGINIA
Roadside Theater (1), **Signature Theatre (5),** Virginia Stage Company (4)

WASHINGTON
The 5th Avenue Theatre Association (6), ***Harlequin Productions (2),*** Intiman Theatre (3), ***Seattle Children's Theatre (5), Seattle Repertory Theatre (6), Taproot Theatre Company (3)***

WISCONSIN
American Players Theatre (5), Milwaukee Repertory Theater (6)

WEST VIRGINIA
Contemporary American Theater Festival (3)

2014 PROFILED THEATRES

Below are the 177 TCG Fiscal Survey 2014 participants, organized by Budget Group (based on annual expenses):

BUDGET GROUP 1 THEATRES
($499,999 or less)

AlterTheater Ensemble (CA), Boulder Ensemble Theatre Company (CO), The Chance Theater (CA), Constellation Theatre Company (DC), Dobama Theatre (OH), dog & pony dc (DC), EgoPo Classic Theater (PA), Elm Shakespeare Company (CT), Golden Thread Productions (CA), Hi-ARTS (NY), Playwrights Foundation (CA), Rep Stage (MD), Roadside Theater (VA), Sacred Fools Theater (CA), Stageworks Theatre (FL)

BUDGET GROUP 2 THEATRES
($500,000 - $999,999)

Actor's Theatre of Charlotte (NC), Amas Musical Theatre (NY), Bloomsburg Theatre Ensemble (PA), Boise Contemporary Theater (ID), Castillo Theatre (NY), The Cutting Ball Theater (CA), Dad's Garage (GA), Dorset Theatre Festival (VT), Harlequin Productions (WA), Irondale Ensemble Project (NY), Mabou Mines (NY), Ma-Yi Theater Company (NY), Miracle Theatre Group (OR), The Play Company (NY), The Playwrights Realm (NY), Shakespeare Dallas (TX), Silk Road Rising (IL), Ten Thousand Things Theater Company (MN), TheatreSquared (AR), Unicorn Theatre (MO), The Warehouse Theatre (SC)

BUDGET GROUP 3 THEATRES
($1 million - $2,999,999)

American Stage Theatre Company (FL), Artists Repertory Theatre (OR), Aurora Theatre (GA), Bristol Riverside Theatre (PA), Central Square Theater (MA), Charleston Stage (SC), Childsplay (AZ), City Theatre Company (PA), Clarence Brown Theatre Company (TN), Cleveland Public Theatre (OH), Colorado Springs Fine Arts Center Theatre Company (CO), Connecticut Repertory Theatre (CT), Contemporary American Theater Festival (WV), Cornerstone Theater Company (CA), The Coterie Theatre (MO), Creede Repertory Theatre (CO), Curious Theatre Company (CO), Delaware Theatre Company (DE), The Ensemble Theatre (TX), The 52nd Street Project (NY), Folger Theatre (DC), HERE (NY), Hudson Valley Shakespeare Festival (NY), The Human Race Theatre Company (OH), Intiman Theatre (WA), LAByrinth Theater Company (NY), Lark Play Development Center (NY), The Lyric Stage Company of Boston (MA), Main Street Theater (TX), Merrimack Repertory Theatre (MA), Nashville Repertory Theatre (TN), The New Conservatory Theatre Center (CA), New Dramatists, Inc (NY), New Repertory Theatre (MA), New Stage Theatre (MS), New York Stage & Film, Inc. (NY), A Noise Within (CA), North Coast Repertory Theatre (CA), Northlight Theatre (IL), Penobscot Theatre (ME), Penumbra Theatre Company (MN), Perseverance Theatre (AK), Pig Iron Theatre Company (PA), Pillsbury House Theatre (MN), PlayMakers Repertory Company (NC), Portland Stage Company (ME), San Francisco Playhouse (CA), SITI Company (NY), SpeakEasy Stage Company (MA), Taproot Theatre Company (WA), THEATREWORKS (CO), Timeline Theatre Company (IL), Triad Stage (NC), Victory Gardens Theater (IL), WaterTower Theatre (TX), Weston Playhouse Theatre Company (VT), The Wooster Group (NY)

BUDGET GROUP 4 THEATRES
($3 million - $4,999,999)

Arkansas Repertory Theatre (AR), Arts Center of Coastal Carolina (SC), Barrington Stage Company (MA), Court Theatre (IL), Eugene O'Neill Theater Center (CT), Everyman Theatre (MD), Idaho Shakespeare Festival (ID), Marin Theatre Company (CA), Omaha Theater Company (NE), Palm Beach Dramaworks (FL), PCPA – Pacific Conservatory Theatre (CA), San Diego Repertory Theatre (CA), Virginia Stage Company (VA), The Wilma Theater (PA), Woolly Mammoth Theatre Company (DC)

BUDGET GROUP 5 THEATRES
($5 million - $9,999,999)

Alabama Shakespeare Festival (AL), American Players Theatre (WI), Arden Theatre Company (PA), Arizona Theatre Company (AZ), ArtsEmerson (MA), Asolo Repertory Theatre (FL), Atlantic Theater Company (NY), Center Stage (MD), Cleveland Play House (OH), Dallas Theater Center (TX), The Finger Lakes Musical Theatre Festival (NY), Florida Studio Theatre (FL), Geva Theatre Center (NY), Hartford Stage (CT), Imagination Stage (MD), Indiana Repertory Theatre (IN), Kansas City Repertory Theatre (MO), Long Wharf Theatre (CT), Lookingglass Theatre Company (IL), Maltz Jupiter Theatre (FL), New York Theatre Workshop (NY), The Pasadena Playhouse (CA), People's Light (PA), Pittsburgh Public Theater (PA), Portland Center Stage (OR), The Repertory Theatre of St. Louis (MO), Seattle Children's Theatre (WA), Signature Theatre (VA), The Studio Theatre (DC), Syracuse Stage (NY), Theatre for a New Audience (NY), TheatreWorks (CA), Trinity Repertory Company (RI), Two River Theater Company (NJ), Writers Theatre (IL), Yale Repertory Theatre (CT), ZACH Theatre (TX)

BUDGET GROUP 6 THEATRES
($10 million or more)

Actors Theatre of Louisville (KY), Alley Theatre (TX), Alliance Theatre (GA), American Conservatory Theater (CA), American Repertory Theater (MA), Arena Stage (DC), Arvada Center for the Arts & Humanities (CO), Berkeley Repertory Theatre (CA), Center Theatre Group (CA), Chicago Shakespeare Theater (IL), Children's Theatre Company (MN), Denver Center Theatre Company (CO), The 5th Avenue Theatre Association (WA), Ford's Theatre (DC), Geffen Playhouse (CA), Goodman Theatre (IL), Guthrie Theater (MN), Huntington Theatre Company (MA), La Jolla Playhouse (CA), Manhattan Theatre Club (NY), McCarter Theatre Center (NJ), Milwaukee Repertory Theater (WI), The Old Globe (CA), Oregon Shakespeare Festival (OR), Playwrights Horizons (NY), The Public Theater (NY), Roundabout Theatre Company (NY), Seattle Repertory Theatre (WA), The Shakespeare Theatre Company (DC), Signature Theatre Company (NY), South Coast Repertory (CA), Steppenwolf Theatre Company (IL)