The Play May Be the Thing, but the Facts Tell the Story:

THEATRE COMMUNICATIONS GROUP PUBLISHES THEATRE FACTS 2007

New York – By September 2007, the U.S. economy was threatened by escalating expenses for wars in Afghanistan and Iraq, it was anticipated that oil prices might reach $3.00 per gallon, immigration issues were ignited from coast to coast and the housing market bubble was beginning to burst in the Heartland. Theatre Facts 2007 reports that 2007, nonetheless, proved to be a period of continued growth for the not-for-profit theatre field. The majority of theatres ended the year in the black, with average total income outpacing expenses, and for those showing deficits, diminished shortfalls as compared to previous years.

Theatres continue to make tremendous contributions to the nation’s artistic legacy, to their communities and to the economy while facing both ongoing challenges and an environment of increasing uncertainty. The report reveals that although the field has suffered some set-backs, it has also made progress.

“In our capacity as American theatres’ national service organization, we take pride in being able to provide the only document analyzing the fiscal health of the not-for-profit theatre field,” said Teresa Eyring, executive director of Theatre Communications Group (TCG). “As nurturers and supporters of the American theatre, we are pleased to report that theatre remains a vital part of the fabric of American life.”

Theatre Facts is not only a valuable tool for the field, but also for trustees, foundation and corporation executives, policy makers and the national press. Theatre leaders and trustees use this data in developing appropriate strategies for their institutions and in reaching educated conclusions about their organizational performance.

For over 30 years, Theatre Communications Group has published Theatre Facts, which draws on responses to the annual TCG Fiscal Survey to offer an analysis of the attendance, performance and fiscal health of the American not-for-profit theatre field. Theatre Facts 2007 compiles information gathered for the fiscal year that theatres completed anytime between October 31, 2006, and September 30, 2007.

Written by Zannie Giraud Voss, chair and professor, Division of Arts Administration at Southern Methodist University, and Glenn B. Voss, associate professor, Marketing Department, Cox School of Business, SMU, along with TCG staff members Christopher Shuff and Ilana B. Rose, the report examines unrestricted income and expenses, balance sheet, attendance, pricing and performance details and is organized into three sections that offer different perspectives.

Following are a few highlights from the findings reported in Theatre Facts 2007, which is now available free of charge on TCG’s website, www.tcg.org. For more information about Theatre Facts 2007, contact Linda Jacobs, TCG public relations director at 212.609.5900 x 255, or by email at ljacobs@tcg.org.

Theatre Facts 2007 At A Glance:

The Universe section provides the broadest snapshot of the industry for 2007, examining an overview of 1,910 not-for-profit theatres—196 theatres that completed the TCG Fiscal Survey and 1,714 theatres that filed IRS Form 990. Using an extrapolation formula based on annual expenses, findings include:
• Not-for-profit theatres’ contribution to the U.S. economy increased to **$1.7 billion** through payments for goods, services and employee salaries and benefits.
• Theatres offered **197,000 performances** that attracted over **31 million attendees**.
• The majority of theatres’ employees are engaged in artistic positions, with an average workplace consisting of 56% artistic, 31% technical and 13% administrative personnel.
• 51% of total income came from earned sources and 49% from contributions.

The **Trend Theatres** section provides a longitudinal analysis of the 117 theatres that have responded to the **TCG Fiscal Survey** in each of the past five years. This analysis examines trends in earned income, expenses, contributed income and attendance figures over that five year period. The trend analysis, although encouraging, also highlights areas of concern. Findings include:

• **70% of theatres ended 2007 in the black**, when combining factors such as operating results, capital gains and building campaigns proceeds. Deficits have been less severe in the past three years, while surpluses have been greater.
• Working capital (which consists of the unrestricted resources available to the theatre to meet obligations and day-to-day cash needs) was negative in each of the 5 years but improved annually, as did the investment ratio.
• **Earned income increased steadily from 2003 to 2007**, rising nearly 13% in the past year alone and outpacing inflation by 21.9% over the 5-year period.
• **Growth in total contributed income exceeded inflation by 7.4%, while expenses exceeded inflation by 7.7%.
• Average single ticket income was 6.8% lower after adjusting for inflation in 2007 than in 2003, and 2% fewer single tickets were purchased over that period.
• Average subscription income rose 3.7% over the 5-year span, however 2% fewer subscription tickets were purchased and the number of subscribers fell by 8%.
• **Total attendance declined 6.1% for the period from 2003-2007 versus the decline of 8.1% during the period from 2002-2006.**
• Occupancy/building, equipment and maintenance costs increased each year, rising 19.8% above inflation over 5 years—one of the highest expense line item increases, relating to the recent surge in new buildings and renovations.
• **Average endowment earnings were at a 5-year high in 2007**, increasing 90.8% in the past year and more than 360% over the five year period.

The **Profiled Theatres** section provides the greatest level of detail for the 196 theatres that completed the **TCG Fiscal Survey 2007**. This analysis breaks down earned and contributed income, expenses, attendance, pricing and performance information by budget group and in aggregate. Findings include:

• In 2007, earned income financed 63% of total expenses and contributed income financed 46.6%, which shows that total income exceeded total expenses by 9.6%.
• Income from ticket sales represented 64.5% of total earned income and supported over 40% of all expenses.
• The labor-intensive nature of theatre is evidenced by the fact that 56% of total expenses—over **$520 million**—goes to compensation (including salaries, benefits and royalties to playwrights).
• Theatres received gifts totaling more than **$160 million from individuals** (the largest single source of contributed income), which supported 17% of total expenses and accounted for 37% of all contributed dollars.
• 47 theatres were in capital campaigns in 2007 that generated $53 million or 12% of all contributed funds

Theatre Communications Group (TCG) is the national organization for the American theatre. Its mission is to strengthen, nurture and promote the professional, not-for-profit American theatre. TCG initiatives include a variety of artistic, management, international and advocacy programs. TCG’s many publications offer a national resource for reference, opinion and debate on theatre and the performing arts today.