As an up-to-the-minute complement to the annual Fiscal Survey, TCG launched a program in 2008 to capture theatres’ most current state of affairs through Taking Your Fiscal Pulse snapshot surveys. In light of the economic crisis, these surveys have been particularly useful to the field in keeping current about circumstances faced by many theatres. These surveys help managers to benchmark their theatre’s condition relative to others’ so that they, along with key stakeholders, can get a timely sense of how the field is maneuvering through this difficult time.

The Taking Your Fiscal Pulse—August 2009 snapshot survey marked TCG’s second collaboration with the Association of Performing Arts Service Organizations (APASO), the result of which was participation by over 465 not-for-profit theatres and a greater sense of the state of the national theatre field. This report relays national findings from this snapshot survey. Theatres reported on the actual and projected activity for their fiscal year ending anytime between spring 2009 through winter 2010. Throughout this report, we provide data only for the theatres that responded to each individual question. So, when we say that a certain percentage of theatres answered ‘yes’ to a question, that percentage is calculated leaving out the theatres that skipped it. Reported findings pertain to theatres of all sizes unless otherwise noted. In charts and figures, there may be slight discrepancies in the totals due to rounding.

The survey was designed to be completed in 10 minutes or less with multiple choice questions, checklists and rating scales. The data reported on in this document was not verified against theatres’ audits, as is the case with Theatre Facts. It is as accurate a snapshot of the field’s fiscal health as is possible given the survey’s design.
Number of Respondents by State (states with no survey participants are left blank):

Percentage of Theatres by Budget Size

<table>
<thead>
<tr>
<th>Budget Size (annual expenses) of theatres that responded to the survey*</th>
<th>Number of Theatres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Group 1 (Under $50,000)</td>
<td>90</td>
</tr>
<tr>
<td>Budget Group 2 ($50,000 - $249,999)</td>
<td>106</td>
</tr>
<tr>
<td>Budget Group 3 ($250,000 - $499,999)</td>
<td>64</td>
</tr>
<tr>
<td>Budget Group 4 ($500,000 - $999,999)</td>
<td>62</td>
</tr>
<tr>
<td>Budget Group 5 ($1 million - $2,999,999)</td>
<td>73</td>
</tr>
<tr>
<td>Budget Group 6 ($3 million - $4,999,999)</td>
<td>28</td>
</tr>
<tr>
<td>Budget Group 7 ($5 million - $9,999,999)</td>
<td>23</td>
</tr>
<tr>
<td>Budget Group 8 ($10 million or more)</td>
<td>19</td>
</tr>
<tr>
<td>TOTAL</td>
<td>465</td>
</tr>
</tbody>
</table>

*These Budget Groups do not correspond to those typically used by TCG.

Budget Projections

We asked theatres to identify the closing month of their fiscal year so that we would have a sense of whether they were starting, midway through or ending their current year. It is interesting to note that 41% of responding theatres end their fiscal year in June, another 28% in December and the remainder throughout the calendar year with the exception of November, reported by no one.
Of the 465 respondents, 322 (69%) were ending their current fiscal year (FY) by September 30, 2009 and the remaining 143 would end between October 2009 and February 2010. We asked questions a bit differently for these two groups. For those who already ended or were about to end their fiscal year (by 9/30/09), we asked questions generally pertaining to their actual year-end experience. We will refer to this group as “Group X.” For those who had a while to go before ending the fiscal year, we framed questions to assess their predictions. We refer to them as “Group Y.” Below we present our findings for the two groups of theatres with respect to questions about their finances for the current fiscal year.

**GROUP X THEATRES = FY END BY 9/30/09**
**GROUP Y THEATRES = IN THE MIDST OF THEIR FY**

**How did you end or how do you anticipate ending Fiscal Year 09 (322 Group X Theatres)?**

- Deficit of more than 25% of total expenses: 3%
- Deficit of 11-25% of total expenses: 11%
- Deficit of 1-10% of total expenses: 21%
- Break-even: 28%
- Surplus of 1-10% of total expenses: 21%
- Surplus of 11-25% of total expenses: 2%
- Surplus of more than 25% of total expenses: 1%

**Deficit: 48%**
**Break-even: 28%**
**Surplus: 24%**

**At this point in your fiscal year, are you anticipating a year-end budget result that is (143 Group Y Theatres):**

- Deficit of more than 25% of total expenses: 8%
- Deficit of 11-25% of total expenses: 20%
- Deficit of 1-10% of total expenses: 26%
- Break-even: 31%
- Surplus of 1-10% of total expenses: 13%
- Surplus of 11-25% of total expenses: 3%
- Surplus of more than 25% of total expenses: 0%

**Deficit: 54%**
**Break-even: 31%**
**Surplus: 16%**

The outlook is more sober for those finishing their fiscal year after September, but not to a significant level. Only 16% of these Group Y theatres anticipate a surplus as compared with 24% of Group X theatres. Of Group Y theatres, 54% are preparing themselves for a deficit versus 48% of Group X theatres.
Regarding the above question, how does your answer relate to your original budget for FY09 (Group X)/for your current fiscal year (Group Y)?

Nearly half of all theatres believe that their fiscal year will end worse than anticipated in their original budget, regardless of whether they already ended or are in the midst of their fiscal year. This means that if they originally planned on a surplus it is now projected to be less than initially expected, and if they projected a deficit it is now expected to be more severe. Whereas only 38% of Group X theatres ended FY09 similar to initial projections, this is the case for 46% of Group Y theatres. By contrast, 16% of Group X theatres ended the year better than initially expected as compared to only 7% of Group Y theatres. Overall, the difference in responses between the two groups was noticeable but not significant.

Group Y theatres were asked: Are you re-projecting your expenses for your current fiscal year? Of the 143 theatres, 56% reported that they are re-projecting. There were no differences in reporting based on theatre size.

The next question compared various levels of support in 2009 with that of 2008 for Group X theatres, and that of the current year with that of the past year for Group Y theatres. There were similarities between the two groups with respect to how this year compared to last year on all measures. Class tuition/income was the most stable area, while fundraising income was the most negatively impacted area:

Of Group X theatres:
- 56% reported that subscriptions/memberships were similar or higher in '09 than '08
- 63% had either similar or higher levels of single ticket sales in '09 versus '08
- 74% had similar or higher tuition income in '09 compared to '08
- 52% reported that fundraising income was lower in '09 than in '08

Of Group Y theatres:
- 59% reported that subscriptions/memberships were similar to or higher than last year
- 60% had either similar or higher levels of single ticket sales this year compared to last year
- 64% reported similar or higher tuition income
- 58% reported that fundraising income was lower than last year

The results reported here are true for theatres regardless of size. There were no significant differences across budget groups.
How did the end of FY09 compare to the end of FY08 (322 Group X theatres, number of responding theatres in parentheses)?

![Bar chart showing comparisons for subscriptions/memberships, single tickets, class/tuition income, and fundraising.]

In this fiscal year, how do the following compare to your previous fiscal year (143 Group Y theatres; number of responding theatres in parentheses):

![Bar chart showing comparisons for subscriptions/memberships, single tickets, class/tuition income, and fundraising.]

Legend:
- Substantially lower
- Somewhat lower
- Same as or similar to
- Somewhat higher
- Substantially higher
To dig a bit deeper into the root causes of why theatres fared or are faring better, worse or no different than their original budget for the fiscal year, we asked about variance across income and expense areas.

**At the end of FY09, how did the following compare to your original FY09 budget (322 Group X theatres)?**

<table>
<thead>
<tr>
<th>Category</th>
<th>0%</th>
<th>10%</th>
<th>20%</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
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</thead>
<tbody>
<tr>
<td>Overall ticket sales</td>
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<td>Government contributions</td>
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<td>Foundation contributions</td>
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<td>Corporate contributions</td>
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<tr>
<td>Trustee contributions</td>
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<td>Non-trustee Individual</td>
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<tr>
<td>Program expenses</td>
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<td>Personnel expenses</td>
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<td>Operations expenses</td>
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**At the end of your fiscal year, to what degree do you anticipate the following will vary from your original budget (143 Group Y theatres)?**

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<th>Category</th>
<th>0%</th>
<th>10%</th>
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</table>
Group X and Group Y theatres reported the following differences between their fiscal year-end income (or anticipated fiscal year-end income) from various sources and their original budget.

Of Group X theatres:
- 50% ended their fiscal year with overall ticket sales similar to or higher than their original budget
- 61% ended their fiscal year with government contributions similar to or higher than their original budget
- 55% ended their fiscal year with lower foundation contributions than their original budget
- 71% ended their fiscal year with lower corporate contributions than their original budget
- 63% ended their fiscal year with trustee contributions similar to or higher than their original budget
- 53% ended their fiscal year with non-trustee individual contributions similar to or higher than their original budget

Of Group Y theatres:
- 61% anticipated ending their fiscal year with overall ticket sales similar to or higher than their original budget
- 52% anticipated ending their fiscal year with lower government contributions than their original budget
- 52% anticipated ending their fiscal year with lower foundation contributions than their original budget
- 58% anticipated ending their fiscal year with lower corporate contributions than their original budget
- 66% anticipated ending their fiscal year with trustee contributions similar to or higher than their original budget
- 53% anticipated ending their fiscal year with non-trustee individual contributions similar to or higher than their original budget

Group X and Y theatres reported the following differences between their fiscal year-end expenses (or anticipated fiscal year-end expenses) and their original budget:

Of Group X theatres:
- 40% ended their fiscal year with lower program expenses than their original budget
- 46% ended their fiscal year with personnel expenses similar to their original budget
- 42% ended their fiscal year with operations expenses similar to their original budget

Of Group Y theatres:
- 44% anticipated ending their fiscal year with program expenses similar to their original budget
- 48% anticipated ending their fiscal year with personnel expenses similar to their original budget
- 46% anticipated ending their fiscal year with operations expenses similar to their original budget

In looking at FY10/your next fiscal year, do you anticipate:

- Decreasing your budget by more than 25%: 5% for Group X, 6% for Group Y
- Decreasing your budget by 11-25%: 12% for Group X, 14% for Group Y
- Decreasing your budget by 1-10%: 21% for Group X, 21% for Group Y
- Keeping your budget the same or similar: 42% for Group X, 32% for Group Y
- Increasing your budget by 1-10%: 14% for Group X, 13% for Group Y
- Increasing your budget by 11-25%: 5% for Group X, 5% for Group Y
- Increasing your budget by more than 25%: 1% for Group X, 1% for Group Y
The last question posed to both Group X and Y theatres asked how they were approaching their budget level for the coming fiscal year compared to that of the current or very recently completed fiscal year. The overall difference in the average response to the question for Group X theatres versus Group Y theatres was significant. The most frequent answer for Group X theatres (32%) was a 1-10% decrease in the FY10 budget compared with that of FY09, whereas Group Y theatres (42%) most often answered that they will keep next year’s budget similar to that as this year’s. 58% of Group X theatres intended to decrease their budget, compared to 39% of Group Y theatres.

One question was asked only of Group X theatres. Of these 322 theatres, 210 responded, with their answers fairly well distributed across the three response categories provided. 64% of theatres’ subscriptions/memberships for FY10 are similar to or higher than those at this time last year.

How do subscriptions/memberships for FY10 currently compare with subscriptions/memberships for FY09 at this time last year?

Endowment

The next section of the survey questions relate to endowments. Of the 465 theatres, 109—slightly fewer than one quarter—reported having an endowment:

- The larger the theatre, the more likely it is to have an endowment.
- Of the 109 theatres with an endowment, 40 have had the endowment level fall below its historical value, making it legally difficult to take a draw.
- Only 5% of theatres with an endowment increased the percentage of their draw from last year; 55% remained the same and 40% decreased theirs from that of their last fiscal year.

Actions in Response to the Economic Crisis

The survey concluded with a series of questions related to how theatres are coping with the economic climate. Just over half of the theatres are having or expect to have cash flow problems this year. This was the case regardless of theatre size. Although fewer than half of the theatres responded to a question asking if they had trouble securing a line of credit from a bank, 75% of those that did respond had no trouble and 25%—58 theatres—did.
Have you taken or do you plan to take any of the following budgetary actions in response to the economic crisis (check all that apply)?

- Reduction or freeze of salaries
- New ticket discounting
- Additional income-generating programming (non-ticket sales)
- Reduction in the number of paid artists
- Reduction in traveling/conferences
- Reduction in the number of administrative staff
- Reduction in the number of productions
- Substitution of a larger cast show with a smaller cast show
- Reduction in the number of tech/production staff
- Alternative uses of facilities
- Reduction in the number of performances
- Reduction or cancellation of other programming or events
- Change of salaried staff to seasonal/part-time
- Reduction in the number of artistic staff
- Imposition of staff furloughs
- Reduction in other fringe benefits
- Halt/reassessment of capital campaign
- Requirement of greater employee health care contributions
- Substitution of a produced show with a booked-in show
- Suspension of retirement plan matches
- Reduction in spouse/family benefits
- Getting work rules, pension and health care contributions changed for union stagehands
- Focusing on co-productions
- Being more cautious in our programming
- Offering more programming
- Trying to find a cheaper space
- Bringing in another theatre company to share the space and help pay the rent
- Identifying new funding sources
- Adding a development staff member in order to raise more money
- Reducing interest payments
- Streamlining the administrative structure

Theatres engaged in a variety of revenue-generating and cost-reduction measures. The action engaged in by the most theatres was a reduction or freeze of salaries (43%), followed by new ticket discounting (40%), generation of additional income through non-ticket sales programming and a reduction in the number of paid artists (e.g., actors, directors, designers, etc.) (36% each). It is interesting to note that no more than 43% of theatres took any one action, indicating that responses are quite varied at this point in the evolution of the economic crisis.

Theatres were also given the opportunity to share other budgetary actions that they are taking in response to the economic crisis. Here is a listing of those actions:

- Switching shops to cheaper locations
- Using all recycled materials for sets
- Reducing design elements
- Looking for less costly projects to produce
- Cutting marketing and production budgets
- Using more in-house directors
- Changed Equity contract
- Reducing seasonal staff contract length
- Doing two shows in rep instead of two separate shows
- Founding artistic director waiving compensation
- Getting work rules, pension and health care contributions changed for union stagehands
- Focusing on co-productions
- Being more cautious in our programming
- Offering more programming
- Trying to find a cheaper space
- Bringing in another theatre company to share the space and help pay the rent
- Identifying new funding sources
- Adding a development staff member in order to raise more money
- Reducing interest payments
- Streamlining the administrative structure
In addition to asking about planned budgetary actions in response to the economic crisis, the survey addressed plans regarding other practices. The focus appears to be on more communication. As shown in the following chart, more than three-quarters of the theatres are planning to use more technology and social networking and nearly 60% are engaging in more communication with stakeholders. Interestingly, 29% of theatres plan to narrow their programming focus on their core artistic mission while 13% plan to broaden programming outside of the core artistic mission.

**Have you implemented or do you plan to implement any of the following practices:**

<table>
<thead>
<tr>
<th>Practice</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>More use of technology and social networking</td>
<td>78%</td>
</tr>
<tr>
<td>More communication with stakeholders</td>
<td>59%</td>
</tr>
<tr>
<td>Revised internal planning process</td>
<td>51%</td>
</tr>
<tr>
<td>Shared services, space and/or operations with other organizations</td>
<td>43%</td>
</tr>
<tr>
<td>Narrowing of focus to programs within the core of our artistic mission</td>
<td>29%</td>
</tr>
<tr>
<td>Joining with other organizations to buy in bulk/collectively bargain for reduced rates</td>
<td>14%</td>
</tr>
<tr>
<td>Broadening of focus to programs outside the core of our artistic mission</td>
<td>13%</td>
</tr>
</tbody>
</table>

Theatres were also given the opportunity to share other actions that they are taking in response to the economic crisis. Here is a listing of those actions:

- Adding a production
- More advanced planning
- Internet programming
- More online marketing versus print
- Outsourcing of non-critical operations
- Offering staff-taught master classes
- Modifying season calendar to allow more time for fundraising
- Shared fundraisers
- Holding strategic planning sessions
- Increasing the board
- Higher degree of collaboration with our core volunteers
Finally, theatres were asked to assess their overall condition. The sentiment most frequently relayed is cautious optimism. On average, theatres are feeling the impact of the economic crisis, but the leadership thinks things will either remain level or improve.

At this point, how would you best describe the state of your organization in relation to the economic crisis?

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>We haven’t been hit hard by the economic crisis and don’t think we will be</td>
<td>6%</td>
</tr>
<tr>
<td>We haven’t been hit hard by the economic crisis, but fear the other shoe will drop</td>
<td>11%</td>
</tr>
<tr>
<td>We’re feeling the impact of the economic crisis, but think things will remain level/improve</td>
<td>45%</td>
</tr>
<tr>
<td>We’re feeling the impact of the economic crisis and worry that the worse is coming</td>
<td>22%</td>
</tr>
<tr>
<td>We have been hit extremely hard by the economic crisis, but think things will remain level/improve</td>
<td>9%</td>
</tr>
<tr>
<td>We have been hit extremely hard by the economic crisis and worry that the worse is coming</td>
<td>5%</td>
</tr>
<tr>
<td>We have been hit extremely hard by the economic crisis and our organization is in peril</td>
<td>2%</td>
</tr>
</tbody>
</table>

Methodology

This report is a compilation of national theatre data collected from the Taking Your Fiscal Pulse—August 2009 snapshot survey, which was conducted by TCG, in partnership with APASO. Theatres reported on the actual and projected activity for their fiscal year ending anytime between spring 2009 through winter 2010. The survey was designed to be completed in 10 minutes or less with multiple choice questions, checklists and rating scales. The data reported on in this document was not verified against theatres’ audits, as is the case with Theatre Facts. It is as accurate a snapshot of the field’s fiscal health as is possible given the survey’s design. The survey was created by Christopher Shuff and Ilana B. Rose with input from members of APASO.

For more information on TCG’s research efforts including the Snapshot Surveys, Theatre Facts and other projects, visit the Tools & Research section of the TCG website.

*This report was made possible by a grant from the William and Flora Hewlett Foundation.*