



Press Release

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THEATRE COMMUNICATIONS GROUP PUBLISHES THEATRE FACTS 2005
SHOWS SUSTAINED IMPROVEMENT IN
THE NOT-FOR-PROFIT THEATRE FIELD'S FISCAL HEALTH

New York, July 2006—*Theatre Facts 2005*, recently released by Theatre Communications Group (TCG), reports sustained improvement in the not-for-profit theatre field's fiscal health. The report reveals that theatres continue to make significant contributions to the nation's artistic legacy, to their communities and to the economy despite the severe challenges they faced during the first years of the new millennium. For over 30 years, TCG has published *Theatre Facts*, which uses 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 2005* compiles information gathered for the fiscal year that theatres completed anytime between September 30, 2004, and August 31, 2005.

Joan Channick, managing director of TCG, commented, "By collecting comparative data from a large universe of theatres year after year, we identify patterns and trends that help theatres understand their own financial condition in a national context. The last five years have shown significant shifts in audience behavior, with single ticket sales exceeding traditional subscription sales, as well as shifts in funding patterns, with increased reliance on contributed income, particularly from individual donors. This year's indications are hopeful in many respects—income is up and fewer theatres are experiencing deficits. But the continued decline in attendance suggests that audience development remains an urgent priority for theatres nationwide."

Written by Zannie Giraud Voss, Associate Professor, Duke University, and Glenn B. Voss, Assistant Professor, North Carolina State University, 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.

The Universe section provides the broadest snapshot of the industry for 2005, examining an overview of 1,490 theatres—226 theatres that completed survey information and 1,264 theatres that filed IRS Form 990. Using an extrapolation formula based on annual expenses, findings include:

- Not-for-profit theatres contributed over \$1.53 billion to the U.S. economy through payments for goods, services and employee salaries and benefits.
- Theatres offered 169,000 performances that attracted over 32.5 million attendees
- The majority of theatres' employees are engaged in artistic positions, with an average workplace consisting of 63% artistic, 24% technical and 13% administrative personnel.
- 51% of total income came from earned sources and 49% from contributions.

The **Trend Theatres** section focuses on the 100 theatres that have responded to the long form *TCG Fiscal Survey* in each of the past five years. This analysis examines trends in earned income, expenses, contributed income and attendance figures. The trend analysis, although encouraging, also highlights areas of concern. Findings include:

- 57% of theatres ended 2005 in the black and deficits have been less severe in the past two years, while surpluses have been greater.
- For the first time since the new millennium, earned income growth exceeded expense growth, with earned income rising 7.5% in the past year alone and outpacing inflation by 11% over the 5-year period.
- Adjusting for inflation, contributed income rose 21.8%, total income was up 15.5%, while expense rose 8.5%.
- Over the 5-year period, total attendance declined 5.5% and subscription numbers continued to drop with 10% fewer subscription tickets purchased.
- Working capital has been negative since 2002 and was at its worst in 2005, indicating that theatres are carrying accumulated debt and are borrowing funds to meet daily operating needs.

The **Profiled Theatres** section provides the greatest level of detail for the 202 theatres that completed the long form *TCG Fiscal Survey 2005*. This analysis breaks down earned and contributed income, expenses, attendance, pricing and performance information by budget group and in aggregate. Findings include:

- On the whole, earned income financed 60.8% of total expenses and contributed income financed 50.7%, which shows that total income exceeded total expenses by 11.5%.
- Theatres attracted 5.9 million single ticket buyers and 1 million subscribers/season ticket holders in 2005.
- Education and outreach programs served an audience of 3.5 million people through 1,283 programs.
- Theatres produced 262 world premieres and earned \$2.5 million from 401 royalty properties.

These are only a few highlights from the findings reported in *Theatre Facts 2005*, which is now available free of charge on TCG's website, www.tcg.org. For more information about *Theatre Facts 2005*, contact Chris Shuff, director of management programs, 212.609.5900 x 248, or by email at cshuff@tcg.org.

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Theatre Communications Group (TCG), the national organization for the American theatre, offers a wide array of services in line with its mission: to strengthen, nurture and promote the professional not-for-profit American theatre. **Artistic programs** support theatres and theatre artists by awarding \$2.7 million in grants annually, and offer career development programs for artists. **Management programs** provide professional development opportunities for theatre leaders through workshops, conferences, forums and publications, as well as industry research on the finances and practices of the American not-for-profit theatre. **Advocacy**, conducted in conjunction with the dance, presenting, opera and symphony orchestra fields, includes guiding lobbying efforts and providing theatres with timely alerts about legislative developments. As the country's leading independent press specializing in dramatic literature, TCG's publications include *American Theatre* magazine, the *ArtSEARCH* employment bulletin, plays, translations and theatre reference books. As the U.S. Center of UNESCO's *International Theatre Institute*, a worldwide network, TCG supports cross-cultural exchange through travel grants and other assistance to traveling theatre professionals. Through these programs, TCG seeks to increase the organizational efficiency of its member theatres, cultivate and celebrate the artistic talent and achievements of the field, and promote a larger public understanding of and appreciation for the theatre field. TCG serves over 430 member theatres nationwide.