



Taking Your Fiscal Pulse—Spring 2010

A Report on the Fiscal Health of the National Not-for-Profit Theatre

By Christopher Shuff and Ilana B. Rose

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 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—Spring 2010* snapshot survey marked TCG's third collaboration with the Association of Performing Arts Service Organizations (APASO), the result of which was participation by 435 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 fall 2009 and fall 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. 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.

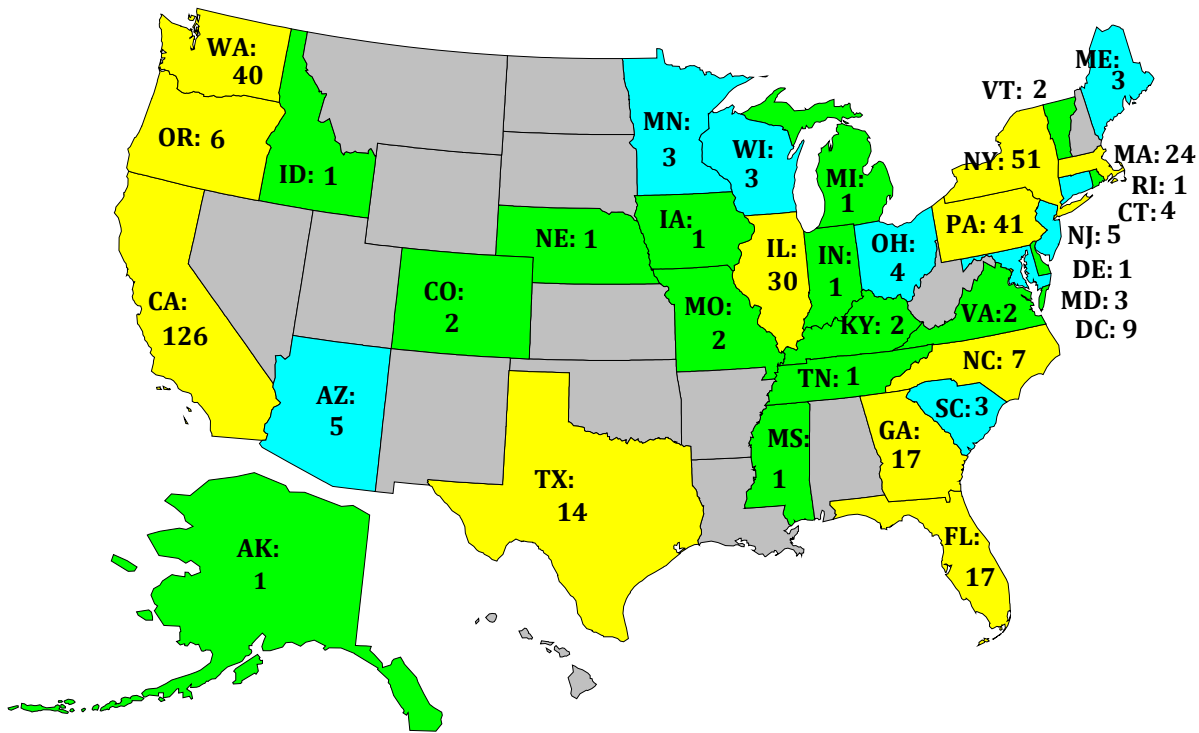
Taking Your Fiscal Pulse—Spring 2010 is being released in conjunction with [The New Normal: One Year Later](#), a report based on TCG board "phone tree" conversations that took place between TCG board members and member theatres in January and February 2010.

Profile of Survey Respondents

The *Taking Your Fiscal Pulse—Spring 2010* snapshot survey was distributed by Theatre Communications Group and the following APASO groups to their respective memberships: A.R.T./New York, Arts and Cultural Alliance of Central Florida, Arts Orange County, ArtsBoston, Atlanta Coalition of Performing Arts, Greater Austin Creative Alliance, Greater Pittsburgh Arts Council, LA Stage Alliance, League of Charleston Theatres, League of Chicago Theatres, League of Washington Theatres, New Jersey Theatre Alliance, North Carolina Theatre Conference, StageSource, Theatre Alliance of Greater Philadelphia, Theatre Bay Area, Theatre League of South Florida and Worcester Cultural Coalition.

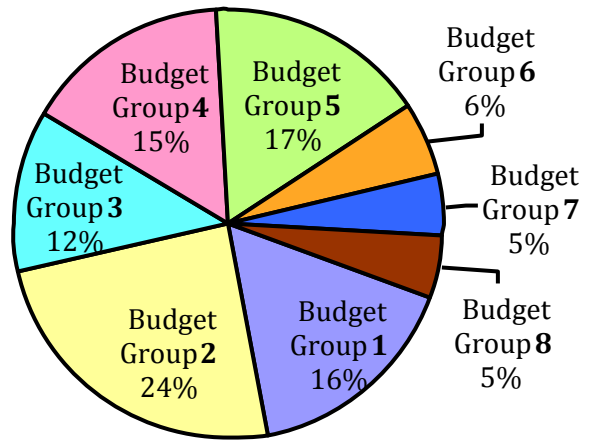
This report reflects responses by 435 organizations that identify themselves as theatre companies, including those that produce musical theatre, new plays/play development, classical theatre, etc. They represent organizations across the U.S. of a variety of sizes. The state with the highest number of participants was California, followed by New York, Pennsylvania and Washington. Of the 435 theatres, 53% have an annual budget under \$500,000.

Number of Respondents by State (states with no survey participants are left blank):



Percentage of Theatres by Budget Size

Budget Size (annual expenses) of theatres that responded to the survey*	Number of Theatres
Budget Group 1 (Under \$50,000)	71
Budget Group 2 (\$50,000 - \$249,999)	107
Budget Group 3 (\$250,000 - \$499,999)	53
Budget Group 4 (\$500,000 - \$999,999)	67
Budget Group 5 (\$1 million - \$2,999,999)	73
Budget Group 6 (\$3 million - \$4,999,999)	24
Budget Group 7 (\$5 million - \$9,999,999)	20
Budget Group 8 (\$10 million or more)	20
TOTAL	435



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

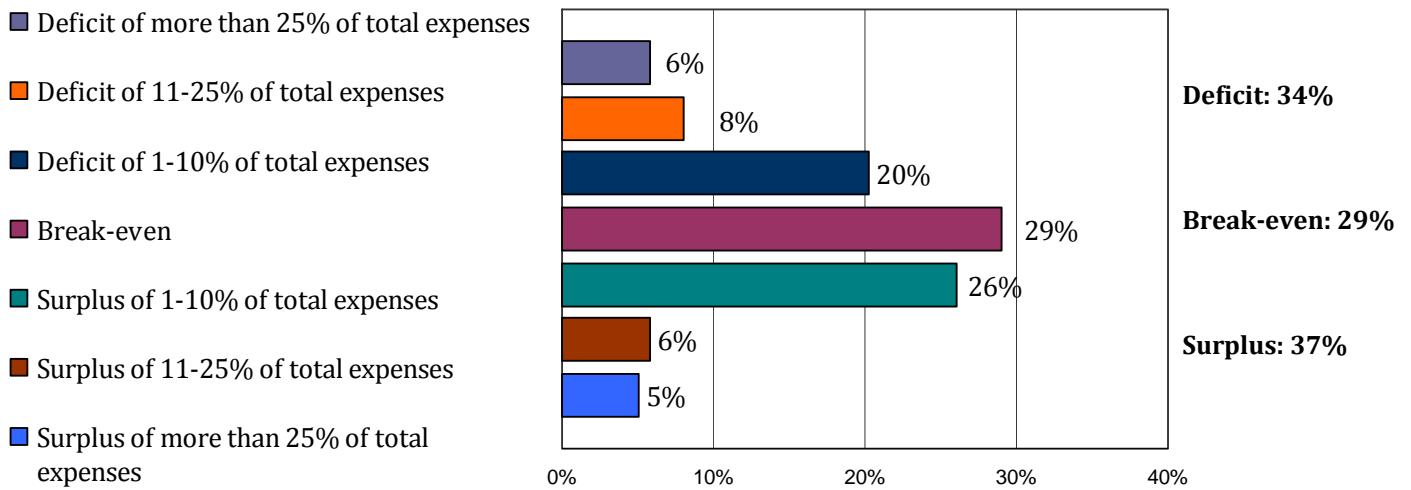
Budget Projections

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 37% of responding theatres end their fiscal year in June, another 29% in December and the remainder throughout the calendar year with the exception of November, reported by no one.

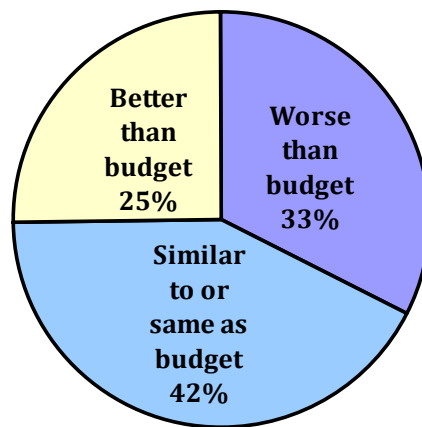
Of the 435 respondents, 138 (32%) ended their fiscal year (FY) between October 2009 and February 2010 and 297 (68%) will end between March and September 2010. We asked questions a bit differently for these two groups. For those who already ended or were about to end their fiscal year (by 2/28/10), we asked questions generally pertaining to their actual year-end experience. We refer to them as "Group X." For those who were still in the midst of their fiscal year, we framed questions to assess their projections. We refer to them as "Group Y."

GROUP X THEATRES = FISCAL YEAR END BETWEEN 10/31/09 AND 2/28/10 (138 THEATRES)

How did you end your fiscal year?



Regarding the above question, how does your answer relate to your budget for that fiscal year?

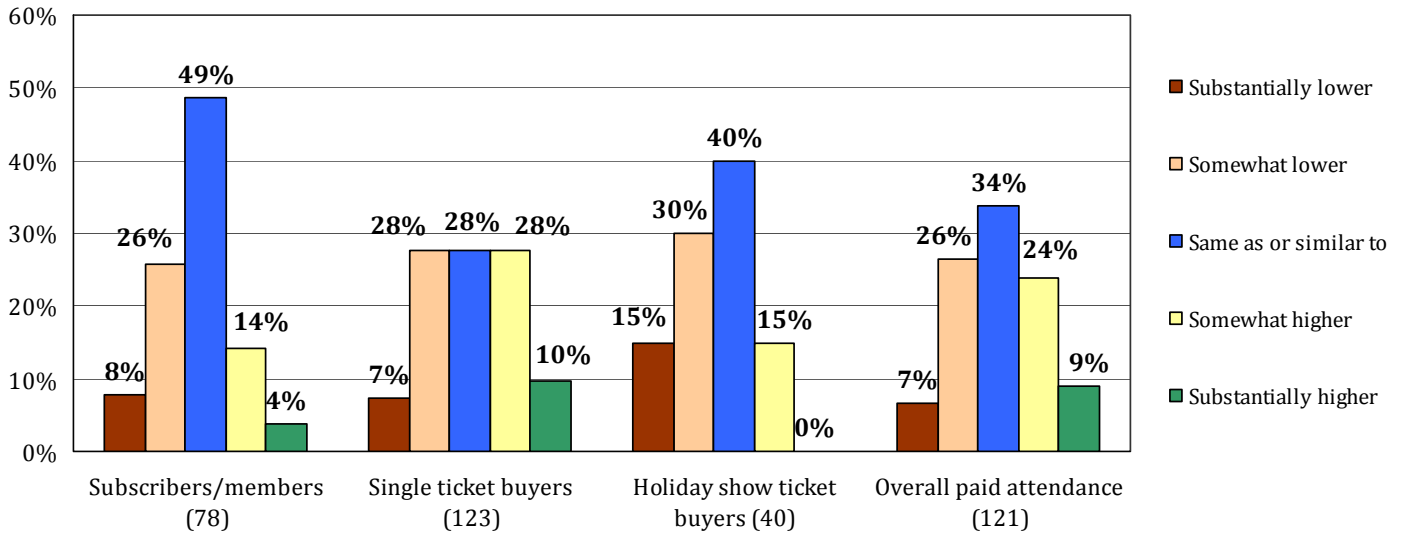


67% of Group X theatres answered that their fiscal year ended similar to or better than their budget, meaning that if they originally planned on a deficit, it was on target or less severe, and if they projected a surplus, it was on target or higher than expected. 33% of Group X theatres responded that their fiscal year ended worse than their budget, meaning that if they originally planned on a surplus, it was lower than expected, and if they projected a deficit, it was more severe.

Group X theatres were asked to compare attendance and ticket income at the end of their fiscal year to their budget:

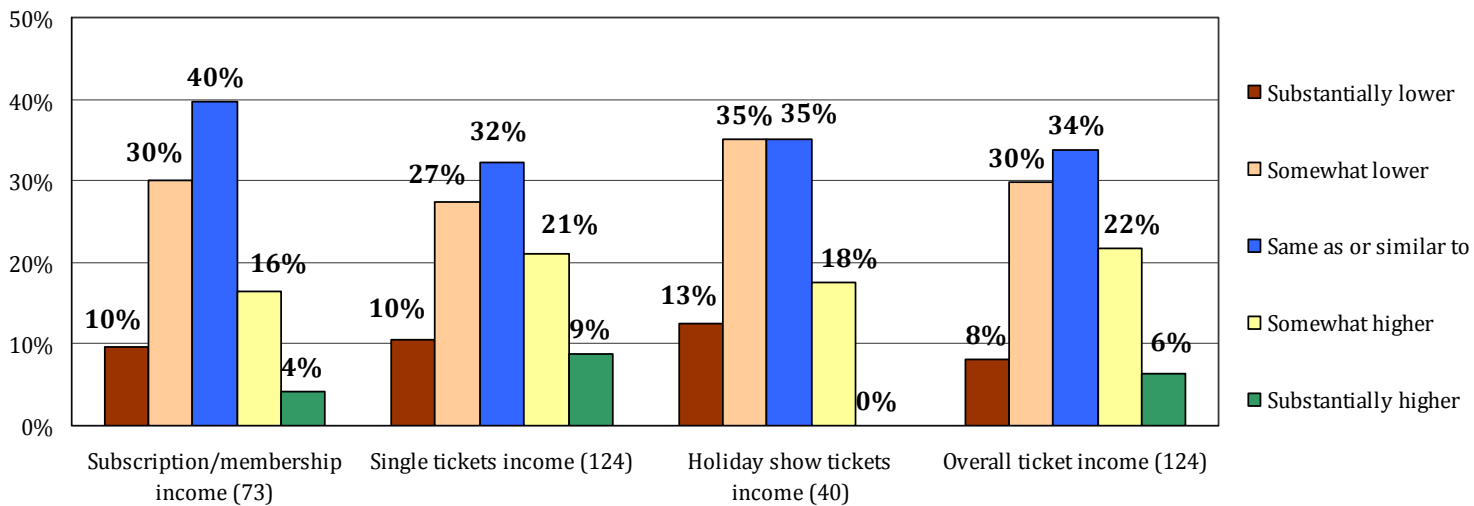
ATTENDANCE

- 67% reported that attendance by subscribers/members was similar to or higher than their budget
- 66% reported that attendance by single ticket buyers was similar to or higher than their budget
- 55% reported that attendance at their holiday show was similar to or higher than their budget
- 67% reported that overall paid attendance was similar to or higher than their budget

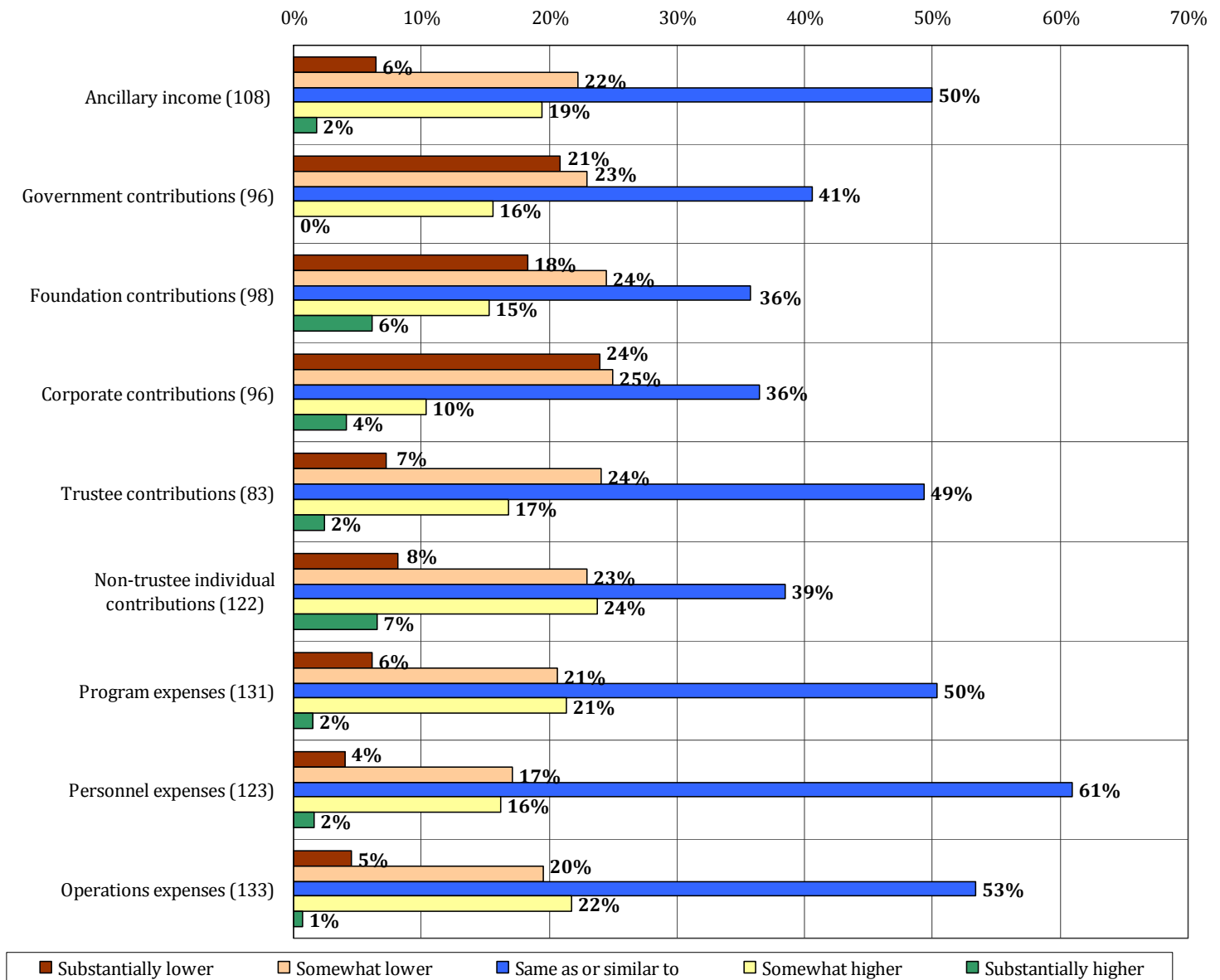


TICKET INCOME

- 60% reported that subscription/member income was similar to or higher than their budget
- 62% reported that single tickets income was similar to or higher than their budget
- 53% reported that holiday show tickets income was similar to or higher than their budget
- 62% reported that overall ticket income was similar to or higher than their budget

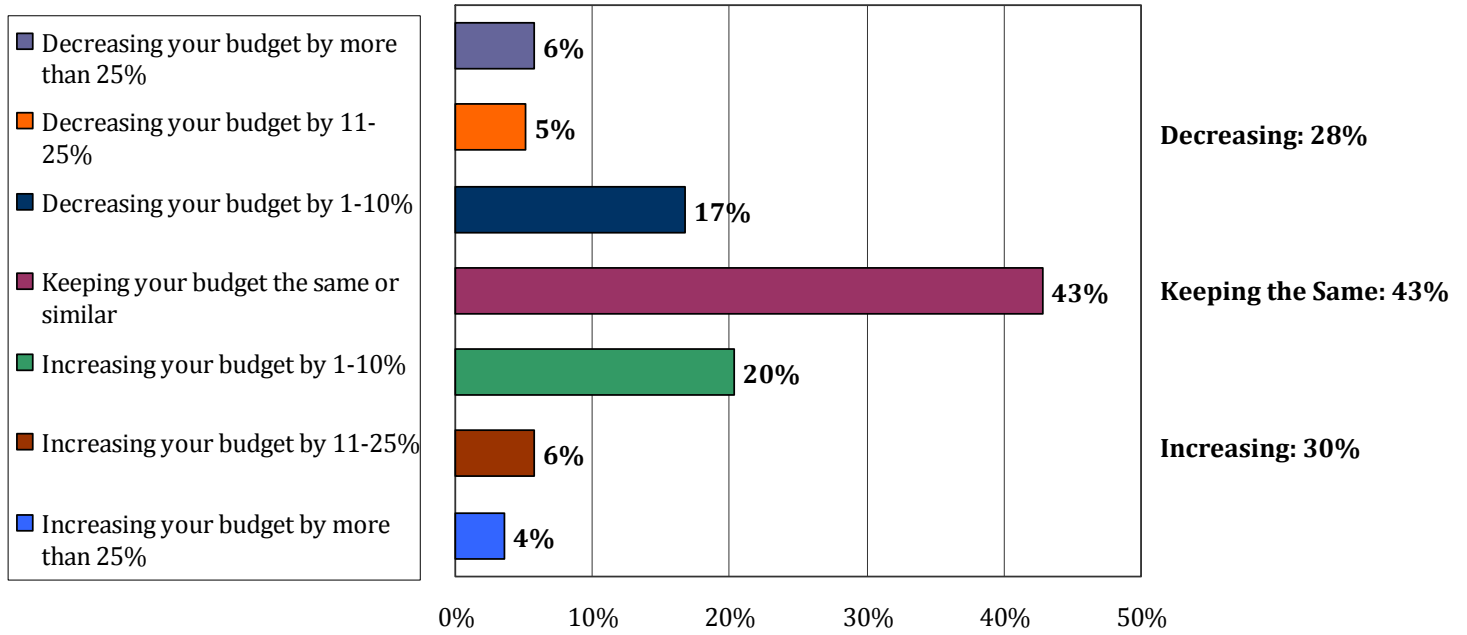


Group X theatres were also asked how their fiscal year ended in comparison with their budget in regard to the following:



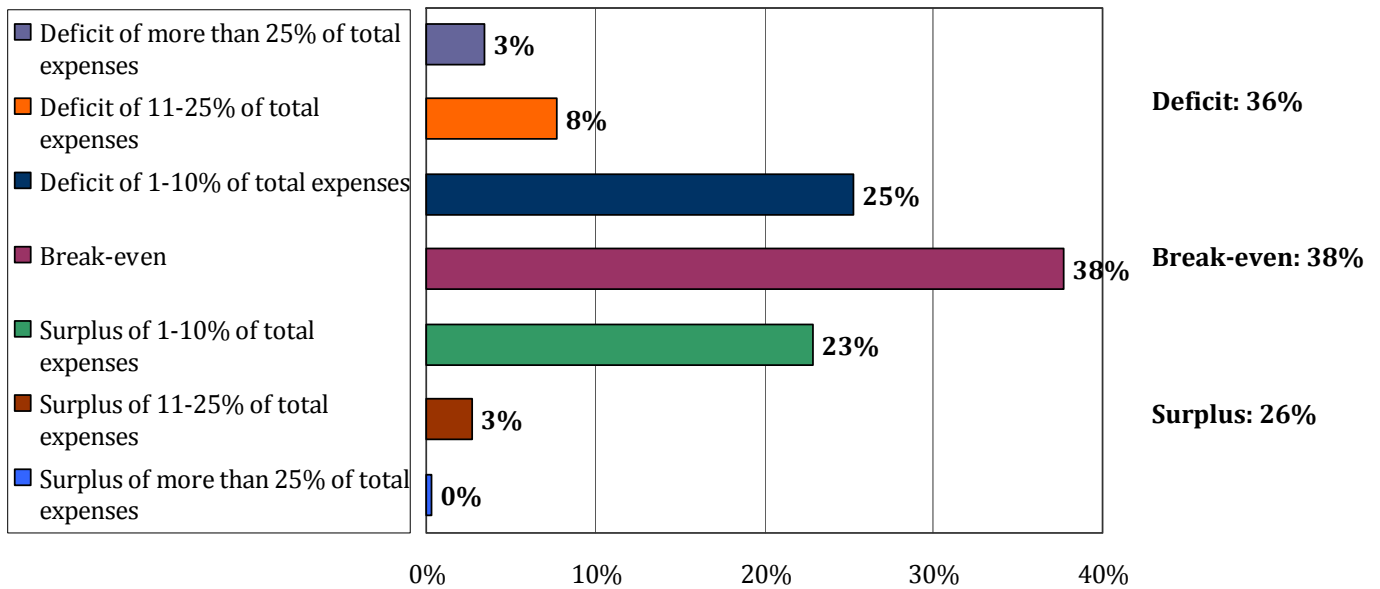
- 71% ended their fiscal year with ancillary income (rentals, concessions, advertising, classes, etc.) similar to or higher than their budget
- 57% ended their fiscal year with government contributions similar to or higher than their budget
- 57% ended their fiscal year with foundation contributions similar to or higher than their budget
- 50% ended their fiscal year with corporate contributions similar to or higher than their budget
- 68% ended their fiscal year with trustee contributions similar to or higher than their budget
- 70% ended their fiscal year with non-trustee individual contributions similar to or higher than their budget
- 77% ended their fiscal year with program expenses similar to or lower than their budget
- 82% ended their fiscal year with personnel expenses similar to or lower than their budget
- 78% ended their fiscal year with operations expenses similar to or lower than their budget

Finally, Group X theatres were asked, “for your new/upcoming fiscal year, are you:”

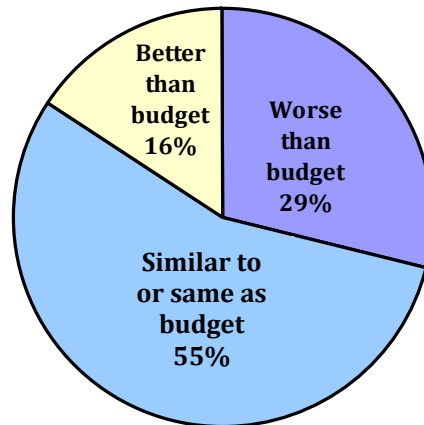


GROUP Y THEATRES = FISCAL YEAR END BETWEEN 3/31/10 AND 9/30/10 (297 THEATRES)

At this point in FY10, are you anticipating a year-end budget result that is?



Regarding the above question, how does your answer relate to your budget for FY10?

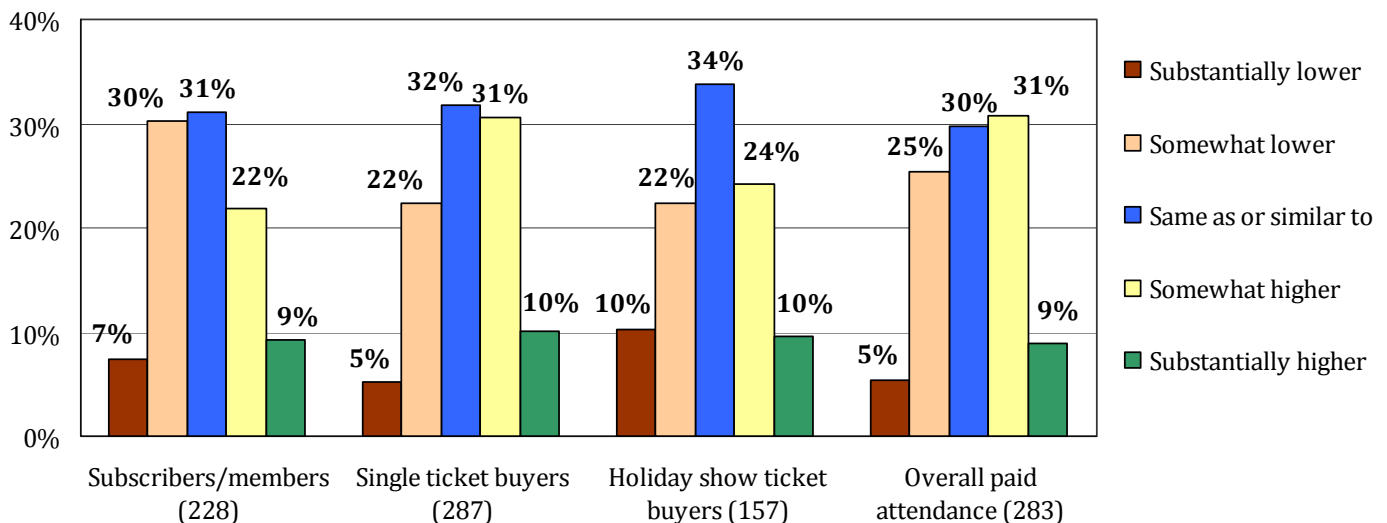


71% of Group Y theatres answered that they project that FY10 will end similar to or better than their budget, meaning that if they originally planned on a deficit, it is now projected to be on target or less severe than expected, and if they projected a surplus, it is now expected to be on target or higher. 29% of Group Y theatres responded that FY10 will end worse than their budget, meaning that if they originally planned on a surplus, it is now projected to be lower than expected, and if they projected a deficit, it is now expected to be more severe.

Group Y theatres were asked to compare their projected attendance and ticket income at the end of FY10 to their budget:

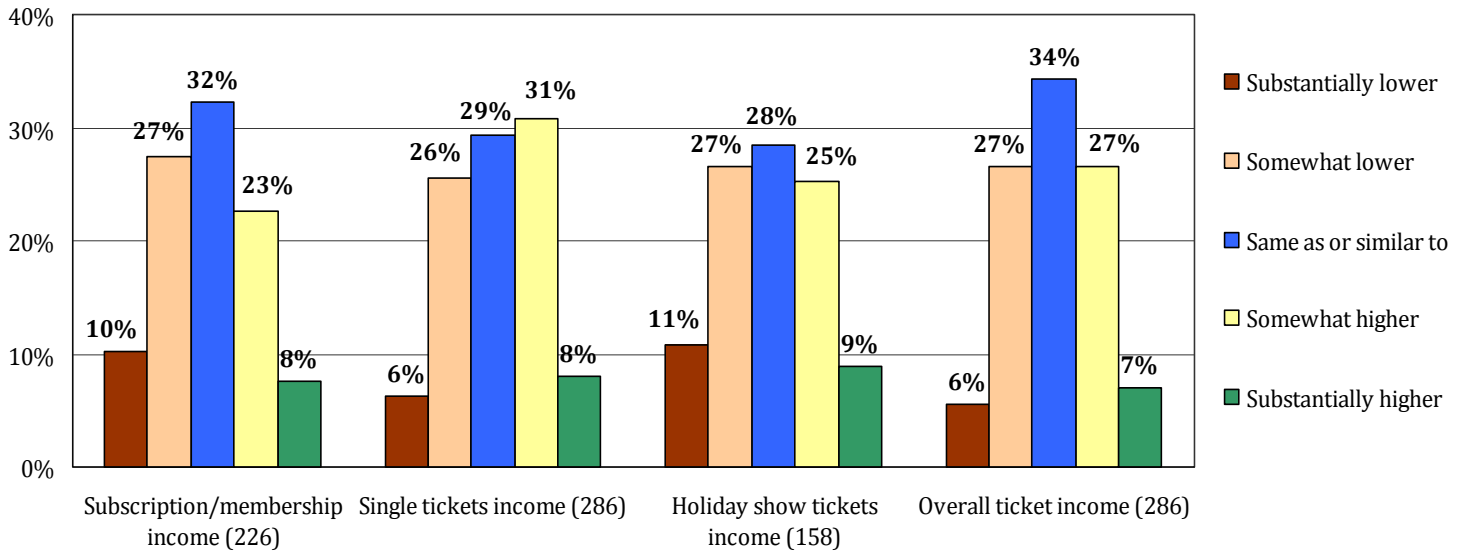
ATTENDANCE

- 62% project that they will end FY10 with attendance by subscribers/members similar to or higher than their budget
- 73% project that they will end FY10 with attendance by single ticket buyers similar to or higher than their budget
- 68% project that they will end FY10 with attendance at their holiday show similar to or higher than their budget
- 70% project that they will end FY10 with overall paid attendance similar to or higher than their budget

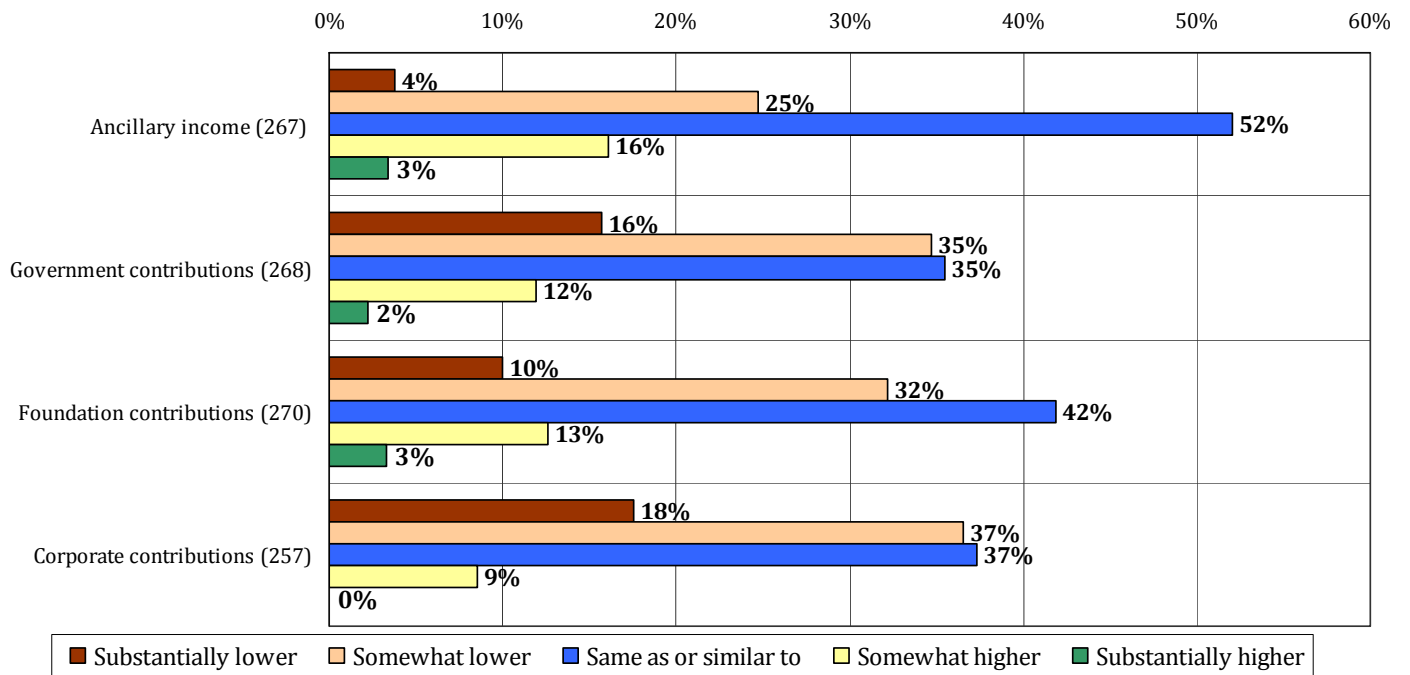


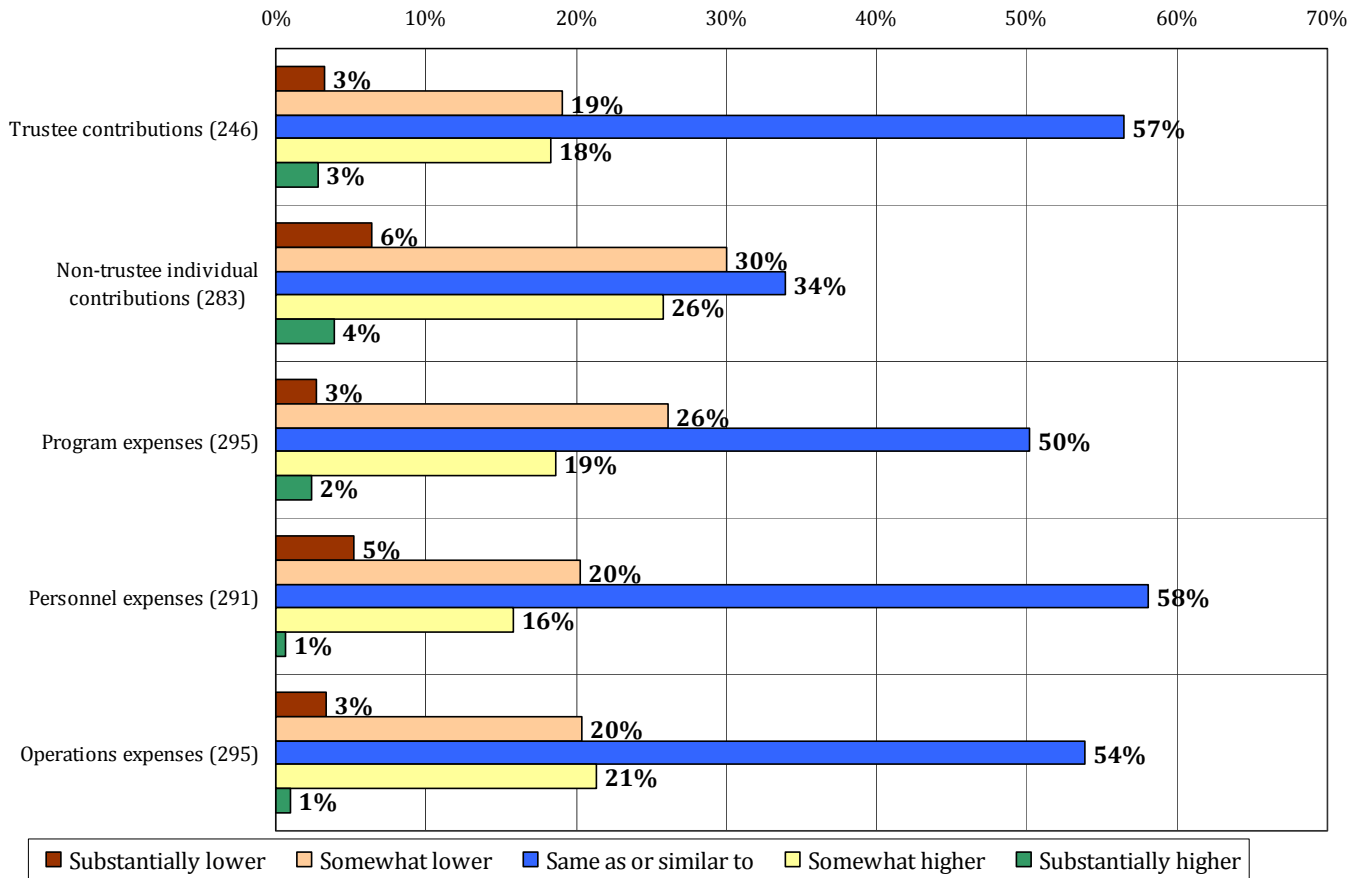
TICKET INCOME

- 63% project that they will end FY10 with subscription/member income similar to or higher than their budget
- 68% project that they will end FY10 with single tickets income similar to or higher than their budget
- 62% project that they will end FY10 with holiday show tickets income similar to or higher than their budget
- 68% project that they will end FY10 with overall ticket income was similar to or higher than their budget



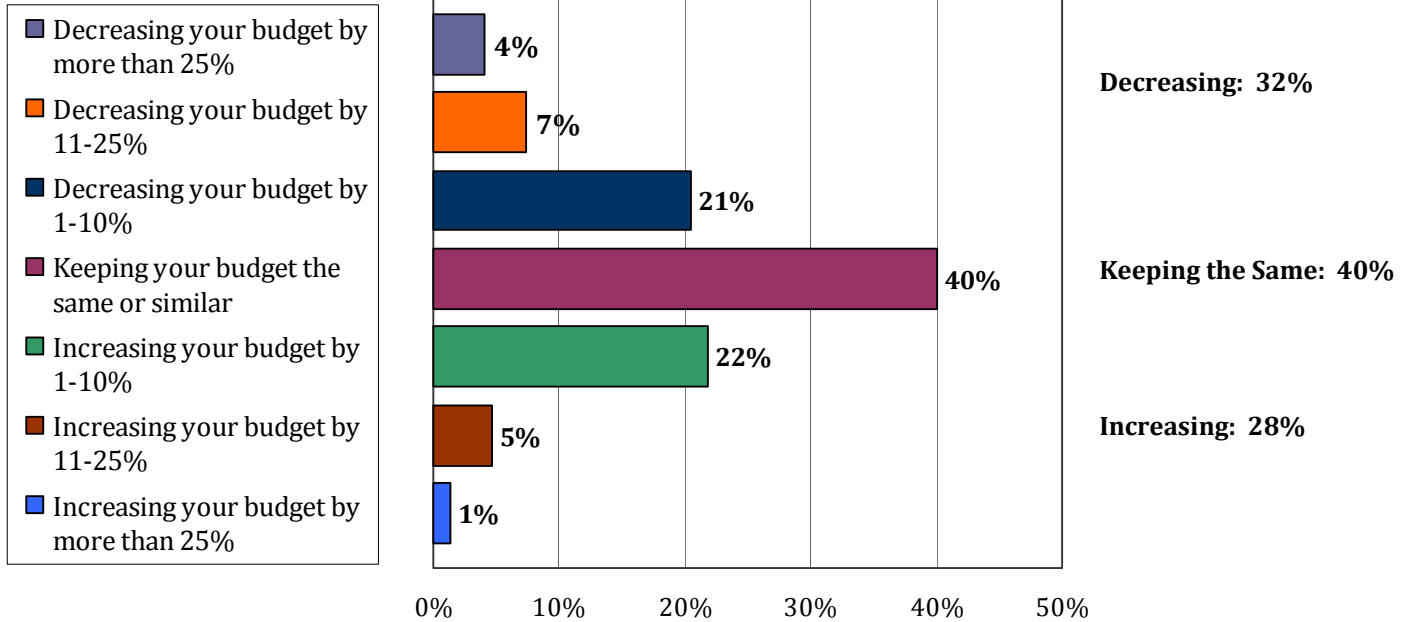
Group Y theatres were also asked how FY10 will end in comparison with their budget in regard to the following:





- 71% project that they will end FY10 with ancillary income (rentals, concessions, advertising, classes, etc.) similar to or higher than their budget
- 51% project that they will end FY10 with government contributions lower than their budget
- 58% project that they will end FY10 with foundation contributions similar to or higher than their budget
- 55% project that they will end FY10 with corporate contributions lower than their budget
- 78% project that they will end FY10 with trustee contributions similar to or higher than their budget
- 64% project that they will end FY10 with non-trustee individual contributions similar to or higher than their budget
- 79% project that they will end FY10 with program expenses similar to or lower than their budget
- 83% project that they will end FY10 with personnel expenses similar to or lower than their budget
- 77% project that they will end FY10 with operations expenses similar to or lower than their budget

Finally, Group Y theatres were asked, “for FY11, are you:”



Endowments

The questions in the next section of the survey relate to endowments. Of the 435 theatres, 90 (21%) reported having an endowment:

- The larger the theatre, the more likely it is to have an endowment.
- Of the 90 theatres with an endowment, 33% have had the endowment level fall below its historical value, making it legally difficult to take a draw.
- Only 10% of theatres with an endowment increased the percentage of their draw from their last fiscal year, 29% decreased their draw and 61% remained the same.

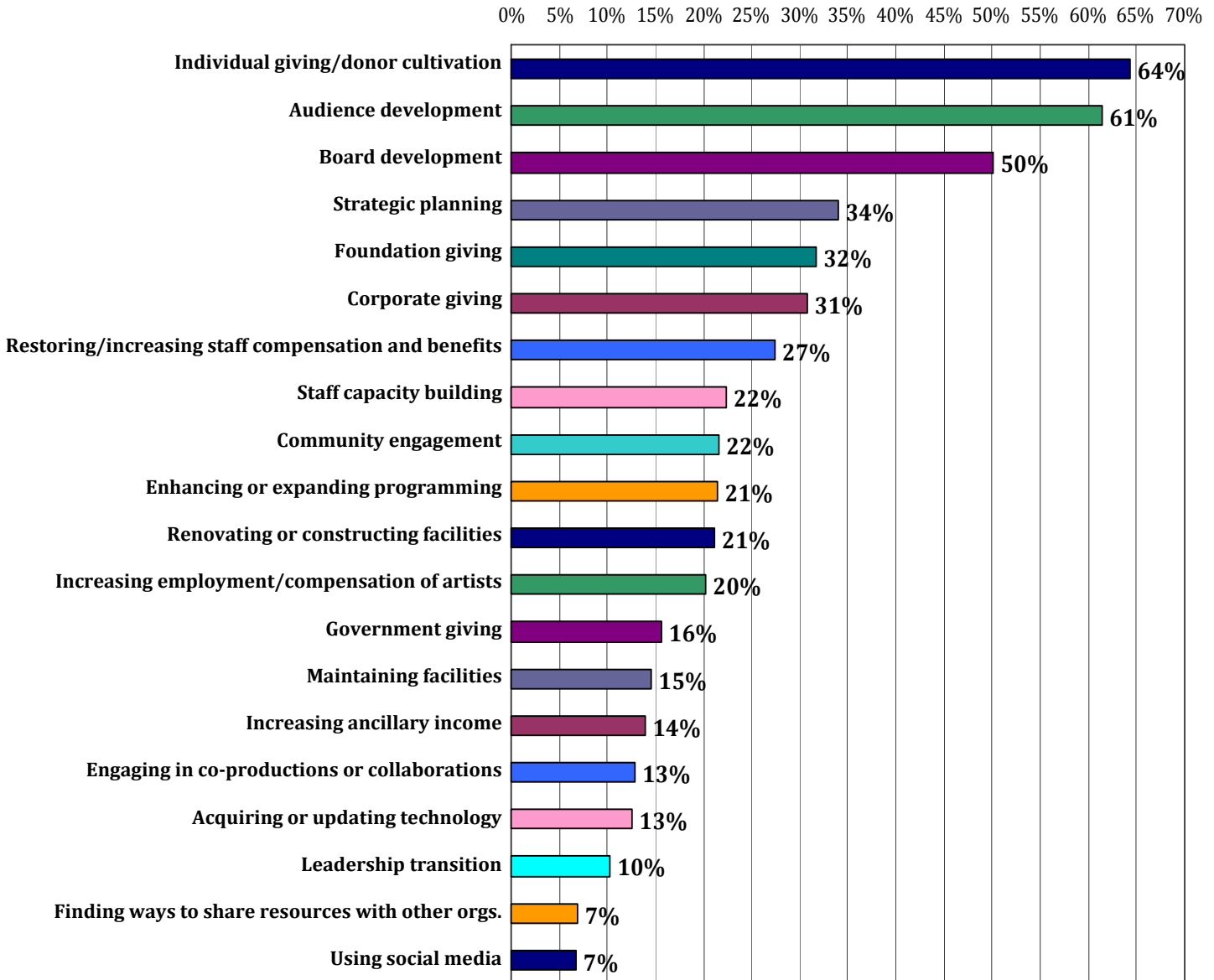
While the survey did not specifically ask about the Uniform Prudent Management of Institutional Funds Act (UPMIFA), a number of theatres noted that the recent changes in law (in some states) worked to their advantage by allowing them to take their usual draw even though their endowments were “underwater.”

Cash Flow and Credit

Just under half (48%) of the 435 theatres are having or expect to have cash flow problems this year. No budget group was immune. Although fewer than half of the theatres responded to a question asking if they had trouble securing a line of credit from a bank, 74% of those that did respond had no trouble and 26%—50 theatres—did.

Concerns and Priorities, Overall State

In the last section of the survey, theatres were asked to report the top five concerns or priorities for their organization today:



Theatres were also asked to give their overall impression of the state of their organization:

61% reported that their situation is holding steady

25% said that their situation is on the upswing

15% believe that their situation is getting worse

Additional comments from participants included:

- Despite all of the numeric metrics, we feel good about the work that we're doing and more unified in purpose than ever.
- 2009 was a record attendance year for us.
- Holding steady—but just barely. There is a lot of staff burnout because of the economic hardships.
- We are getting stronger, albeit very, very slowly. It has taken thousands of hours of effort, but we are gaining ground with larger audiences, in-kind donations of trades to building repairs, etc.
- Increasing programming and going after earned revenue streams have allowed us to double our budget in the last year while donations have remained essentially flat.
- Our education outreach and assembly programming (a major focus) is in jeopardy as the schools are facing severe cutbacks.
- Despite significant audience growth and strong earned income, we are struggling with cash flow and dependent on board loans. Our line of credit is maxed out.
- Things could have been much worse; over the past months, donors have demonstrated that they are giving to endeavors they truly believe in.
- Our rent doubled on Feb. 1st.
- Personal financial difficulties are making it hard for staff to stay in town and employed by the theatre at below-market rates.
- In 2009, we received NEA Reinvestment funds, which allowed us to continue without substantial cuts to staff and programming. This year, we may have to take more radical measures.
- The combination of inclement weather and no government support at the state level has turned a challenging situation into a minor disaster.
- The abandonment by major foundations has been very disheartening and devastating to some groups.
- The full-time staff is very tired, which alarms me.
- This year is fine. Next year, we will be fighting upstream due to the end of a major multi-year grant and the fight to maintain that level of funding to keep our capacity going.
- Our city and theatre community rallied to our aid in a way that helped us better understand the value of our mission. We are still feeling the strong embrace of our patrons and neighbors and it has led to a positive revitalization of our staff's sense of purpose and artistic efforts.
- We are moving to bare bones technical performances and focusing on the acting.
- We are merging with another theatre to help both our situations.
- We have been able to secure some high pledges, but timing is creating a huge cash flow problem.
- Contribution amounts are lower and slower to come in.
- We lost our space.
- What has really hurt and caused an increase in our budget has been private businesses that are no longer able to donate their products, especially printing and construction materials.
- We were advised to niche market shows and that strategy failed badly. We're now rebuilding toward a strong second half of our year.

Methodology

This report is a compilation of data collected from the *Taking Your Fiscal Pulse—Spring 2010* snapshot survey, which was conducted by TCG with APASO. Theatres reported on the actual and projected activity for their fiscal year ending anytime between fall 2009 and fall 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 TCG's Christopher Shuff, director of management programs, and Ilana B. Rose, management programs research associate, with input from 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.