



## FOR IMMEDIATE RELEASE

November 2, 2015

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### Theatre Communications Group Releases 35<sup>th</sup> Annual Research Report: *Theatre Facts 2014* *Contributions drive recovery of not-for-profit theatres from recession*

**New York, NY** – Not-for-profit theatres contributed over \$2 billion to the U.S. economy and attracted 32.8 million attendees, according to *Theatre Facts 2014*, released by Theatre Communications Group (TCG). Based on the annual TCG Fiscal Survey, *Theatre Facts* is the only in-depth report that examines the attendance, performance, and overall fiscal state of the U.S. professional not-for-profit theatre industry.

"*Theatre Facts 2014* gives us hope that theatres have not only weathered the worst of the Great Recession, but made strategically sound decisions along the way to emerge in a stronger financial position," said Teresa Eyring, executive director of TCG. "From strengthening relationships with individual donors to diversifying earned income streams, theatres have increased their income and bolstered their bottom lines. Cash flow is still a serious concern, however, and the field faces considerable challenges in sustaining and building audiences."

*Theatre Facts 2014* reflects data from the fiscal year that theatres completed between October 31, 2013 and September 30, 2014. Following an Executive Summary, the report presents data in three ways:

- The Universe: a broad overview of the estimated 1,770 U.S. professional not-for-profit theatres;
- Trend Theatres: a longitudinal analysis of the 118 theatres that completed the TCG Fiscal Survey each year since 2010, with a side-note offering a 10-year view, based on a subset of theatres that participated each year since 2005; and
- Profiled Theatres: a detailed examination of all 177 theatres that participated in TCG Fiscal Survey 2014, with data broken out into six budget categories based on annual expenses.

*Theatre Facts 2014* is available at: <http://www.tcg.org/tools/facts/>.

Unless otherwise noted, all of the financial changes reported in this press release reflect average, inflation-adjusted figures for the Trend Theatres for the 5-year period from 2010 to 2014.

On average, the **Trend Theatres reported a 9.5% rise in total income from 2010 to 2014**, driven by growth in contributed income, as well as increased earned income. This overall income growth surpassed a concurrent **9.1% rise in total expenses** over the 5-year period, including a 12.1% rise in payroll, resulting in a positive **Change in Unrestricted Net Assets** (or CUNA, which represents the theatre's bottom line) equivalent to 2.9% of expenses in 2014. Half or more of theatres reported positive CUNA in each of the five years.

**In aggregate, total net assets rose 15.2% to reach a 5-year peak of \$1.72 billion**, driven by investments, building and plant funds, undesignated cash, and net assets not in a reserve or endowment. **Working capital** — the unrestricted resources available to meet day-to-day obligations and cash needs—**was negative in each of the 5 years, but improved over the past two years** to finish 18.5% better since the low of 2010.

**Contributed income increased 12.6% from 2010**. Individuals were the greatest source of contributed funds each year, followed by foundations. **The average combined individual contributions from trustees and non-trustees rose annually**, outpacing inflation by 25.4% over the five years and supporting 2.4% more expenses. This support, along with increases from foundations (38.6%) and fundraising events (23.2%) helped off-set

decreases in other contributed income streams, including significant declines in all areas of government support: federal (-56%), state (-19%), and city/county (-27.8%).

A **7.3 % growth in earned income** over the past five years had multiple drivers, including:

- On average, **single ticket income** grew by 1.6% since 2010 and remains the greatest source of earned income annually. While **subscription income** decreased 2% over the 5-year period, it remains the second largest source of earned income. Average **total ticket income** increased 4.2% between 2013 and 2014, but only 0.8% over the 5-year period, and while there was a 3.7% increase in the aggregate number of resident **performances** offered between 2010 and 2014, aggregate resident **attendance** declined 1.9%.
- Earned income from **education/outreach programs** (workshops, classes, etc.) was up for the fourth straight year, and reached a 5-year high in 2014, as did the number of people served. **Children's series activity** (i.e., production series for young audiences that are not Theatre for Young Audience theatres) was also a bright spot, with growth in income, performances offered, and attendance.
- Between 81% and 86% of theatres reported revenue from rentals annually, and **rental income** grew 101.3% (skewed by the exceptional activity of one to two theatres) over the five years, while **booked-in events** brought in 33.4% more income. **Concessions income** rose 43% and was at a 5-year high in 2014. Overall, earned income from sources other than tickets and investments increased 25.5% from 2010.
- **Total investment income** increased 19.9% over the 5-year period, with the greatest growth coming from a 52% rise in capital gains.

For further information on the changes experienced by the field over the last five years and on differences in income, attendance, and expenses between theatres of various sizes, see the Trend Theatres and Profiled Theatres sections of the full report at <http://www.tcg.org/tools/facts/>.

A narrative version of *Theatre Facts 2014* that features interviews from a diverse group of theatre leaders across the country was published in the November issue of *American Theatre* magazine and is posted at <http://www.tcg.org/tools/facts>.

*Theatre Facts 2014* was written by Zannie Giraud Voss, Professor and Chair of Arts Management and Director of the National Center for Arts Research (NCAR) at Southern Methodist University (SMU); and Glenn B. Voss, Professor, Marketing Department, Cox School of Business, and NCAR Research Director, SMU; along with Ilana B. Rose, Associate Director of Research & Collective Action, TCG; and Laurie Baskin, Director of Research, Policy & Collective Action, TCG.

For over 50 years, **Theatre Communications Group (TCG)**, the national organization for the American theatre, has existed to strengthen, nurture and promote the professional not-for-profit American theatre. TCG's constituency has grown from a handful of groundbreaking theatres to nearly 700 Member Theatres and Affiliate organizations and more than 12,000 individuals nationwide. TCG offers its members networking and knowledge-building opportunities through conferences, events, research and communications; awards grants, approximately \$2 million per year, to theatre companies and individual artists; advocates on the federal level; and serves as the U.S. Center of the International Theatre Institute, connecting its constituents to the global theatre community. TCG is North America's largest independent publisher of dramatic literature, with 14 Pulitzer Prizes for Best Play on the TCG booklist. It also publishes the award-winning *American Theatre* magazine and ARTSEARCH®, the essential source for a career in the arts. In all of its endeavors, 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. [www.tcg.org](http://www.tcg.org).

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