



TAKING YOUR FISCAL PULSE: JANUARY 2009

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In addition to regular research efforts, such as the annual Fiscal Survey, TCG launched a program in 2008 that would provide more timely and up-to-date fiscal information for its members through snapshot surveys conducted at varying points throughout the year. In light of the current economic crisis, these surveys have been particularly useful to the field, as we attempt to better interpret some of the anecdotal information that we receive daily. The results serve as an invaluable benchmarking tool for theatre leaders as they maneuver through this difficult period and also supply timely information for theatre stakeholders—trustees, foundation and corporate executives, policy makers and the national press.

This report is a compilation of the data from the second *Taking Your Fiscal Pulse* snapshot survey, which was conducted in January 2009. It highlights fiscal data from members during the period of fall 2008-winter 2009, as well as budget projections and re-projections for participants' fiscal year end. The report also includes notes on various Budget Group outliers that were discovered in the analysis. A companion report, *Taking Your Fiscal Pulse: January 2009, Budget Group Analysis*, which includes detailed data organized by Budget Group, is available in the [Snapshot Survey](#) section of the TCG website.

The snapshot survey was designed to be completed in less than 10 minutes with answer options from checklists, multiple choice questions and rating scales. Unlike TCG's formalized fiscal research publication, *Theatre Facts*, which uses audit-verified data from the comprehensive TCG Fiscal Survey, the data in this report is unverified. This report is as accurate a snapshot of the fiscal health of the field as possible, given the confines of the structure of this type of survey.

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.

Budget Group (annual expenses):		
Budget Group 1 (\$50,000 - \$499,999)	36	17%
Budget Group 2 (\$500,000 - \$999,999)	45	22%
Budget Group 3 (\$1 million - 2,999,999)	61	29%
Budget Group 4 (\$3 million - 4,999,999)	24	11%
Budget Group 5 (\$5 million - 9,999,999)	22	10%
Budget Group 6 (\$10 million or more)	22	10%
Total	210	100%

1) Are you reprojecting your expenses for this year?

Yes	162	77%
No	48	23%
Total	210	100%

- ◆ In each budget group, more than 58% of theatres reported that they are reprojecting their expenses for this year.
- ◆ Budget Group 5 and Budget Group 6 had the highest percentages of theatres (91% and 100%, respectively) report that they are reprojecting expenses.

2) If you are reprojecting your expenses for this year, please estimate the difference between your original budget and your reprojected. (Example: Original budget = \$2,500,000; Reprojection = \$3,000,000; Difference = increase of \$500,000).

14 theatres (of 160 responders) reported increases in expenses totaling \$2,244,433.

146 theatres (of 160 responders) reported decreases in expenses totaling \$33,036,583.

3) At this point in your fiscal year, are you projecting a year-end budget result that is:

Deficit of 1-10% of total expenses	98	47%
Deficit of 11-25% of total expenses	22	10%
Deficit of 25% or more of total expenses	2	1%
Break-even	65	31%
Surplus of 1-10% of total expenses	23	11%
Surplus of 11-25% of total expenses	0	0%
Surplus of 25% or more of total expenses	0	0%
Total	210	100%

- ◆ Budget Group 5 (77%) and Budget Group 6 (68%) had the highest percentages of theatres report that they are projecting a deficit.
- ◆ While very few theatres reported a projected surplus, there was at least one theatre in each budget group, with the exception of Budget Group 5.

4) Regarding the previous question, how does your answer relate to your original budget?

Worse than budget (your surplus = less than original budget; your deficit = more than original budget)	129	61%
Better than budget (your surplus = more than original budget; your deficit = less than original budget)	14	7%
Similar to or same as budget	67	32%
Total	210	100%

- ◆ Budget Group 5 had the highest percentage of theatres (82%) report that their year-end projection is “worse than budget,” followed by Budget Group 6 (77%).
- ◆ 50% of Budget Group 1 theatres and 54% of Budget Group 4 theatres reported that their year-end projection is “similar to or same as budget.”

5) If you answered "worse than budget," how much do you attribute it to the economic downturn?

Not at all	2	2%
Somewhat	61	47%
Entirely	66	51%
Total	129	100%

- ◆ Most theatres were split between “somewhat” and “entirely” blaming the economic downturn, with the exception of Budget Group 4, of which 82% entirely blamed the economy (even though most of Budget Group 4 theatres reported a year-end projection similar to their original budget).

6) During the period between 9/1/08 and 12/31/08, to what degree did the following vary from your original budget?

	Substan- tially lower	Somewhat lower	Similar to/same as	Somewhat higher	Substan- tially higher	Total
Subscriptions	23 15%	47 30%	45 29%	29 18%	13 8%	157 100%
Non-holiday single ticket sales	32 17%	63 34%	49 27%	30 16%	11 6%	185 100%
Holiday show single ticket sales	26 19%	40 29%	35 26%	21 16%	14 10%	136 100%
Calendar year-end fundraising campaign	32 16%	82 41%	53 26%	28 14%	6 3%	201 100%
Classes/tuition income	11 10%	29 28%	54 51%	11 10%	1 1%	106 100%

- ◆ Of theatres with subscriptions, Budget Group 5 had the highest percentage of theatres (68%) report that subscriptions were “somewhat lower” or “substantially lower” than budgeted.
- ◆ 51% of theatres reported that non-holiday ticket sales were “somewhat lower” or “substantially lower.” Budget Group 1 (26%) and Budget Group 4 (36%) had the lowest percentages of theatres report “somewhat lower” or “substantially lower” and Budget Group 3 (65%) had the highest.
- ◆ Of theatres with holiday shows, Budget Group 5 had the highest percentage of theatres (68%) report that holiday show single tickets were “somewhat lower” or “substantially lower” than budgeted. While the same number of theatres in Budget Group 1 and Budget Group 6 reported having holiday shows, only 20% of Budget Group 6 theatres reported “somewhat lower” or “substantially lower” ticket sales while 53% of Budget Group 1 theatres reported lower ticket sales.
- ◆ Results for a calendar year-end fundraising campaign were fairly consistent across budget groups.
- ◆ Budget Group 2 had the highest percentage of theatres (61%) report that classes/tuition income was “somewhat lower” or “substantially lower” than budgeted. Budget Group 5 had the lowest percentage of theatres (8%) report lower classes/tuition income.

7) To what degree do you anticipate the following will vary from your original budget this year?					
	Substantially lower	Somewhat lower	Similar to/same as	Somewhat higher	Substantially higher
Overall ticket sales	36 17%	81 39%	58 28%	29 14%	6 3%
Government contributions	33 16%	67 32%	92 44%	17 8%	1 0%
Foundation contributions	37 18%	83 40%	71 34%	16 8%	3 1%
Corporate contributions	70 33%	85 40%	42 20%	9 4%	4 2%
Trustee contributions	12 6%	59 28%	105 50%	27 13%	7 3%
Non-trustee individual contributions	28 13%	102 49%	55 26%	23 11%	2 1%
Expenses	29 14%	93 44%	60 29%	27 13%	1 0%

- ◆ Budget Group 5 and Budget Group 6 had the most theatres (77% and 68%, respectively) report an expectation that overall ticket sales would be “somewhat lower” or “substantially lower” than originally budgeted. They were followed by Budget Group 3, with 64% of theatres. Budget Group 1 had only 33% of theatres report an expectation that overall ticket sales would be “somewhat lower” or “substantially lower” than budgeted.
- ◆ Budget Group 2 theatres had the highest percentage of theatres (67%) report an expectation that government contributions would be “somewhat lower” or “substantially lower” than budgeted, followed by Budget Group 5 (55%).
- ◆ Budget Group 4 had the lowest percentage of theatres (42%) report an expectation of “somewhat lower” or “substantially lower” foundation contributions, followed by Budget Group 6 (50%). Budget Group 5 had the highest percentage (73%) of theatres report an expectation of lower foundation contributions.
- ◆ A significantly higher percentage (91%) of BG 5 theatres reported an expectation of “somewhat lower” or “substantially lower” corporate contributions.

- ◆ All budget groups were in range with the expectation that trustee contributions would be “similar to or same as” originally budgeted and that non-trustee individual contributions would be “somewhat lower” or “significantly lower” than budgeted.
- ◆ Budget Groups 4, 5 and 6 had the highest percentages of theatres (75%, 77% and 77%, respectively) report an expectation that expenses would be “somewhat lower” or “substantially lower” than budgeted.

8) Do you have an endowment?		
Yes	88	42%
No	122	58%
Total	210	100%

- ◆ The majority of Budget Group 1-3 theatres do not have endowment (92%, 80% and 62%, respectively). The majority of Budget Group 4-6 theatres do (58%, 77% and 100%, respectively).

9) If you have an endowment, has it fallen below its historical value, making it legally impossible to take a draw?		
Yes	28	32%
No	60	68%
Total	88	100%

- ◆ Of the three Budget Group 1 theatres with an endowment, 100% reported that their endowment has fallen below its historical value, making it legally impossible to take a draw. Budget Group 5 had the second highest percentage (47%).

10) If you have an endowment, has the percentage of your draw:		
Increased	7	8%
Decreased	36	41%
Remained the same	45	51%
Total	88	100%

11) Do you expect to have cash flow problems this year?		
Yes	124	59%
No	86	41%
Total	210	100%

- ◆ Budget Group 4 and Budget Group 6 were the only budget groups that had 50% or more theatres report that they did not expect to have cash flow problems this year.

12) Have you had trouble securing a line of credit from a bank?		
Yes	26	12%
No	101	48%
N/A	83	40%
Total	210	100%

13) 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 in number of productions	41	20%
Reduction in number of performances	34	16%
Substitution of a produced play in your season with a booked-in show	19	9%
Substitution of a larger cast play in your season with a smaller cast play	60	29%
Reduction or cancellation of other programming or events	50	24%
New ticket discounting	115	55%
Alternative uses of theatre spaces	50	24%
Additional income-generating programming (non-ticket sales)	68	32%
Halt/reassessment of Capital Campaign	36	17%
Reduction in traveling/conferences	125	60%
Reduction in the number of administrative staff	100	48%
Reduction in the number of artistic staff	46	22%
Reduction in the number of technical/production staff	71	34%
Reduction or freeze of salaries	144	69%
Imposition of staff furloughs	34	16%
Suspension of retirement plan matches	17	8%
Requirement of greater employee contributions to company health plan	27	13%
Reduction in spouse/family benefits	6	3%
Reduction in other fringe benefits	14	7%
Other, please specify	38	18%

- ◆ The top four actions being taken by theatres are a reduction or freeze of salaries, a reduction in traveling/conferences, new ticket discounting and a reduction in the number of administrative staff.
- ◆ Budget Group 5 theatres had the highest percentage of theatres (82%) report a reduction or freeze of salaries, followed by Budget Group 6 theatres (77%) and Budget Group 3 theatres (74%).
- ◆ The larger groups had the highest percentages of theatres (91% of Budget Group 6 and 82% of Budget Group 5) report a reduction in traveling/conferences.
- ◆ Percentages of theatres engaging in new ticket discounting were fairly consistent across budget groups.
- ◆ The larger budget groups had much higher percentages of theatres (86% of Budget Group 5 and 64% of Budget Group 6) report a reduction in the number of administrative staff.

- ◆ Budget Groups 1 and 2 had higher percentages of theatres report additional income generating programming (non-ticket sales).
- ◆ The larger the budget group, the more likely it is to be reducing or cancelling other programming or events.
- ◆ Other actions being taken by theatres include adding volunteers, soliciting more in-kind contributions, eliminating transportation subsidies, reducing the number of shows that require royalty payments, encouraging more use of costume and set stock, cutting back on production elements, using more digital imagery in scenic design and doing co-productions with other theatres.

14) Have you implemented or do you plan to implement any of the following practices? (Check all that apply)		
More communication with stakeholders	153	73%
Revised internal planning process	142	68%
More use of technology and social networking	154	73%
Narrowing of focus to programs within the core of artistic mission	79	38%
Broadening of focus to programs outside the core of artistic mission	14	7%
Shared services with other organizations	92	44%
Other, please specify	17	8%

- ◆ Budget Groups 1-3 and Budget Group 6 had over 70% of theatres report more use of technology and social networking.
- ◆ Budget Groups 1 and 2 had the highest percentages of theatres (64% and 56%, respectively) report using shared services with other organizations, followed by Budget Group 6 (41%). Budget Group 5 had the lowest percentage of theatres (14%) report using shared services.
- ◆ Other practices being implemented by theatres include collaborations with other performing arts and the community, more advocacy and strategic partnerships, more work on outreach programming, exploring University connections for support and cross-promoting.

15) In planning for next season, are you:		
Increasing your budget from this season	10	5%
Decreasing your budget from this season	115	55%
Keeping your budget the same as or similar to this season	85	41%
Total	210	100%

- ◆ Most Budget Group 3-6 theatres are decreasing their budgets from this season.
- ◆ Most Budget Group 1-2 theatres are keeping their budgets the same as or similar to this season.