

For immediate release  
July 29, 2009

Contact: Linda Jacobs  
212.609.5900, ext. 255

“From principles is derived probability,  
but truth or certainty is obtained only from facts”  
---Tom Stoppard

## **THEATRE COMMUNICATIONS GROUP PUBLISHES *THEATRE FACTS 2008***

New York – By September 2008, unemployment was the highest it had been since 2003 (84,000 lost jobs in August 2008); Fannie Mae and Freddie Mac were under Government conservatorship; the Bank of America acquired Merrill Lynch; Lehman Brothers was about to declare bankruptcy; and our economy had been reeling from the sub-prime mortgage crisis for over a year. ***Theatre Facts 2008*** reports that the not-for-profit theatre field although also shaken by the state of the union, increased its contribution to the economy to 1.9 billion and offered 202,000 performances that attracted 32 million attendees.

“Certainly, we as a field are feeling pressure in these still bleak economic times, said Teresa Eyring, TCG’s Executive Director. “In some ways it makes *Theatre Facts* even more important, allowing each theatre to assess its positioning in the field as a whole. We’re aware that our survey for fiscal years ending in 2009 may look bleaker.”

***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 2008*** compiles information gathered for the fiscal year that theatres completed anytime between October 31, 2007, and September 30, 2008.

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 2008***, which is now available free of charge on TCG’s website, [www.tcg.org](http://www.tcg.org). For more information about ***Theatre Facts 2008***, contact Linda Jacobs, TCG public relations director at 212.609.5955, or by email at [ljacobs@tcg.org](mailto:ljacobs@tcg.org).

## ***Theatre Facts 2008 At A Glance:***

The **Universe** section provides the broadest snapshot of the industry for 2008, examining an overview of 1,919 not-for-profit theatres—176 theatres that completed the TCG Fiscal Survey and 1,743 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 **\$1.9 billion** through payments for goods, services and employee salaries and benefits.
- Theatres offered **202,000 performances** that attracted over **32 million attendees**.
- **The majority of theatres' employees are engaged in artistic positions**, with an average workplace consisting of 63% artistic, 26% technical and 11% administrative personnel.
- 51% of total income came from earned sources and 49% from contributions.

The **Trend Theatres** section provides a longitudinal analysis of the 105 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 from 2004-2008. Findings include:

- 55% of theatres ended 2008 in the red. 2008 was the only year in the last five where CUNA (the change in unrestricted net assets) was negative—due in part to a shift from capital gains in 2004-2007 to capital losses in 2008 and a 19% growth in total expenses.
- 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 five years but improved annually, as did the investment ratio.
- On average, theatres experienced capital losses rather than capital gains in 2008; over time, however, capital campaigns left theatres with substantial growth in both fixed assets and investments.
- Total earned income increased 6% from 2004 to 2008 and total contributed income exceeded inflation by 14.3%. When combined, it equals a 9.4% increase in total income over the period but total income supported 7.8% less of total expenses in 2008 than in 2004, the lowest level of expense support during the five year period.
- Average single ticket income was 18.3% higher after adjusting for inflation in 2008 than in 2004, and 11% more single tickets were purchased over that period. Although, this income supported less of the average theatre's total expenses over time.
- Overall resident production attendance was 1.9% higher in 2008 than in 2004 and the number of performances rose 5.2% over time.
- Average subscription income rose 2.6% over the five year span, however, 8% fewer subscription tickets were purchased and the number of subscribers fell by 10%.
- Average expenses experienced double-digit growth in excess of inflation from 2004 to 2008 in all categories except artistic payroll and royalties.
- Cash reserves were lower in 2008 than in 2004 after adjusting for inflation.

The **Profiled Theatres** section provides the greatest level of detail for the 176 theatres that completed the *TCG Fiscal Survey 2008*. This analysis breaks down earned and contributed income, expenses, attendance, pricing and performance information by budget group and in aggregate. Findings include:

- In 2008, earned income financed 55.1% of total expenses and contributed income financed 44.4%, which shows that total income fell short of total expenses by 0.5%.
- Income from ticket sales represented 75% of total earned income and supported over 41% of all expenses.
- On average, theatres experienced capital losses rather than gains in 2008, reducing the aggregate earned income reported by theatres by 0.8%.
- The labor-intensive nature of theatre is evidenced by the fact that over 56% of total expenses goes to compensation (including salaries, benefits and royalties to playwrights).
- Theatres received gifts totaling more than \$162 million from individuals (the largest single source of contributed income), which supported nearly 17% of total expenses and accounted for 38% of all contributed dollars.
- 48 theatres were in capital campaigns in 2008 that generated \$37 million or 9% of all contributed funds

####

Theatre Communications Group (TCG), the national organization for the American theatre, serves 500 member theatres and more than 14,000 individuals nationwide. Founded in 1961 at the outset of the American regional theatre movement, our mission remains unchanged today: to strengthen, nurture and promote the professional not-for-profit American theatre.  
TCG is a 501(c)(3) not-for-profit corporation.