



Press Release

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Contact: **Phillip Matthews**
Director of Communications
212 609-5900 ext. 230

THEATRE COMMUNICATIONS GROUP PUBLISHES
THEATRE FACTS 2006: SHOWS CONTINUED GROWTH IN THE
NOT-FOR-PROFIT THEATRE FIELD'S FISCAL HEALTH

New York, July 2007 - **Theatre Facts 2006**, released by Theatre Communications Group (TCG), reports that 2006 proved to be a period of continued growth for the field's health over a 5-year period (although with a slight decline from 2005) as both earned and contributed income outpaced expenses. The report reveals that theatres continue to make tremendous contributions to the nation's artistic legacy, to their communities and to the economy despite ongoing challenges.

For over 30 years, TCG 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 2006** compiles information gathered for the fiscal year that theatres completed anytime between September 30, 2005, and August 31, 2006.

Teresa Eyring, executive director of TCG, commented, "*Theatre Facts* is an enormously valuable tool for our field, giving theatres the ability to compare their experience with national trends. Theatre leaders and trustees use this data in developing appropriate strategies for their organizations and in reaching educated conclusions about their performance. And as the only document analyzing the fiscal health of the national not-for-profit theatre field, *Theatre Facts* has a broader appeal as a vital advocacy and policy tool for trustees, foundation and corporation executives, policymakers and the national press."

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 2006, examining an overview of 1,893 not-for-profit theatres—201 theatres that completed the survey and 1,692 theatres that filed IRS Form 990. Using an extrapolation formula based on annual expenses, findings include:

- Not-for-profit theatres made a direct contribution of nearly \$1.67 billion to the U.S. economy through payments for goods, services and employee salaries and benefits.
- Theatres offered 172,000 performances that attracted over 30.5 million attendees.
- The majority of theatres' employees are engaged in artistic positions, with an average workplace consisting of 62% artistic, 25% technical and 13% administrative personnel.
- 52% of total income came from earned sources and 48% 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. The trend analysis, although encouraging, also highlights areas of concern. Findings include:

- 65% of theatres ended 2006 in the black and deficits have been less severe in the past two years, while surpluses have been greater.
- Earned income growth exceeded expense growth, with earned income rising 8% in the past year alone and outpacing inflation by 17.8% over the 5-year period.
- Adjusting for inflation, contributed income rose 11.6%, total income was up 15.1%, while expense rose 6.2%.
- Average endowment earnings were at a 5-year high in 2006, increasing 33.5% in the past year and more than 600% over the five year period.

- Although total attendance declined 8% and subscription numbers continued to drop with 7% fewer subscription tickets purchased over the 5-year period, attendance and ticket sales were on the rise from 2005 with attendance increasing by 1.3% and single tickets sales rising 9%. Subscription ticket sales from 2005 to 2006 remained unchanged.
- Occupancy/building, equipment and maintenance costs increased each year, rising 34% above inflation over 5 years—the greatest percentage increase of all expenses.
- Working capital was negative in each of the five years and at its worst in 2006 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 201 theatres that completed the *TCG Fiscal Survey 2006*. 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 61.8% of total expenses and contributed income financed 46.9%, which shows that total income exceeded total expenses by 8.7%.
- Income from ticket sales represented 70% of total earned income and supported 43.5% of all expenses.
- The labor-intensive nature of theatre is evidenced by the fact that 56% of total expenses—\$517 million—goes to compensation (including salaries, benefits and royalties to playwrights).
- Theatres received gifts totaling \$135.5 million from individuals (the largest single source of contributed income), which supported 16.8% of total expenses and accounted for 36% of all contributed dollars.
- 52 theatres conducted capital campaigns that generated \$82.9 million or 19% of all contributed funds.

These are only a few highlights from the findings reported in *Theatre Facts 2006*, which is now available free of charge on TCG's website, www.tcg.org. For more information about *Theatre Facts 2006*, 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 approximately \$3 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, music and opera 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 460 member theatres nationwide.