

# Theatre Facts 2001

## A Report on Practices and Performance in the American Nonprofit Theatre Based on TCG's Annual Fiscal Survey

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### Inside This Article

- ◆ Theatres contributed \$923 million to the U.S. economy and attracted 21 million patrons (see p. 2).
- ◆ 44% of Survey Universe Theatres ended the year with negative change in unrestricted net assets (CUNA) — 6% more than in any of the past five years. The low average CUNA figure for 2001 — 4.1% — would be even more severe if we were to consider only operating funds (see p. 2).
- ◆ 2001 marks the second consecutive year that average single ticket income exceeded average subscription income. Subscription income increased annually but could not keep pace with expense increases (see p. 5).
- ◆ Expenses increased 35.6% from 1997 to 2001 while total income outpaced inflation by only 31.2% over the same period. The net result is that while average CUNA remained positive in each of the five years, it decreased in its proportion to total expenses (see p. 5).
- ◆ Fewer theatres are co-producing (see p. 6).
- ◆ Artistic payroll remains theatres' greatest allocation of resources, and theatres provided more actors employment in 2001 than in any recent year (see p. 7).

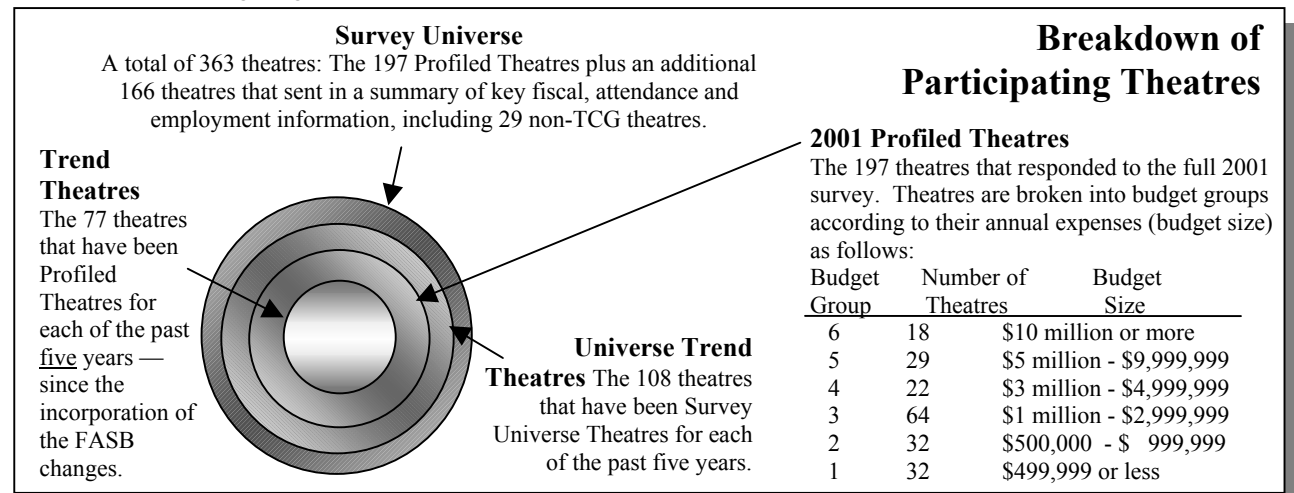
For the 27th year, TCG offers *Theatre Facts*, an annual update on the field's attendance, performance and fiscal health, based on information provided by theatres that participate in the annual TCG fiscal survey. It contains information on the fiscal year that theatres completed any time between September 1, 2000, and August 31, 2001 — pre 9/11. Even before the terrorist attacks, the economy was in a recession and theatres' bottom lines reflect the downturn.

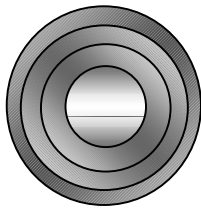
2001 marks the third year that we include non-TCG theatres, and TCG member theatres with budgets under \$250,000. To give us a more comprehensive picture of the field, members of The Association of Performing Arts Service Organizations (APASO), a national network of nonprofit regional service organizations, were asked to encourage any of their member professional theatres that are not TCG members to participate in the fiscal survey.

Theatres provide varying degrees of detail in their responses to the annual survey. In this report, we present four sets of analyses. With each analysis, we provide an increased degree of detail. In compliance with the audit structures recommended by FASB since 1997, this report looks at income and expenses from all unrestricted funds, including operating, plant, board designated, and endowment campaign funds. We frequently refer to CUNA — the Change in Unrestricted Net Assets — or the balance that remains when we subtract total unrestricted fund expenses from total unrestricted income.

First, we examine the big picture in the TCG **Survey Universe**, an overview of 363 theatres (334 TCG members and 29 APASO theatres) that provided fiscal, attendance and performance information. This section provides the broadest snapshot of the industry for 2001. For the first time, this year we offer a look at trends since 1997 for the 108 **Universe Trend Theatres** that have participated every year. Then, we furnish more in-depth comparative income, expense, performance, attendance and pricing information for the 77 **Trend Theatres** that have participated in the full fiscal survey for each of the past five years — i.e., since the incorporation of the changes in FASB reporting. Lastly, we provide an in-depth industry analysis for the 197 **Profiled Theatres** that responded to the full 13-page 2001 survey.

Many more theatres completed the full survey this year than in years past, giving us an increasingly stronger foundation for the representation of finances and activity. Unless otherwise noted, income is reported as a percentage of expenses since expenses serve as the basis for determining budget size.





## The Survey Universe

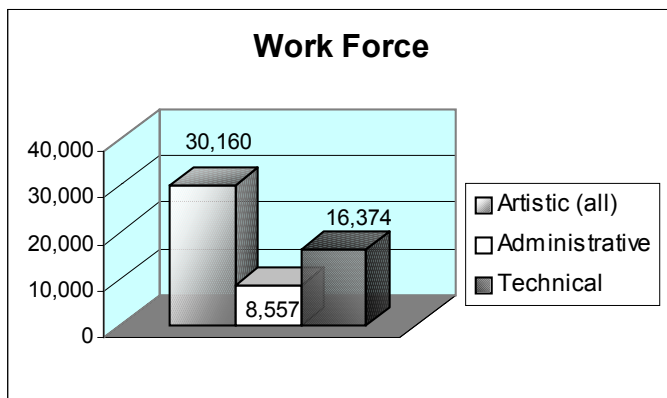
Participation in the Survey has increased 85% since 1997. Fifty-five of the Survey Universe theatres have budgets less than \$250,000. It is important to remember that the set of theatres participating in the Survey Universe changes from year to year, meaning that comparisons made in *this* section do not follow the exact same set of theatres over time. We will follow the same set of theatres in the **Universe Trend Theatres** section.

In 1997, the Survey Universe's total changes in unrestricted net assets (CUNA) — once thought of as net surplus/deficit when only operating funds were examined — was 7.3% of total expenses. 1998's CUNA was 9.9%. Theatres averaged 5.3% CUNA in 1999 — low in comparison to 1998's figure — that could be traced to an increase in reported expenses outpacing the increase in reported earned and contributed income from 1998 to 1999. The Survey Universe of 2000 experienced an unprecedented level of CUNA — 11.7% of total expenses. At last it seemed that theatres were thriving financially rather than simply surviving.

The Survey Universe of theatres in 2001 faced a far less favorable economy than those of 2000. The record high 11.7% CUNA of 2000 was followed by a 5-year low CUNA of 4.1% in 2001. It should be noted that while this CUNA figure remains unchanged if we examine only theatres with budgets of \$250,000 or more, CUNA drops to a precarious .4% of total expenses if we examine only those theatres with budgets less than \$250,000 in 2001.

The low CUNA figure for 2001 would be even more severe if we were to consider only operating funds. It is important to remember that in this report we look at changes in all unrestricted net assets (CUNA) for the year. This includes, but is not limited to, changes in operating activity. CUNA also includes Net Assets Released from Temporary Restriction (NARTR). For example, a theatre's individual giving total may include trustee gifts to a capital campaign granted in a prior year, but not released from temporary restrictions until the current year.

Before exploring the Survey Universe Theatres' CUNA in greater depth, we take a moment to highlight some important facts about the Survey Universe of 2001.



### 2001 Survey Universe

363 Theatres

#### Productivity

Attendance	21,055,250
Subscribers	1,415,648
Performances	81,828
Productions	4,787

#### Finances

Earnings	\$554,512,680
Contributions	\$406,621,033
Total Income	\$961,133,713
Expenses	\$923,642,631

#### Changes in Unrestricted Net Assets

(CUNA) \$ 37,491,082

Earned \$ as a % of Total Income 57.7%

Contributed \$ as a % of Total Income 42.3%

#### Changes in Unrest. Net Assets

as a % of Expenses (budget) 4.1%

#### 2001 Work Force

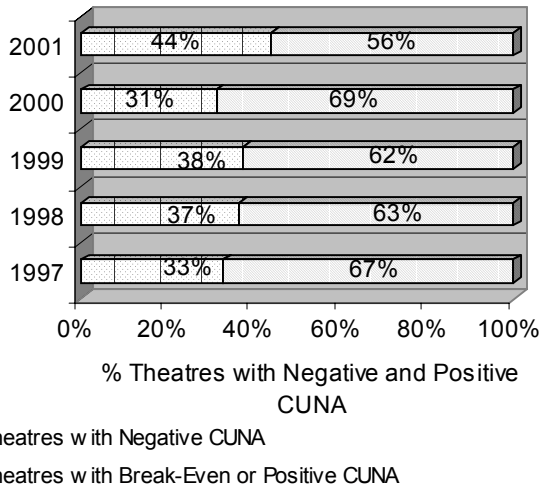
% of Total

Artistic (all)	30,160	55%
Administrative	8,557	15%
Technical	16,374	30%
Total Paid Personnel	55,091	

### The 363 theatres in the 2001 Survey Universe:

- ◆ Contributed over \$923 million to the U.S. economy in the form of salaries, benefits and payment for goods and services.
- ◆ Held 81,828 performances and attracted over 21 million patrons.
- ◆ Employed more than half (55%) of their 55,091 employees in artistic positions and another 30% as technical personnel. Again, if we look only at theatres with budgets less than \$250,000, we find that 73% of their total employees are in artistic positions, 21% in technical positions, and only 6% in administrative positions. Smaller theatres are far more reliant upon their artistic personnel to perform both the artistic and administrative duties of the theatre.
- ◆ Financed 60% of total expenses with earned income, a 6% drop from the Survey Universe of 2000.
- ◆ Received 57.7% of income from earned sources and 42.3% from contributions.
- ◆ If we look at only those theatres with budgets less than \$250,000, the balance of income in 2001 is 47% earned and 53% contributed. This represents a shifting of 5% in the earned/contributed ratio from the Survey Universe of 2000, which was 42% earned and 58% contributed for smaller-budget theatres.

### Breakdown of Survey Universe Changes in Unrestricted Net Assets (CUNA)

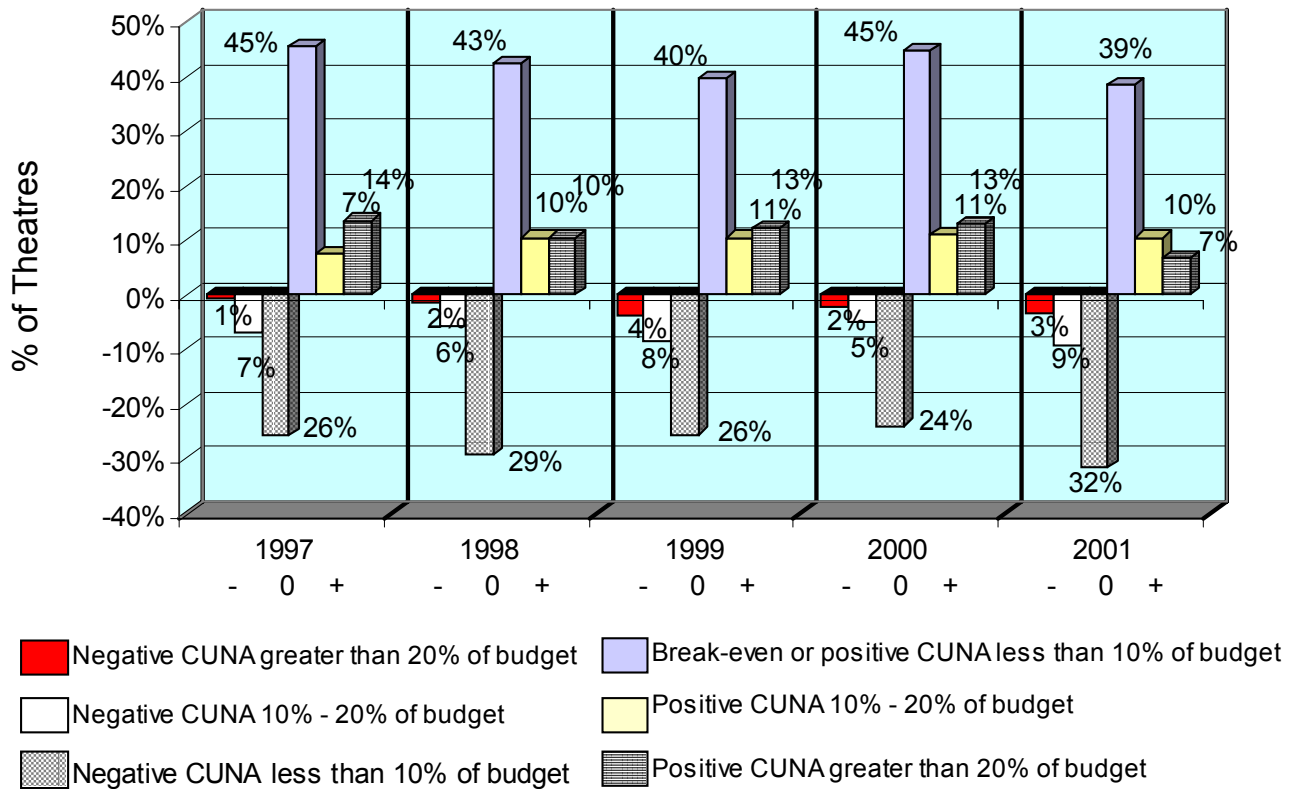


### The 363 theatres in the 2001 Survey Universe:

- ◆ Experienced a \$21 million range of CUNA, from a low of -\$3.8 million to a high of \$17.4 million. The high was higher and the low lower than CUNA found in the 2000 Survey Universe.
- ◆ Had a higher percentage of theatres — 44% — end the year with negative CUNA than in any of the past five years. 13% fewer theatres broke even or had a surplus in 2001 than in 2000. Again, it is important to note that the set of theatres participating in the Survey Universe changes from year to year.

The increase in theatres experiencing a deficit is cause for further examination. For the second year, Theatre Facts compares 10% and 20% of budget as both negative and positive CUNA benchmarks over time.

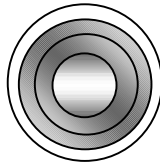
### Breakdown of Survey Universe Changes in Unrestricted Net Assets (CUNA) as a Percent of Budget



Of small consolation is the fact that of the theatres that experienced negative CUNA, the most dramatic increase was in those whose income fell less than 10% short of budget rather than those with negative CUNA of 10% of budget or more. This will be a trend to watch in coming years.

For the first time in five years, less than 10% of theatres had total income that exceeded expenses by 20% or more.

In looking at trends, it is often difficult to tell whether a change — positive or negative — is an indication of a permanent shift or whether it is merely an anomaly. Last year, we reported a recovery in 2000 from what appeared to be a trend of increases in negative CUNA of 10% or more. Time will reveal whether the deteriorated fiscal health of theatres in 2001 was the beginning of a long trend.



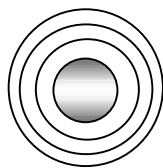
## Universe Trend Theatres

The serious nature of the Survey Universe findings sparked an interest in getting a clean read on how the broadest stroke of theatres are faring. Whereas the Survey Universe section compared a disparate set of theatres from year to year, the Universe Trend Theatre section will follow an identical group of 108 theatres that have responded to either the short or long form of the Fiscal Survey since 1997. Looking at the same set of theatres over time rather than the Universe as a whole adds a layer of consistency and avoids odd variations that might arise from one or two theatres skewing the figures by participating in some years but not others.

2001 Universe Trend Theatres (108 Theatres )							4-year change	4-yr chg. CGR* 97-01
Productivity	1997	1998	1999	2000	2001			
Attendance	10,268,050	10,501,398	11,427,757	11,454,775	11,901,415	15.9%		
Subscribers	933,460	831,858	949,831	922,927	886,750	-5.0%		
Performances	31,016	31,583	33,679	33,551	34,250	10.4%		
Productions	1,506	1,378	1,543	1,429	1,548	2.8%		
<b>Finances</b>								
Earnings	\$ 248,507,265	\$ 255,343,178	\$ 311,559,623	\$ 343,204,429	\$ 347,835,871	40.0%	31.0%	
Contributions	162,909,406	182,719,645	208,653,764	242,696,355	264,491,888	62.4%	53.4%	
Total Income*	\$ 411,416,671	\$ 438,062,823	\$ 520,213,387	\$ 585,900,784	\$ 612,327,759	48.8%	39.8%	
Expenses	379,297,841	416,132,993	482,269,667	519,619,876	581,909,277	53.4%	44.4%	
Changes in Unrestricted Net Assets (CUNA)	\$ 32,118,829	\$ 21,929,830	\$ 37,943,700	\$ 66,280,908	\$ 30,418,482	-5.3%	-14.3%	
Earned \$ as a % of Total Income	60%	58%	60%	59%	57%	-3.6%		
Contributed \$ as a % of Total Income	40%	42%	40%	41%	43%	3.6%		
Changes in Unrest. Net Assets as a % of Expenses (budget)	8.5%	5.3%	7.9%	12.8%	5.2%	-3.2%		
<b>Work Force</b>								
Artistic (all)	10,465	11,136	11,449	12,124	12,452	19.0%		
Administrative	4,822	4,361	4,633	4,655	5,324	10.4%		
Technical	7,102	7,586	8,262	8,204	8,601	21.1%		
Total Paid Personnel	22,390	23,053	24,421	24,983	26,377	17.8%		

\* Compounded Growth Rate adjusted for inflation

- ◆ The composition of total income changed over time, with contributed income playing an increasingly important role in organizational stability. Over the five-year period, there was a 3.6% shift in the proportion of total income that came from contributed as compared to earned sources.
- ◆ The 5.2% CUNA in 2001 was the lowest for the 5-year period, confirming the findings from comparisons of the Survey Universe as a whole. Over the five years, total income increased 40% above inflation, but expenses outpaced inflation by 44%, causing CUNA to shrink by 14.3% in inflation-adjusted dollars and by 3.2% as compared to total budget.
- ◆ Growth in earned income far outpaced inflation but fell 13% short of the 5-year growth in expenses. Theatres sustained an average positive CUNA due to the growth in contributed income, which outpaced expense growth by 9%.
- ◆ Total attendance rose steadily, increasing nearly 16% over 5 years. The growth in attendance outpaced the growth in number of performances, representing the fact that theatres played to fuller houses in 2001 than in 1997. In 1997, theatres played to an average house of 331. That figure grew steadily each year to a high of 347 in 2001.
- ◆ Subscriber attendance decreased 5% over the 5-year period, despite a spike in 1999. The increase in total attendance and drop in subscriber attendance indicate that these theatres experienced substantial growth in single ticket attendance.
- ◆ The number of performances offered per production averaged 22 each year.
- ◆ Growth in the number of artistic and technical personnel was dramatic — twice that of growth in administrative personnel from 1997 to 2001.

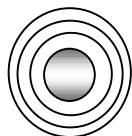


## Trend Theatres

Since 1997 — the start of the change in FASB reporting standards — a group of 77 Theatres has participated in the full TCG fiscal survey each year. In this section, we track 5-year trends in the way theatres earn income, allocate expenses, bring in contributed dollars and attract audiences.

We first provide a look at changes in the average dollar figure per theatre from year to year for each category of earned income, expense and contributed income. We then compare the level of overall budget obtained from each earned income source, allocated to each area of expense and garnered from each source of contributions from one year to the next. Lastly, we take a look at balance sheet changes, then compare attendance, performance and pricing figures from year to year. All figures represent averages, whether dollar figures or percentages.

Expenses increased 35.6% from 1997 to 2001 while total income outpaced inflation by only 31.2% over the same period. The net result is that while average CUNA remained positive in each of the five years, it decreased in its proportion to total expenses. Contributed income soared in 2001, with overall growth between 1997 and 2001 rising 50% above inflation. Earned income growth outpaced inflation by 18.4% over the same period. As we discuss in the Earned Income section below, these figures are skewed because tour and education/outreach sponsorships and underwriting were shifted from the earned to the contributed category in 2001. Regardless of the change in reporting, however, growth in contributed income far outpaced the growth in earned income.



## Earned Income

We look at changes in income in three ways: 1) the change in total income dollars, 2) the change in total income dollars adjusted for inflation and 3) changes in the level of expenses financed by each type of income. In this section we look at all three types of changes with respect to earned income. In some instances, there is a positive increase in an income category — even after the adjustment for inflation — but a decrease in the level of expenses that it covers. This is due to the fact that the increase in earned income did not keep pace with the increase in expenses, as mentioned above.

There was a significant change in how we asked theatres to report tour income and education/outreach income in 2001. Historically, TCG included tour underwriting and sponsorships and grants earmarked for education or outreach programs as part of earned income. In 2001, reporting of this support was moved to the contributed income section of the fiscal survey. Tour income now represents only presenter fees and contracts, and education/outreach income solely reflects payment by those who consumed the services. From now on, TCG will account for tour and education/outreach income in this way.

### For the 77 Trend Theatres:

◆ 2001 marks the second year that average single ticket income exceeded average subscription income, with the gap between the two ticket income averages widening. This trend is being driven by the 15% of theatres with the largest budgets. If we eliminate them from the analysis, remaining theatres show 25% inflation-adjusted growth in subscription and 19% inflation-adjusted growth in single ticket income over the five years.

Average Earned Income: All Theatres (77 Theatres)						1-yr	4-yr	4-yr
	1997	1998	1999	2000	2001	% chg.	% chg.	CGR* 97-01
Subscriptions	\$1,022,324	\$1,076,061	\$1,149,050	\$1,216,259	\$1,301,178	7.0%	27.3%	18.3%
Single Ticket Income	941,485	943,986	1,102,231	1,240,006	1,507,811	21.6%	60.2%	51.2%
Booked-In Events	25,313	17,539	22,962	32,465	28,789	-11.3%	13.7%	4.7%
<b>Total Ticket Income</b>	<b>\$1,989,122</b>	<b>\$2,037,585</b>	<b>\$2,274,243</b>	<b>\$2,488,730</b>	<b>\$2,837,778</b>	<b>14.0%</b>	<b>42.7%</b>	<b>33.7%</b>
Tour Underwriting/Sponsorships**	7,940	9,018	9,800	18,076	21,727	20.2%	173.6%	164.6%
Educational/Outreach Income**	139,460	142,096	173,021	180,177	132,211	-26.6%	-5.2%	-14.2%
Interest and Dividends	47,428	48,800	61,945	76,800	96,808	26.1%	104.1%	95.1%
Endowment Earnings	96,208	93,512	103,764	107,559	83,042	-22.8%	-13.7%	-22.7%
Capital Gains/(Losses)	159,657	253,444	109,944	178,929	(112,993)	-163.1%	-170.8%	-179.8%
Royalties	14,138	13,239	15,814	15,377	33,380	117.1%	136.1%	127.1%
Concessions	76,821	87,109	82,876	86,472	83,469	-3.5%	8.7%	-0.3%
Production Income	24,191	42,716	63,235	55,602	51,361	-7.6%	112.3%	103.3%
Advertising	17,633	16,305	16,474	18,292	19,132	4.6%	8.5%	-0.5%
Rentals	28,222	39,908	56,218	57,004	51,585	-9.5%	82.8%	73.8%
Other	80,679	89,167	104,523	113,069	119,090	5.3%	47.6%	38.6%
<b>Total Earned Income</b>	<b>\$2,681,500</b>	<b>\$2,872,900</b>	<b>\$3,071,857</b>	<b>\$3,396,087</b>	<b>\$3,416,591</b>	<b>0.6%</b>	<b>27.4%</b>	<b>18.4%</b>

\* Compounded Growth Rate adjusted for inflation

\*\* 2001 figures reflect fees and contract income only; underwriting and sponsorship now appear as contributed income.

◆ Average subscription income grew steadily each year. While subscription income rose 18% above inflation (the subscription price per ticket rose only 7% above inflation), it could not keep pace with the growth in expenses, supporting 3% less expenses in 2001 than in 1997. Theatres are attracting fewer subscribers, but those who subscribed in 2001 purchased more productions on their subscription than did subscribers in 1997 (for more detail, see the Attendance, Performance, and Pricing Trends section on page 12).

**For the 77 Trend Theatres:**

- ◆ Single ticket income grew an impressive 51% over the 5-year period — 21.6% in the past year alone. It supported 2.5% more expenses in 2001 than in 1997, nearly making up for the decrease in support from subscription income. Average single ticket prices rose 11% above inflation over the 5-year period.
- ◆ Income from booked-in events decreased 11.3% from 2000 to 2001; however, growth outpaced inflation by 4.7% percent over the 5-year period.
- ◆ Bolstered by the growth in single ticket income, total ticket income grew steadily over the five years, outpacing inflation by 33.7%; however, ticket income supported .7% percent less of total expenses in 2000 than in 1997.

- ◆ From 1997 to 2001, the average number of education programs per theatre more than doubled from 6 to 13 and the average number of people served by education and outreach programs increased an impressive 83%, from 8,129 in 1997 to 14,837 in 2001.

Average Earned Income as a Percent of Expenses (77 Theatres)							1-yr	4-yr
	1997	1998	1999	2000	2001	% chg.	% chg.	
Subscriptions	24.9%	24.5%	23.2%	22.9%	21.9%	-1.0%	-3.0%	
Single Ticket Income	22.9%	21.5%	22.2%	23.3%	25.3%	2.0%	2.5%	
Booked-In Events	0.6%	0.4%	0.5%	0.6%	0.5%	-0.1%	-0.1%	
<b>Total Ticket Income</b>	<b>48.4%</b>	<b>46.4%</b>	<b>45.9%</b>	<b>46.8%</b>	<b>47.7%</b>	<b>0.9%</b>	<b>-0.7%</b>	
Tour Underwriting/Sponsorships	0.2%	0.2%	0.2%	0.3%	0.4%	0.0%	0.2%	
Educational/Outreach Income	3.4%	3.2%	3.5%	3.4%	2.2%	-1.2%	-1.2%	
Interest and Dividends	1.2%	1.1%	1.2%	1.4%	1.6%	0.2%	0.5%	
Endowment Earnings	2.3%	2.1%	2.1%	2.0%	1.4%	-0.6%	-0.9%	
Capital Gains/(Losses)	3.9%	5.8%	2.2%	3.4%	-1.9%	-5.3%	-5.8%	
Royalties	0.3%	0.3%	0.3%	0.3%	0.6%	0.3%	0.2%	
Concessions	1.9%	2.0%	1.7%	1.6%	1.4%	-0.2%	-0.5%	
Production Income	0.6%	1.0%	1.3%	1.0%	0.9%	-0.2%	0.3%	
Advertising	0.4%	0.4%	0.3%	0.3%	0.3%	0.0%	-0.1%	
Rentals	0.7%	0.9%	1.1%	1.1%	0.9%	-0.2%	0.2%	
Other	2.0%	2.0%	2.1%	2.1%	2.0%	-0.1%	0.0%	
<b>Total Earned Income</b>	<b>65.2%</b>	<b>65.4%</b>	<b>61.9%</b>	<b>63.9%</b>	<b>57.4%</b>	<b>-6.5%</b>	<b>-7.8%</b>	

- ◆ Growth in interest and dividends rose 95% in inflation-adjusted figures over five years — 26% in the past year alone.

- ◆ After three years of steady increases, endowment earnings hit a 5-year low in 2001, dropping 22.7% from the 1997 level after adjusting for inflation.

- ◆ The most dramatic change in earned income came from capital gains/losses — a 180% drop over 5 years and a 163% drop from the 2000 level. For the first time in 5 years, theatres averaged a capital loss. It is important to note that in addition to loss from the sale of securities, many theatres reported a significant decrease in capital gains as a result of accounting for the present market value of their investment portfolios. As such, these are unrealized losses based on changes in the present market value of the portfolio from year to year. These theatres have conducted capital campaigns and invested the proceeds in either stocks or bonds. With a long-term investment strategy, it is expected that market conditions will vary from year to year, but that the portfolio ultimately will increase in value over time.

- ◆ Royalty income soared 127% above inflation — 117% in the past year alone. The change was largely attributable to one theatre that earned \$1.3 million — more than twice that of any theatre in any other year.

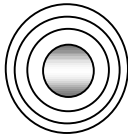
- ◆ Over the past two years, production income — a combination of total co-production and enhancement income (income from other nonprofit and commercial producers who share a production and the expenses to create it) — experienced a steady decrease from its high in 1999, a year when one theatre reported \$1.26 million in this area. Nevertheless, growth in production income has exceeded inflation by 103% since 1997. The trend is for three theatres (the mix varies) to account for roughly 50%-60% of all production income, and for one of those three theatres (the theatre changes from year to year) to account for at least 25% of total production income each year.

- ◆ Although co-production income is twice as common as enhancement income (52% of Trend Theatres reported co-production income in at least one year vs. 27% reporting enhancement income), growth of average enhancement income — 202% in inflation-adjust figures — is the driving force behind the growth in production income.

- ◆ Fewer theatres are co-producing. 20 theatres reported co-production income (income from other nonprofit producers) in 1997, 21 in 1998, 22 in 1999, and only 18 in 2000 and 15 in 2001. The average co-production income for those theatres reporting rose from \$58,000 in 1997 to \$82,500 in 2001. Enhancement income (income from commercial producers) was reported by 21 of the 77 theatres over four years. Average enhancement income fluctuated, with 7 theatres reporting enhancement income averaging \$125,000 in 1997, 3 theatres averaging \$575,000 in 1998, 8 theatres averaging \$375,000 in 1999, 6 theatres averaging \$523,000, and 8 theatres averaging \$340,000 in 2001.

- ◆ Although rental income wasn't as high in 2001 as it was in 1999 and 2000, it still outperformed inflation by 74% since 1997. Rental income grew significantly from 1997 to 2000, with growth outpacing inflation by nearly 75 percent. In 1997, the maximum amount of rental income earned by a theatre was \$294,000. That figure grew to \$835,000 in 2001.

- ◆ Nearly every theatre reports 'other' earned income from activity such as ticket handling fees and special projects. Each year, two theatres account for roughly 25% of total other earned income.



## Expenses

In this section we report changes in the average dollar figure from year to year. We also compare how theatres shifted their allocation of resources over time. The last three columns of the second table below reveal that budget allocations across the different expense categories remained virtually unchanged over the three-year period.

Expense growth far outpaced the growth in inflation over the 5-year period. Total expenses grew by 35.6% from 1997 to 2001, nearly twice that of the 18.4% growth in earned income (taking into account the change in reporting of tour and education/outreach underwriting). Interestingly, nearly every expense category experienced double-digit growth, even after accounting for inflation.

Average Expenses: All Theatres (77 Theatres)						1-yr	4-yr	4-yr
	1997	1998	1999	2000	2001	% chg.	% chg.	CGR* 97-01
Artistic Payroll	\$896,710	\$954,945	\$1,092,095	\$1,133,702	\$1,210,467	6.8%	35.0%	26.0%
Administrative Payroll	733,108	799,494	878,117	959,842	1,128,326	17.6%	53.9%	44.9%
Production Payroll	604,315	623,851	756,540	782,588	849,837	8.6%	40.6%	31.6%
<b>Total Payroll</b>	<b>\$2,234,133</b>	<b>\$2,378,291</b>	<b>\$2,726,752</b>	<b>\$2,876,132</b>	<b>\$3,188,631</b>	<b>10.9%</b>	<b>42.7%</b>	<b>33.7%</b>
General Artistic Non-Payroll	146,253	168,189	204,227	192,963	238,652	23.7%	63.2%	54.2%
Royalties	127,325	121,827	131,995	151,254	206,787	36.7%	62.4%	53.4%
Production/Tech Non-Payroll (physical production)	318,112	293,616	317,673	357,098	371,823	4.1%	16.9%	7.9%
Development/Fundraising	151,859	172,613	187,162	224,167	269,309	20.1%	77.3%	68.3%
Marketing/Customer Service/ Concessions	485,617	509,232	588,343	687,786	747,750	8.7%	54.0%	45.0%
Occupancy/Building/Equip/ Maintenance	452,268	507,627	556,827	587,901	699,386	19.0%	54.6%	45.6%
General Management/Operations	198,057	244,373	247,151	237,836	226,414	-4.8%	14.3%	5.3%
<b>Total Expenses</b>	<b>\$4,113,624</b>	<b>\$4,395,767</b>	<b>\$4,960,129</b>	<b>\$5,315,137</b>	<b>\$5,948,751</b>	<b>11.9%</b>	<b>44.6%</b>	<b>35.6%</b>

\*Compounded Growth Rate adjusted for inflation

### For the 77 Trend Theatres:

- ◆ Despite the fact that artistic payroll increased 26% more than inflation during the 5 years, it accounts for 1.5% less of theatres' total expenses in 2001 than in 1997. Nevertheless, artistic payroll remains theatres' greatest allocation of resources. The average number of full-time artistic staff grew from 6.5 to 9 (38%) and the average total number of paid artists (other than actors) in a season rose from 43 to 52 from 1997 to 2001. Over five years, the total number of work weeks for all paid actors increased 8%, and the average number of paid actors per season grew from 68 in 1997 to a high of 76 in 2001 — a 12% increase in the number of employed actors.
- ◆ Royalties increased 53% percent above inflation from 1997 to 2001 — 37% in the past year alone — and account for .4% more of total expenses.

- ◆ General artistic expenses (housing and travel, per diems, designer expenses and company management and stage management expenses) reached a record high in 2001 after a drop in 2000, for an overall increase of 54% above inflation.

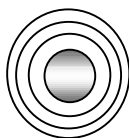
- ◆ Production/Technical Non-Payroll (physical production materials and rentals) experienced single-digit, inflation-adjusted growth over the five years and accounted for 1.5% less expenses in 2001 than in 1997; however, this category has seen a steady recovery since hitting a low in 1998. Theatres

Average Expenses (77 Theatres)						1-yr	4-yr
	1997	1998	1999	2000	2001	% chg.	% chg.
Artistic Payroll	21.8%	21.7%	22.0%	21.3%	20.3%	-1.0%	-1.5%
Administrative Payroll	17.8%	18.2%	17.7%	18.1%	19.0%	0.9%	1.1%
Production Payroll	14.7%	14.2%	15.3%	14.7%	14.3%	-0.4%	-0.4%
<b>Total Payroll</b>	<b>54.3%</b>	<b>54.1%</b>	<b>55.0%</b>	<b>54.1%</b>	<b>53.6%</b>	<b>-0.5%</b>	<b>-0.7%</b>
General Artistic Non-Payroll	3.6%	3.8%	4.1%	3.6%	4.0%	0.4%	0.5%
Royalties	3.1%	2.8%	2.7%	2.8%	3.5%	0.6%	0.4%
Production/Tech Non-Payroll (physical production)	7.7%	6.7%	6.4%	6.7%	6.3%	-0.5%	-1.5%
Development/Fundraising	3.7%	3.9%	3.8%	4.2%	4.5%	0.3%	0.8%
Marketing/Customer Service/ Concessions	11.8%	11.6%	11.9%	12.9%	12.6%	-0.4%	0.8%
Occupancy/Building/Equip/ Maintenance	11.0%	11.5%	11.2%	11.1%	11.8%	0.7%	0.8%
General Management/Operations	4.8%	5.6%	5.0%	4.5%	3.8%	-0.7%	-1.0%
<b>Total Expenses</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>

are experiencing an overall comparatively lower level of growth in physical production material and rental expenses, despite the fact that the average number of resident productions per year has declined only slightly over the five years.

<b>Theatre Facts Administrative Expense Index</b>						1-yr	4-yr
(77 Theatres)						%chg.	%chg.
	1997	1998	1999	2000	2001		
Single ticket marketing expense to single ticket income:	19%	20%	22%	23%	21%	-2.6%	1.6%
Subscription marketing expense to subscription income:	14%	14%	14%	14%	14%	-0.2%	-0.5%
Education/outreach expense to education/outreach income:	24%	24%	23%	28%	26%	-1.7%	2.1%
Fundraising event expense to fundraising event income:	42%	45%	46%	47%	48%	0.9%	5.3%
Development expense to contributed income (less fundraising event expenses and income):	5%	5%	4%	5%	5%	0.5%	0.7%

- ◆ The average number of paid production personnel (full-time and part-time) grew steadily — 10% over 5 years — while production payroll has outpaced inflation by 32%.
- ◆ From 1997 to 2001, total payroll rose 34% above inflation, with steady annual increases reported in each payroll category.
- ◆ The greatest re-allocation of budget was towards administrative payroll, which accounted for 1.1% more of total expenses in 2001 than in 1997. The average number of full-time administrative personnel grew steadily each year and more than doubled from 1997 to 2001 (20 versus 45, respectively). The number of total paid administrative personnel grew only 5%. Theatres are employing more full-time and fewer part-time personnel.
- ◆ The costs of occupancy/building and equipment maintenance rose 46% above than inflation. Roughly 44% of theatres own their own facilities.
- ◆ From 1997 to 2001, the greatest gain in average annual expenses came in the form of development expense — 68% after adjusting for inflation. Increased competition for contributed dollars has led theatres to invest in more sophisticated and expensive initiatives. This finding is confirmed by the fact that in 2001 theatres spent 5.3 cents more for every dollar of fundraising event income they raised than they did in 1997.
- ◆ Single ticket marketing expense as a percentage of single ticket income increased steadily from 1997 to 2000, then decreased 2% in 2001. Each year, theatres spend roughly the same level of expenses to bring in each dollar of subscription income.



## Contributed Income and Changes in Unrestricted Net Assets (CUNA)

Total contributed income grew an astonishing 50% percent and financed 4.4% more expenses in 2001 than in 1997, even after adjusting for inflation. The growth in contributed income far exceeded the growth in expenses (35.6%), leaving an average change in unrestricted net assets (CUNA), the difference between total income and total expenses, of 5.2% for 2001, its lowest level in five years. It is important to recall that tour and education/outreach sponsorships and underwriting, once reported as earned income, were shifted into contributed income categories based upon the source of the contribution. Therefore, just as total earned income in 2001 was skewed lower than years past, so is the growth in contributed income a bit overstated in 2001 compared to the other four years.

### For the 77 Trend Theatres:

- ◆ Yet again, decreases in federal funding were more than offset by growth in state funding. Average federal funding fluctuated over the past five years, but decreased overall by 18% and covered .3% less expenses over the 5-year period, adjusting for inflation.
- ◆ Local funding grew more than any other contributed source. Trend Theatres have experienced higher average city/county funding than state funding each year since 1998. Local funding has doubled the level of expenses that it supports, from 1.8% in 1997 to 3.6% in 2001. The highest level of local funding experienced by a theatre in 1997 was \$1.6 million. That figure rose to \$7 million in 2001. Local governments are recognizing the value of theatre in their communities.
- ◆ Theatres experienced steady, solid gains in individual contributions, bolstered by a nearly 80% rise in trustee giving above inflation. Once again, total individual giving (from trustees and other individuals) was the greatest source of contributed funds for each of the years examined, and supported 2.7% more expenses in 1997 than in 2001. The average trustee gift rose to \$7,278 in 2001, representing an increase of 28% in inflation-adjusted figures from the 1997 average of \$5,331, even though the average trustee gift decreased in 2001 from highs of the previous two years. The average number of trustees making a donation grew from 35 in 1997 to 39 in 2000, and 38 in 2001. Aggregate trustee giving for Trend Theatres peaked in 1999 and 2000 at \$4.7 and \$4.2 million, respectively. Being twice that of aggregate trustee giving in other years, these unusually active years could represent the early phases of capital campaigns when board giving is greatest. The growth in average total gifts from other individual donors rose 63% above inflation — 20% in the past year alone. This finding is a bit unusual given that the average gift from other individuals in 2001 was identical to that of 1997 — \$284.



Average Contributed Income: All Theatres (77 Theatres)								
	1997	1998	1999	2000	2001	1-yr % chg.	4-yr % chg.	CGR* 97-01
Federal	\$ 36,899	\$ 33,377	\$ 30,756	\$ 35,294	\$ 33,587	-4.8%	-9.0%	-18.0%
State	94,291	100,365	123,898	125,047	125,271	0.2%	32.9%	23.9%
City/County	75,512	113,376	170,118	181,819	212,591	16.9%	181.5%	172.5%
Corporations	264,883	279,713	295,322	356,287	347,852	-2.4%	31.3%	22.3%
Foundations	378,600	398,872	419,427	566,957	657,418	16.0%	73.6%	64.6%
Trustees	157,364	163,322	228,360	292,674	296,186	1.2%	88.2%	79.2%
Other Individuals	325,378	389,598	400,671	467,551	562,201	20.2%	72.8%	63.8%
Fundraising Events/Guilds	184,310	199,950	226,500	241,827	280,071	15.8%	52.0%	43.0%
United Arts Funds	76,568	81,898	84,447	74,998	82,386	9.9%	7.6%	-1.4%
In-Kind Services/Materials/ Facilities	122,868	129,451	106,859	118,881	130,933	10.1%	6.6%	-2.4%
Other Contributions	65,095	99,441	123,300	89,838	112,318	25.0%	72.5%	63.5%
<b>Total Contributed Income</b>	<b>\$1,781,769</b>	<b>\$1,989,363</b>	<b>\$2,209,660</b>	<b>\$2,551,171</b>	<b>\$2,840,813</b>	<b>11.4%</b>	<b>59.4%</b>	<b>50.4%</b>
<b>Total Income</b>	<b>\$4,463,269</b>	<b>\$4,862,262</b>	<b>\$5,281,517</b>	<b>\$5,947,258</b>	<b>\$6,257,404</b>	<b>5.2%</b>	<b>40.2%</b>	<b>31.2%</b>
<b>Changes in Unrestricted Net Assets (CUNA)</b>	<b>\$ 349,645</b>	<b>\$ 466,495</b>	<b>\$ 321,388</b>	<b>\$ 632,121</b>	<b>\$ 308,653</b>	<b>-51.2%</b>	<b>-11.7%</b>	<b>-20.7%</b>

\* Compounded Growth Rate adjusted for inflation

- ◆ Fewer corporations are giving larger gifts. For the first time, average corporate support decreased rather than increased in 2001. Still, the growth in corporate giving outpaced inflation by 22% over the 5-year period. The average corporate gift grew from \$8,017 in 1997 to \$9,505 in 2001 — an increase of 10% in adjusted figures — despite the fact that the average number of corporate donors per theatres declined 18% from 71 to 58. The level of expenses financed by corporate contributions was at its lowest level in 5 years in 2001. The recession's effect on corporate giving is evident.
- ◆ Theatres are receiving more foundation gifts but the growth in average gifts is not keeping pace with inflation. After adjusting for inflation, the average foundation gift steadily decreased 3% from 1997 to 2001 while the average number of foundation grants per theatre increased steadily from 15 in 1997 to 23 in 2001. The net effect was that foundation giving rose 64% over the five years and its support of expenses increased 1.8%, more than any other contributed income category.

- ◆ Other Contributions (e.g., cash contributions from sheltering organizations) fluctuated greatly from 1997 to 2001 but ultimately increased 64%.

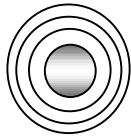
- ◆ In 2001, in-kind contributions were at their highest level in five years; however, the growth of in-kind contributions did not keep pace with inflation.

- ◆ United Arts Funding recovered in 2001 after a dip in 2000. Overall, the growth in United Arts Funds did not keep pace with inflation.

- ◆ Total income grew 31% above inflation over the five years, outpacing the 35.6% growth in expenses. 2001 marks the second year that contributed income has kept the growth in total income from falling behind that of expenses. The result is an overall average CUNA in 2001 that is 5.2% of budget, a 51% decrease from the CUNA of 2000 and a 21% drop from the CUNA of 1997 in inflation-adjusted figures.

Average Contributed Income as a Percent of Expenses (77 Theatres)								
	1997	1998	1999	2000	2001	1-yr % chg.	4-yr % chg.	
Federal	0.9%	0.8%	0.6%	0.7%	0.6%	-0.1%	-0.3%	
State	2.3%	2.3%	2.5%	2.4%	2.1%	-0.2%	-0.2%	
City/County	1.8%	2.6%	3.4%	3.4%	3.6%	0.2%	1.7%	
Corporations	6.4%	6.4%	6.0%	6.7%	5.8%	-0.9%	-0.6%	
Foundations	9.2%	9.1%	8.5%	10.7%	11.1%	0.4%	1.8%	
Trustees	3.8%	3.7%	4.6%	5.5%	5.0%	-0.5%	1.2%	
Other Individuals	7.9%	8.9%	8.1%	8.8%	9.5%	0.7%	1.5%	
Fundraising Events/Guilds	4.5%	4.5%	4.6%	4.5%	4.7%	0.2%	0.2%	
United Arts Funds	1.9%	1.9%	1.7%	1.4%	1.4%	0.0%	-0.5%	
In-Kind Services/Materials/ Facilities	3.0%	2.9%	2.2%	2.2%	2.2%	0.0%	-0.8%	
Other Contributions	1.6%	2.3%	2.5%	1.7%	1.9%	0.2%	0.3%	
<b>Total Contributed Income</b>	<b>43.3%</b>	<b>45.3%</b>	<b>44.5%</b>	<b>48.0%</b>	<b>47.8%</b>	<b>-0.2%</b>	<b>4.4%</b>	
<b>Total Income</b>	<b>108.5%</b>	<b>110.6%</b>	<b>106.5%</b>	<b>111.9%</b>	<b>105.2%</b>	<b>-6.7%</b>	<b>-3.3%</b>	
<b>Changes in Unrestricted Net Assets (CUNA)</b>	<b>8.5%</b>	<b>10.6%</b>	<b>6.5%</b>	<b>11.9%</b>	<b>5.2%</b>	<b>-6.7%</b>	<b>-3.3%</b>	

The strong economy of recent years had an extremely positive effect on Trend Theatres' bottom lines. The average balance of all unrestricted net assets has doubled from \$2 million at the start of 1997 to \$4.5 million at the end of 2001. This is not to say that every theatre had a positive CUNA every year. It is to say that on the whole, theatres were better off by the end of 2001 than they were at the start of 1997, if we consider the benefits of the positive CUNAs over the years.



## The Balance Sheet

The sobering fiscal picture depicted in the review of earned income, expense, and contributed income is not echoed in our examination of Trend Theatres' Balance Sheets. A solid balance sheet is a foundation for long-term stability, and theatres' balance sheets show consistent growth over the past five years. As with personal finances, it is always better to have at least a savings account if not a portfolio of wealth, rather than just a checkbook of incoming and outgoing funds. Organizational health must be examined beyond the five-year analyses presented thus far in this report.

The change in unrestricted net assets (CUNA) of 2001 averaged \$308,653, or 5.2% of budget. Each year, CUNA is added to the year's beginning unrestricted net assets to arrive at total unrestricted net assets. CUNA serves as the link between annual activity and the Balance Sheet. Balance sheets tell the story of theatres' cumulative fiscal history. However, whereas an income statement gives a summary of activity for the year (e.g., the capital gain or loss from unrestricted investment assets), a balance sheet is more like a photo of assets, liabilities and net assets, as of a moment in time (e.g., the value of investments and securities as of a moment in time). Not every Trend Theatre responds to the Balance Sheet section of the survey. Theatres that are part of a sheltering organization, for instance, do not keep a separate balance sheet.

The growth in Trend Theatres' aggregate total net assets — unrestricted, temporarily restricted and permanently restricted — outpaced inflation by 76%, from \$408 million in 1997 to \$756 million in 2001. Unrestricted net assets increased 59% above inflation over the five years, totaling \$209 million in 1997 and \$351 million in 2001. A lower level of net assets was unrestricted in 2001 — 46% of total net assets — as compared with the other four years which ranged from 51%-56%.

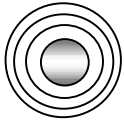
The balance sheet item that attracts the most interest is endowment funds, which are key to theatres' long-term fiscal stability. When the economy is strong, theatres tend to conduct capital campaigns. In 1997, roughly one in five theatres was in the midst of a capital campaign. That figure grew to slightly more than one in three by 2000. In 2001, one in three theatres was still raising capital funds, but only three theatres began their campaign that year. The number of theatres reporting endowment income has grown steadily each year, from 42 in 1997 to 52 in 2001.

Clearly, theatres' capital campaigns have bolstered net assets. Averaging the aggregate figures over the group of 69 Trend Theatres that reported balance sheet information in each of the five years gives an average total endowment of \$1.9 million in 1997 and \$4.2 million in 2001 — a 114% increase, in inflation-adjusted figures. Trend Theatres' unrestricted endowment funds alone grew an astonishing 107% from 1997 to 2001, even after adjusting for inflation. Total cash reserves grew 138% and average unrestricted cash reserves grew 150% in adjusted figures over the five years.

If we focus only on those theatres that report funds in a given category (rather than report the average by dividing the aggregate over all 69 Trend Theatres participating in the Balance Sheet survey), we find that:

- The average total endowment increased from \$3.1 million in 1997 to \$5.5 million in 2001.
- Average unrestricted endowment funds reached a new high in 2001: 14 theatres reported an average of \$2.3 million in 1997, 18 reported an average of \$3.6 million in 1998 and \$3.2 million in 1999, 21 theatres averaged \$3 million in 2000, and 18 theatres averaged \$3.8 million in 2001.
- The average total cash reserves (consisting of both unrestricted and temporarily restricted funds) strengthened from \$1.5 million in 1997 to \$3.5 million in 2001.
- 42 theatres reported average unrestricted cash reserves of \$965,000 in 1997 and \$591,000 in 1998; 41 theatres reported an average of \$1.7 million in 1999; 38 theatres averaged \$2.4 million in 2000; and 41 theatres reported an average of \$2.6 million in 2001.

The value of net assets and liabilities is balanced by an equal valuation of assets, both current and long-term. The 5-year, inflation-adjusted growth in the value of fixed assets (the depreciation-adjusted value of land, building, improvements, and equipment) was 22%. Investments and securities experienced 107% inflation-adjusted growth over the five years.



## Attendance, Performance and Pricing Trends

In this section, we provide a look at some detailed market Industry Averages — e.g., attendance, ticket prices, subscription renewal rates, etc., — for Trend Theatres. We start by examining attendance and performance trends, then we take a look at some detailed marketing and production trends that help flesh out the general attendance and performance findings.

From 1997 to 2001, the average number of subscriptions sold declined. Theatres are producing more performances of productions and total attendance is up, but the steadily declining percentage of paid capacity indicates that theatres are filling their houses with more free tickets.

### For the 77 Trend Theatres:

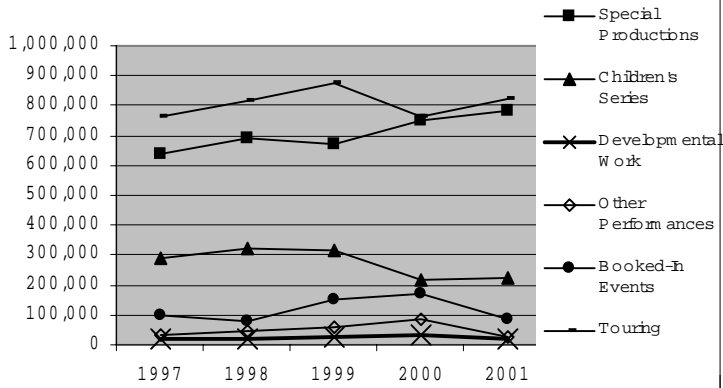
- ◆ Both total attendance and the total number of performances increased slightly from 2000 to 2001, and experienced overall gains for the 5-year period. Total attendance rose 6.3% and the total number of performances increased 5.6% from 1997 to 2001.
- ◆ The 5.2% increase in resident performances was met with 6.1% growth in attendance at resident productions.
- ◆ The number of main series performances offered has steadily increased each year since 1997. Main series attendance has risen each year since 1998.
- ◆ The popularity of special productions (i.e., non-subscription productions such as a holiday production) is on the rise. Theatres produced 3.8% more performances from 1997 to 2001 and saw a corresponding 23% increase in attendance.

Aggregate Attendance						1-yr chg. 4-yr chg.	
77 Trend Theatres	1997	1998	1999	2000	2001	00-01	97-01
Main Series (total)	7,005,166	6,693,331	7,161,041	7,238,111	7,429,689	2.6%	6.1%
Special Productions	637,551	688,287	673,392	749,035	785,052	4.8%	23.1%
Children's Series	286,593	322,426	314,401	214,692	226,121	5.3%	-21.1%
Staged Readings/Workshops	21,909	18,281	25,157	30,189	22,253	-26.3%	1.6%
Other	35,812	45,273	56,991	83,538	28,027	-66.4%	-21.7%
Booked-In Events	99,586	80,488	148,661	169,126	87,407	-48.3%	-12.2%
Resident Subtotal	8,086,617	7,848,086	8,379,643	8,484,691	8,578,549	1.1%	6.1%
Touring	762,603	816,802	877,899	763,970	825,359	8.0%	8.2%
Total	8,849,220	8,664,888	9,257,542	9,248,661	9,403,908	1.7%	6.3%

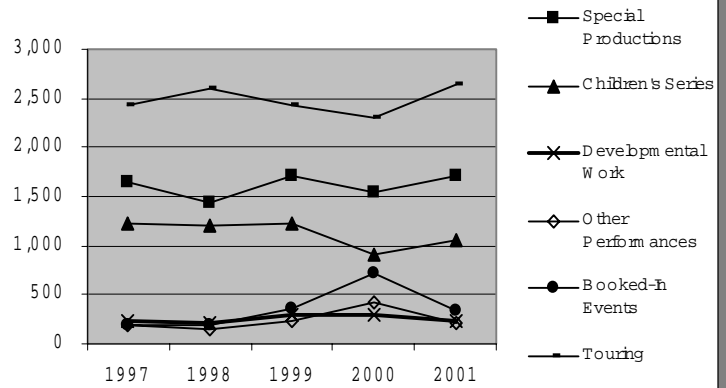
- ◆ Booked-in productions played to smaller houses in 2001 than in 1997. The number of booked-in event performances rose 71% from 1997 to 2001 while booked-in event attendance decreased 12% over the same period.
- ◆ Theatres are producing far fewer children's series performances — a 14% decrease over the 5-year period. Attendance at children's performances dropped 21% from 1997 to 2001.
- ◆ Staged reading and workshop performances and attendance increased over the 5-year period, despite a drop from 2000 to 2001.
- ◆ Theatres held 15% more tour performances in 2001 than in 2000, but the corresponding rise in attendance was only 8%. Overall, tour performances and attendance have fluctuated over time but increased roughly 8% from 1997 to 2001.
- ◆ Despite fluctuations in total attendance and performances from year to year in each category, the overall mix varies little over time. For example, main series activity regularly accounts for 76% of theatres' total performances and 77% of total attendance.

Aggregate Number of Performances						1-yr chg. 4-yr chg.	
77 Trend Theatres	1997	1998	1999	2000	2001	00-01	97-01
Main Series (total)	19,227	19,302	20,015	20,101	20,346	1.2%	5.8%
Special Productions	1,645	1,441	1,706	1,536	1,707	11.1%	3.8%
Children's Series	1,222	1,201	1,222	903	1,052	16.5%	-13.9%
Staged Readings/Workshops	226	206	286	305	237	-22.3%	4.9%
Other	192	152	241	412	214	-48.1%	11.5%
Booked-In Events	199	184	360	722	341	-52.8%	71.4%
Resident Subtotal	22,711	22,486	23,784	23,979	23,897	-0.3%	5.2%
Touring	2,437	2,605	2,434	2,303	2,647	14.9%	8.6%
Total	25,148	25,091	26,218	26,282	26,544	1.0%	5.6%

**Non-Main Series Attendance Trends  
(77 Trend Theatres)**



**Non-Main Series Performance Trends  
(77 Trend Theatres)**



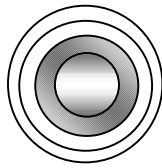
**For the 77 Trend Theatres:**

- ◆ Subscriptions are an area to watch. Subscribers are attending a higher number of productions per year on their subscription — 5.5 in 2001 vs. 4.5 in 1997. This trend is confirmed by the fact that while the average number of subscribers per theatre dropped a striking 10% overall from 1997 to 2001 (fluctuating slightly over the years), the total number of seats occupied by subscribers in a season rose 10% over the 5-year period.

**Industry Averages  
77 Trend Theatres**

	1997	1998	1999	2000	2001	1-yr chg.	4-yr chg.
Subscription Renewal Rate (%)	73	75	75	76	76	1%	4%
High Subscription Discount (%)	32.5	37.5	39.7	40.5	39.9	-2%	23%
Low Subscription Discount (%)	13.2	14.2	13.1	12.9	11.2	-13%	-15%
Subscription Price (per ticket)	\$ 19.74	\$ 20.10	\$ 21.04	\$ 22.07	\$ 22.80	3%	16%
Single Ticket Price	\$ 20.66	\$ 20.92	\$ 22.00	\$ 22.78	\$ 24.74	9%	20%
Number of Ticket Packages Offered	5.2	5.2	5.5	5.3	5.1	-4%	-2%
Number of Subscribers/ Season Ticket Holders	11,106	9,620	10,797	10,664	10,029	-6%	-10%
Subscription Tickets (#subscribers x #tix/package sold)	50,078	50,551	50,401	50,599	55,267	9%	10%
Single Tickets	47,790	43,028	47,225	47,683	51,603	8%	8%
Total In-Residence Paid Capacity (%)	73	72	72	72	71	-2%	-3%
Subscriber Capacity (%)	38	38	34	34	37	8%	-4%
Number of Main Series Performances	250	251	260	261	264	1%	6%
Number of Main Series Productions	13.8	12.8	13.5	13.3	13.2	-1%	-4%
Number of Performance Weeks	34	33	34	35	35	0%	2%
Number of Actor Employment Weeks (sum of # w ks each actor employed)	560	547	591	663	606	-8%	8%

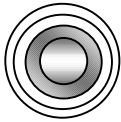
- ◆ While the percent of total in-residence capacity filled by subscribers has decreased 4% over the five years, it did rebound 8% from its lows in 1999 and 2000. At the same time, subscription renewal rates rose slightly. Theatres have broadened the range of subscription discounts, giving higher high and lower low discounts than now than in 1997.
- ◆ Theatres do not offer all resident productions on subscription. If we were to consider only potential capacity of those productions offered on subscription, subscribers filled 46% of their potential in 1999 and 2000 and 51% in 2001.
- ◆ Over the five years, average single ticket sales per theatre have increased 8%.



## Profiled Theatres

Now, we provide an in-depth look at the 197 theatres that completed the full 2001 survey: their earned income, expenses, contributed income and CUNA; their balance sheets; and their attendance, performance and pricing information. This section offers the greatest level of detailed examination.

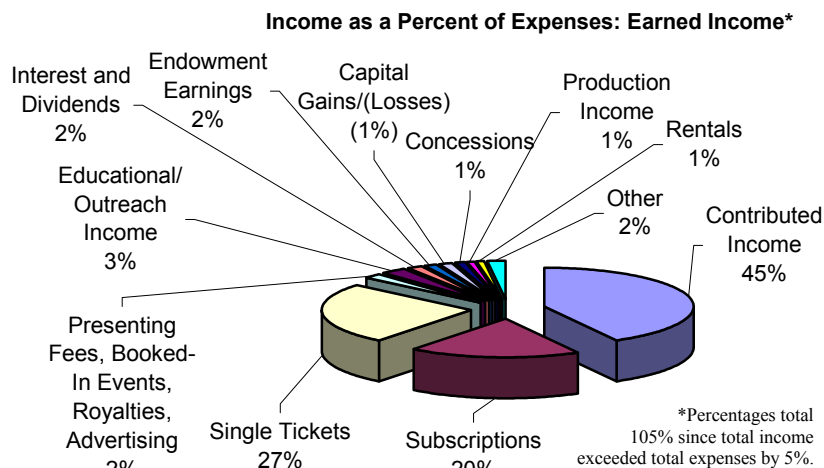
We first examine activity at the industry-wide level, and then we break down information for each of the six budget groups to view variations that may occur due to theatre size. It is important to remember that we are looking at income and expenses from all unrestricted funds, not just activity from operations.



### Earned Income

Overall, Profiled Theatres' earned income accounted for 57% of total income and financed 60% of their expenses. Income from ticket sales alone supported nearly half — 47.5% — of total expenses and represented 80% of total earned income.

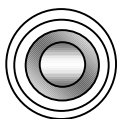
Since 2001 marked the first year that tour and education/outreach sponsorships and underwriting were accounted for as contributed, rather than as earned income, we refrain from making comparisons of 2001's total earned and total contributed figures to those of Profiled Theatres in recent years. Even with the change in reporting of education/outreach income this year, it became the second greatest source of earned income next to ticket income.



#### The 197 Profiled Theatres:

- ◆ Brought in over \$451 million in total earned income — an average of \$2.3 million per theatre — and earned \$363 million in ticket income.
- ◆ As was the case for Profiled Theatres of 2000, single ticket income again supported 27% of expenses.
- ◆ Generated nearly \$23 million in income from 1,565 education and outreach programs, serving over 2.5 million people. One Profiled Theatre in 2000 alone served over 3.7 million people through its education and outreach programs, inflating that year's figure to 6.9 million people served.

- ◆ Felt the effects of the recession. Total investment instrument income supported only 1.7% of total expenses — as opposed to its 2000 level of 6% — due to an overall capital loss. Despite the fact that theatres earned a total of \$12 million in interest and dividends and \$11.6 million in endowment earnings, the total on realized and unrealized capital losses from unrestricted investment assets came to \$11 million.
- ◆ Earned \$6.6 million in production income. Forty-four theatres reported income in this area. Of these, 70% reported co-production income, 36% reported enhancement funds and 4% reported both. Whereas four theatres account for 80% of total enhancement funds in 2000, the distribution of enhancement funds over reporting theatres in 2001 is fairly even.
- ◆ Earned \$4.4 million from 321 royalty properties for an impressive average of \$13,662 per property, a 57% increase over the average reported by Profiled Theatres in 2000. Theatres offered 285 world premieres in 2001.
- ◆ Attracted 1.2 million subscribers/season ticket holders and 6.7 million single ticket buyers.
- ◆ 17% of subscription income was from flexible subscriptions. 3% of single ticket sales were pick-and-choose, coupons, or vouchers; another 10% was earned through group sales.



### Budget Group Snapshot: Earned Income

What is true for the whole may not be true for each of the parts. In each of the Profiled Theatre income and expense sections, we provide a Budget Group Snapshot in order to capture some of each theatre size's distinguishing traits. We provide actual dollar averages for each Budget Group as well as each line item as a percent of budget. Here, we take a Budget Group Snapshot of Profiled Theatres' earned income.

**For the 197 Profiled Theatres:**

- ◆ The smaller the theatre, the more reliant it is on contributed income to support expenses.
- ◆ With the exception of Group 5 Theatres, as theatres' size decreases, so does the percentage of expenses financed by subscription income.

**Group 6 Theatres:** Two theatres generated 62% of total single ticket sales. Excluding these two theatres would leave average single ticket sales of \$2,736,924 for the Group.

**Group 6 Theatres:** One theatre generated 92% of the Group's tour underwriting and sponsorship income.

**Group 4 Theatres:** Only one received income from tour fees and contracts.

Average Earned Income							
	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of theatres	197	18	29	22	64	32	32
Subscriptions	\$ 775,009	\$ 3,545,899	\$1,776,364	\$ 747,911	\$ 286,317	\$ 67,777	\$ 12,148
Single Ticket Income	1,048,576	6,343,205	1,337,447	872,038	409,726	190,105	66,098
Booked-In Events	20,717	62,100	87,899	2,302	5,198	502	470
<b>Total Ticket Income</b>	<b>\$ 1,844,302</b>	<b>\$ 9,951,204</b>	<b>\$3,201,710</b>	<b>\$1,622,251</b>	<b>\$ 701,242</b>	<b>\$258,384</b>	<b>\$ 78,717</b>
Tour Fees and Contracts	27,899	48,036	49,398	1,364	36,838	17,335	8,020
Educational/Outreach Income	120,433	264,806	217,665	138,005	121,431	32,681	24,782
Interest and Dividends	60,822	451,110	75,000	30,170	13,431	3,457	1,658
Endowment Earnings	58,929	326,735	121,676	49,933	13,915	6,052	511
Capital Gains/(Losses)	(54,936)	(340,929)	(101,996)	(17,370)	(20,813)	(92)	(334)
Royalties	22,261	167,165	9,239	39,558	3,299	732	116
Concessions	48,905	189,247	112,154	55,307	21,170	8,115	4,500
Production Income	33,397	136,591	52,905	26,834	24,394	10,708	2,877
Advertising	13,015	14,862	26,153	16,915	14,148	5,885	2,252
Rentals	33,897	76,078	71,707	73,912	20,906	6,388	1,886
Other	83,591	352,104	216,696	73,591	24,739	16,462	3,635
<b>Total Earned Income</b>	<b>\$ 2,292,514</b>	<b>\$11,637,009</b>	<b>\$4,052,308</b>	<b>\$2,110,467</b>	<b>\$ 974,698</b>	<b>\$366,107</b>	<b>\$ 128,620</b>

**Group 1 Theatres:** One theatre accounted for 78% of total booked-in income, another accounted for 97% of total endowment earnings, and a third for 81% of production income.

**Group 6 Theatres:** One theatre earned 62% of the Group's total \$5.8 million endowment earnings.

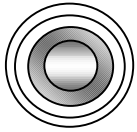
**Group 5 Theatres:** The only Group whose subscription income covers a greater portion of expenses than does single ticket income.

**Group 1 Theatres:** None had capital gains, only losses.

**Group 1 and 2 Theatres:** Experience far lower subscription income than the industry average.

Average Earned Income as a Percent of Expenses							
	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of theatres	197	18	29	22	64	32	32
Subscriptions	20.3%	20.7%	24.8%	19.6%	15.4%	9.5%	3.7%
Single Ticket Income	27.5%	37.1%	18.7%	22.9%	22.0%	26.7%	19.9%
Booked-In Events	0.5%	0.4%	1.2%	0.1%	0.3%	0.1%	0.1%
<b>Total Ticket Income</b>	<b>48.3%</b>	<b>58.2%</b>	<b>44.8%</b>	<b>42.6%</b>	<b>37.6%</b>	<b>36.3%</b>	<b>23.7%</b>
Tour Fees and Contracts	0.7%	0.3%	0.7%	0.0%	2.0%	2.4%	2.4%
Educational/Outreach Income	3.2%	1.5%	3.0%	3.6%	6.5%	4.6%	7.5%
Interest and Dividends	1.6%	2.6%	1.0%	0.8%	0.7%	0.5%	0.5%
Endowment Earnings	1.5%	1.9%	1.7%	1.3%	0.7%	0.9%	0.2%
Capital Gains/(Losses)	-1.4%	-2.0%	-1.4%	-0.5%	-1.1%	0.0%	-0.1%
Royalties	0.6%	1.0%	0.1%	1.0%	0.2%	0.1%	0.0%
Concessions	1.3%	1.1%	1.6%	1.5%	1.1%	1.1%	1.4%
Production Income	0.9%	0.8%	0.7%	0.7%	1.3%	1.5%	0.9%
Advertising	0.3%	0.1%	0.4%	0.4%	0.8%	0.8%	0.7%
Rentals	0.9%	0.4%	1.0%	1.9%	1.1%	0.9%	0.6%
Other	2.2%	2.1%	3.0%	1.9%	1.3%	2.3%	1.1%
<b>Total Earned Income</b>	<b>60.1%</b>	<b>68.1%</b>	<b>56.7%</b>	<b>55.4%</b>	<b>52.3%</b>	<b>51.4%</b>	<b>38.7%</b>

**Group 1 Theatres:** Continue to support more of their expenses with education and outreach income than any other budget group.



## Expenses

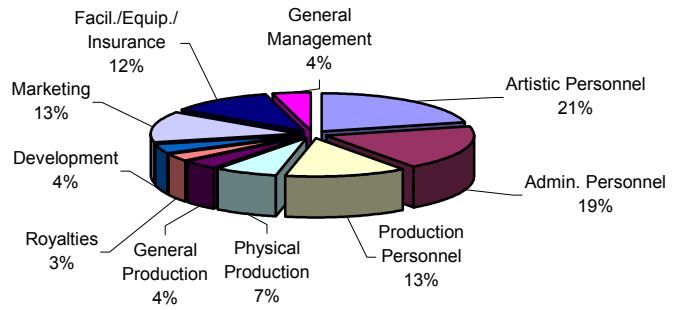
For all Profiled Theatre groups, artistic salaries and fringe benefits remain theatres' greatest expense. The labor-intense nature of theatre is evidenced by the fact that more than 53% of total expenses — \$401 million — goes directly to compensation: artistic payroll (21%), administrative payroll (19%) and production payroll (13%). These overall allocations change little from year to year. If one also considers payment to authors in the form of royalties, this figure escalates to 57% of total expenses, or \$426 million.

Direct production expenses — artist and production payroll, royalties, general production expenses (artist housing and travel, designer expenses, etc.), and production material (including production management expenses) — represent half of all expenses.

### The 197 Profiled Theatres:

- Contributed \$751 million to the U.S. economy in 2001.
- Of the \$426 million in salaries, benefits, fees, and royalties, 33% went to administrative salaries and benefits and 67% went to royalties and to salaries and benefits for acting, non-acting artistic and production/ technical personnel.
- The average royalty paid per property in 2001 was \$20,401. Theatres paid \$24 million in royalties for 1,198 properties.
- Spent over \$118 million in occupancy/building/equipment maintenance and other administrative costs such as office supplies and audit fees. 35% of theatres own their own theatres and office space.
- Average development expense to contributed dollars remained at the 2000 level of 3%. This accounts for all fundraising expenses except the costs associated with fundraising events and benefits. The average fundraiser expense to income was 42%, 2% lower than in 2000.
- 9% of development expenses, 6% of marketing expenses, and 15% of general management expenses were spent on professional fees for independent contractors or consultants.
- For the first time, Profiled Theatres provided breakdowns of administrative personnel by department in 2001. If we allocate personnel costs to the various administrative departments and combine them with program costs, we find that Profiled Theatres spent an average of \$488,757 on marketing, \$262,250 on development, \$148,400 on front-of-house (including box office) and \$134,112 on education.

**Breakdown of Expenses**



## Budget Group Snapshot: Expenses

Average Expenses							
	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of theatres	197	18	29	22	64	32	32
Artistic Payroll	\$ 804,558	\$ 3,499,507	\$ 1,455,203	\$ 766,841	\$ 418,019	\$ 203,470	\$ 99,099
Administrative Payroll	722,999	3,027,179	1,452,947	756,804	358,830	133,069	60,412
Production Payroll	508,931	2,468,662	1,038,526	489,436	192,249	63,052	19,284
<b>Total Payroll</b>	<b>\$ 2,036,489</b>	<b>\$ 8,995,347</b>	<b>\$ 3,946,675</b>	<b>\$ 2,013,081</b>	<b>\$ 969,099</b>	<b>\$ 399,590</b>	<b>\$ 178,795</b>
General Artistic Non-Payroll	152,899	627,036	309,811	169,232	74,389	26,719	15,965
Royalties	124,060	685,244	205,395	96,031	52,038	17,407	4,651
Production/Tech Non-Payroll (physical production)	261,909	1,254,064	464,431	256,638	123,697	39,653	22,591
Development/Fundraising	146,479	825,900	222,730	99,082	64,050	24,427	14,700
Marketing/Customer Service/Concessions	495,830	2,145,127	915,062	612,821	238,159	81,987	36,924
Occupancy/Building/Equip/Maintenance	435,654	1,890,337	817,801	432,187	229,403	84,204	37,412
General Management/Operations	162,413	677,543	267,304	131,427	113,604	37,610	21,319
<b>Total Expenses</b>	<b>\$ 3,815,733</b>	<b>\$ 17,100,601</b>	<b>\$ 7,149,209</b>	<b>\$ 3,810,499</b>	<b>\$ 1,864,439</b>	<b>\$ 711,597</b>	<b>\$ 332,358</b>

**Group 1 Theatres:** Consistently spend the highest percentage of their budgets on artistic personnel.

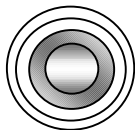
**Group 5 Theatres:** Spent a higher percentage of budget on administrative personnel than any other group.

**Group 4 Theatres:** Spend far more of their budgets on marketing than other groups.

Average Expenses							
	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of theatres	197	18	29	22	64	32	32
Artistic Payroll	21.1%	20.5%	20.4%	20.1%	22.4%	28.6%	29.8%
Administrative Payroll	18.9%	17.7%	20.3%	19.9%	19.2%	18.7%	18.2%
Production Payroll	13.3%	14.4%	14.5%	12.8%	10.3%	8.9%	5.8%
<b>Total Payroll</b>	<b>53.4%</b>	<b>52.6%</b>	<b>55.2%</b>	<b>52.8%</b>	<b>52.0%</b>	<b>56.2%</b>	<b>53.8%</b>
General Artistic Non-Payroll	4.0%	3.7%	4.3%	4.4%	4.0%	3.8%	4.8%
Royalties	3.3%	4.0%	2.9%	2.5%	2.8%	2.4%	1.4%
Production/Tech Non-Payroll (physical production)	6.9%	7.3%	6.5%	6.7%	6.6%	5.6%	6.8%
Development/Fundraising	3.8%	4.8%	3.1%	2.6%	3.4%	3.4%	4.4%
Marketing/Customer Service/ Concessions	13.0%	12.5%	12.8%	16.1%	12.8%	11.5%	11.1%
Occupancy/Building/Equip/ Maintenance	11.4%	11.1%	11.4%	11.3%	12.3%	11.8%	11.3%
General Management/Operations	4.3%	4.0%	3.7%	3.4%	6.1%	5.3%	6.4%
<b>Total Expenses</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Selected Administrative Expenses: Personnel and Non-Personnel							
	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Development/Fundraising Personnel	\$ 115,770	\$ 489,607	\$ 225,689	\$ 139,816	\$ 57,541	\$ 13,897	\$ 7,673
Non-personnel Development Expenses	146,479	825,900	222,730	99,082	64,050	24,427	14,700
Marketing Personnel	108,642	483,811	225,565	114,534	45,993	3,017	3,017
Non-personnel Marketing Expenses	380,115	1,815,995	681,147	410,918	167,341	56,556	27,556
Front-of-House Personnel	123,729	606,189	236,803	119,316	49,735	20,841	3,782
Non-personnel Front-of-House Expenses	24,670	80,289	67,133	22,940	11,937	4,005	2,225
Education Programs/Outreach	79,231	284,465	159,903	72,542	58,019	10,190	6,740
Non-personnel Education/Outreach Expenses	54,881	146,500	76,080	132,028	37,910	15,140	4,780

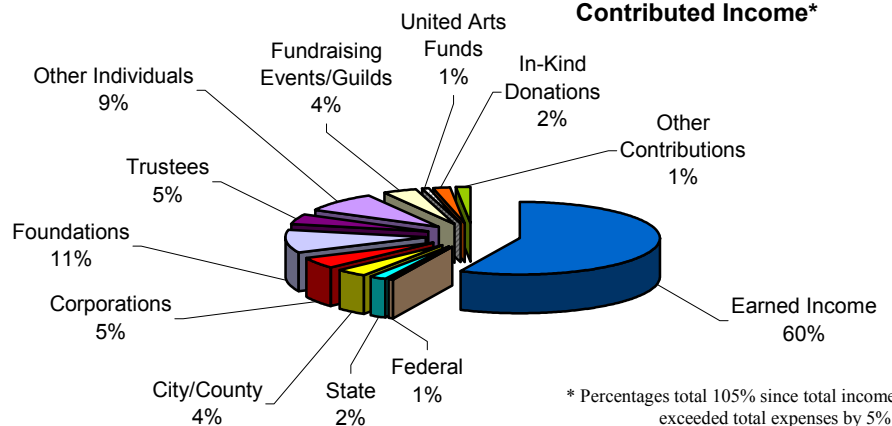
Theatre Facts Administrative Expense Index	Single ticket marketing expense to single ticket income: 20%	
		Subscription marketing expense to subscription income: 14%
	Average education/outreach expense to education/outreach income: 27%	
	Fundraising event expense to fundraising event income: 42%	
	Development expense to contributed income (less fundraising event expense and income): 3%	



## Contributed Income and Changes in Unrestricted Net Assets (CUNA)

2001 is the first year that contributed income includes underwriting support and sponsorships of tours and education/outreach programs. The contributed income figures reported in this section represent contributions to all unrestricted funds — not just annual operations — and contributed sources reflect Net Assets Released from Temporary Restriction (NARTR). For example, a theatre's individual giving total may include unrestricted trustee gifts to a capital campaign granted in a prior year, but not released from temporary restrictions until the current year, as well as contributions to the annual fund.

### Income as a Percent of Expenses: Contributed Income\*



### The 197 Profiled Theatres:

- ◆ Attracted contributions from 242,847 individuals who donated over \$86 million — excluding NARTR (donations from a prior year released into the current year) — or 31% of all contributed dollars. Individual giving remains theatres' greatest source of contributed funds.
- ◆ Engaged in capital campaigns. 23% of theatres were in a capital campaign in 2001. Eight theatres — 4% — began a capital campaign in 2001. Five theatres that were in a capital campaign in 2001 also completed one within the last five years.



- ◆ Garnered \$40 million in corporate support; 6,074 corporations contributed. Corporate gifts averaged \$6,577, a 5% decrease from the average for 2000 Profiled Theatres. It is important to note that the set of Profiled Theatres changes slightly from year to year.
- ◆ Received 31% of total individual contributions from trustees. On average, trustees made the largest gifts: \$6,597 per donor as compared to \$250 per donor for other individuals. There is great disparity in average trustee gift depending upon theatre size. To contrast, the high average trustee gift was \$14,391 for Group 6 Theatres and that of Group 1 Theatres was \$1,604. Average gifts from other individuals varied little amongst budget Groups, although it is interesting to note that Group 1 Theatres — the smallest budget size — had the highest average other individual gift, \$329.
- ◆ Received \$81 million from foundations, 24% of total contributed income. Foundations provided the second greatest source of contributed funds: 2,704 foundations provided grants that averaged \$29,870.
- ◆ NEA funding supported .5% of expenses and accounted for 1.3% of total contributed income. Overall, Profiled Theatres received an average grant of \$13,068. No theatre received funding from the National Endowment for the Humanities. Theatres attracted \$1.2 million from other federal agencies. The allocation of NEA grants across funding categories was as follows: 74% of grants were for Creativity, 12% for Education, 8% for Organizational Capacity, 5% for Access, and 1% for Heritage and Preservation grants. Every group benefited from some form of federal funding.



## Budget Group Snapshot: Contributed Income

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of theatres	197	18	29	22	64	32	32
Federal	\$ 22,378	\$ 95,190	\$ 33,772	\$ 15,859	\$ 15,920	\$ 6,422	\$ 4,451
State	82,112	150,831	209,113	113,644	58,438	17,928	18,215
City/County	142,916	931,524	182,165	91,579	43,802	30,582	9,610
Corporations	202,799	700,847	467,947	262,380	101,088	29,737	17,879
Foundations	409,990	1,992,827	582,093	357,449	228,421	90,380	82,542
Trustees	178,108	530,851	411,093	261,787	87,858	23,094	12,780
Other Individuals	351,524	1,584,986	708,000	338,724	157,103	52,426	31,382
Fundraising Events/Guilds	166,087	816,590	252,693	122,979	101,259	27,058	20,015
United Arts Funds	34,134	157,798	111,769	-	5,730	3,570	5,058
In-Kind Services/Materials/ Facilities	77,751	151,055	195,635	85,172	56,491	34,263	10,590
Other Contributions	62,870	97,102	59,245	188,063	52,780	41,953	1,927
<b>Total Contributed Income</b>	<b>\$ 1,730,663</b>	<b>\$ 7,269,601</b>	<b>\$ 3,213,525</b>	<b>\$ 1,837,636</b>	<b>\$ 908,891</b>	<b>\$ 357,381</b>	<b>\$ 214,448</b>
Total Income	\$ 4,023,177	\$ 18,906,610	\$ 7,265,833	\$ 3,948,103	\$ 1,883,589	\$ 723,487	\$ 343,068
Changes in Unrestricted Net Assets (CUNA)	\$ 207,444	\$ 1,806,009	\$ 116,624	\$ 137,604	\$ 19,150	\$ 11,890	\$ 10,710

**Group 2 and 3 Theatres:** In both Groups, roughly 65% of united arts funding came from one theatre.

**Group 6 Theatres:** One theatre accounted for 47% of the \$36 million in foundation support for the Group, and 21% of foundation support for all Profiled Theatres.

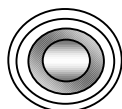
**Group 2 Theatres:** Finished the year with an average CUNA only marginally larger than that of Group 1 Theatres.

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of theatres	197	18	29	22	64	32	25
Federal	0.6%	0.6%	0.5%	0.4%	0.9%	0.9%	1.3%
State	2.2%	0.9%	2.9%	3.0%	3.1%	2.5%	5.5%
City/County	3.7%	5.4%	2.5%	2.4%	2.3%	4.3%	2.9%
Corporations	5.3%	4.1%	6.5%	6.9%	5.4%	4.2%	5.4%
Foundations	10.7%	11.7%	8.1%	9.4%	12.3%	12.7%	24.8%
Trustees	4.7%	3.5%	5.8%	6.9%	4.7%	3.2%	3.8%
Other Individuals	9.2%	9.3%	9.9%	8.9%	8.4%	7.4%	9.4%
Fundraising Events/Guilds	4.4%	4.8%	3.5%	3.2%	5.4%	3.8%	6.0%
United Arts Funds	0.9%	0.9%	1.6%	0.0%	0.3%	0.5%	1.5%
In-Kind Services/Materials/ Facilities	2.0%	0.9%	2.7%	2.2%	3.0%	4.8%	3.2%
Other Contributions	1.6%	0.6%	0.8%	4.9%	2.8%	5.9%	0.6%
<b>Total Contributed Income</b>	<b>45.4%</b>	<b>42.5%</b>	<b>44.9%</b>	<b>48.2%</b>	<b>48.7%</b>	<b>50.2%</b>	<b>64.5%</b>
Total Income	105.4%	110.6%	101.6%	103.6%	101.0%	101.7%	103.2%
Changes in Unrestricted Net Assets (CUNA)	5.4%	10.6%	1.6%	3.6%	1.0%	1.7%	3.2%

**Group 1 Theatres:** Received roughly twice as much of their budget from state and foundation grants than other groups.

**Group 6 Theatres:** The only Group to see double-digit CUNA.

**Group 2, 3 and 5 Theatres:** Total unrestricted income barely exceeded total expenses.



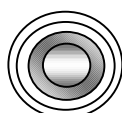
## The Balance Sheet

As stated in the Trend Theatres section, a solid balance sheet is a foundation for long-term stability. 183 of the 197 Profiled Theatres completed the Balance Sheet section of the survey. Together they held total assets of \$1.3 billion and net assets in excess of \$1 billion, \$515 million of which was in unrestricted funds. On average, unrestricted funds account for 49% of total net assets, a shift from the 2000 Profiled Theatres' unrestricted level of 58%. Temporarily restricted funds account for 27% of total net assets, and 24% of net assets are permanently restricted.

Whereas 48% of 2000 Profiled Theatres reported no endowment, that figure increased slightly to 51% — 93 of 183 theatres — in 2001. More than half of the Profiled Theatres remain severely undercapitalized. The average endowment is \$1.9 million. Only one Group 1 Theatre reported having an endowment, in the amount of \$44,406. The average Group 2 endowment was \$72,222, Group 3 Theatres averaged \$196,953, Group 4's \$868,378, the Group 5 average endowment was \$4.1 million and Group 6 Theatres averaged an endowment of \$12 million.

Naturally, Group 6 Theatres have the highest level of net assets, with an average endowment of \$12 million — a 50% increase over the average for Group 6 Theatres in 2000. In 2001, 91% of all endowment funds and 74% of all cash reserves are held by Group 5 and 6 Theatres.

Two theatres — 2% of those with an endowment — met the National Arts Stabilization recommended endowment guideline (200%-500% of annual operating expenses). Clearly, the vast majority of theatres failed to meet the guideline, measured in our case by total expenses — a figure slightly higher than if operating funds alone were considered. Of the remaining theatres, 11 reported an endowment 101% to 200% the size of their budget, 14 reported an endowment 51% to 100% of budget and 63 reported an endowment 1% to 50% of budget.



## Attendance, Pricing and Performances

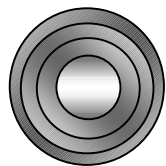
In the Trend Theatre section, we looked at market and performance trends over time. We now look at the same Industry Averages in detail for the Profiled Theatres. Since not every theatre offers a subscription package, averages reported in this section are adjusted for the number of theatres that responded to each question.

### The 197 Profiled Theatres:

- Attracted over 12.8 million patrons.
- Held 38,475 main series performances.
- Filled an average of 74% of their seats with paying customers. In general, the larger the theatre, the higher the capacity utilization.
- Group 6 Theatres offer both the lowest and the highest subscription discounts.

		Industry Averages						
		All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of theatres	197	18	29	22	64	32	32	
Subscription Renewal Rate (%)	74	76	76	74	75	69	70	
High Subscription Discount (%)	35.5	45.9	40.9	39.6	35.6	30.1	22.3	
Low Subscription Discount (%)	13.4	7.2	9.1	12.3	16.3	15.2	15.0	
Subscription Price (per ticket)	\$21.10	\$31.18	\$26.00	\$24.50	\$19.48	\$15.88	\$13.85	
Single Ticket Price	\$21.43	\$33.94	\$27.86	\$25.27	\$21.38	\$14.81	\$12.63	
Number of Ticket Packages Offered	4	5	5	5	4	3	2	
Number of Subscribers/ Season Ticket Holders	6,947	25,214	13,042	7,114	3,444	993	332	
Subscription Tickets (#subscribers x #tix/package sold)	36,500	125,662	72,490	40,424	16,439	5,587	1,611	
Single Tickets	33,824	105,998	61,506	40,936	20,457	18,463	5,343	
Total In-Residence Paid Capacity (%)	74	86	79	71	74	70	66	
Subscriber Capacity (%)	30	43	43	38	28	19	12	
Number of Main Series Performances	195	476	289	195	174	121	70	
Number of Performance Weeks	31	44	37	30	31	27	24	
Number of Actor Employment Weeks	530	1,479	713	502	428	317	265	
(sum of # wks each actor employed)								
Paid Employee Turnover (# vacated positions/total # pd. employees)	13%	13%	12%	11%	13%	21%	8%	

- There is little difference between the average subscription price per ticket and the average single ticket price.
- Theatres do not offer all resident productions on subscription. If we were to consider only potential capacity of those productions offered on subscription, subscribers filled an average of 42% of their potential: 57% for Group 6 Theatres, 60% for Group 5, 47% for Group 4, 40% for Group 3, 26% for Group 2, and 25% for Group 1.
- Budget size has strong implications for theatres, from pricing, to the percent of seats filled by subscribers, to number of performance weeks, to number of ticket buyers.



## Conclusion

The downturn in the economy in 2001 is evident in theatres' bottom lines. A higher level of Survey Universe Theatres ended the year with negative CUNA than in recent years. Group 2, 3 and 5 Theatres' income barely exceeded expenses. Earned income is down, primarily due to sharp capital losses. Again, these negative signs do not take into account the impact of September 11 on the economy, on philanthropy, or on patrons' buying habits. Nevertheless, the strength of the economy over the past five years has had a positive overall impact on the industry, with theatres' average balance of all unrestricted net assets more than doubled from the start of 1997 to the end of 2001. Contributions grew at a rapid pace. Philanthropy is strong, especially with respect to individual and foundation giving. Personnel in all areas of the theatre are seeing their compensation increase. Total unrestricted net assets have grown as each year's positive CUNA makes a contribution to long-term, organizational health.

Even though the nation is no longer riding the tide of economic boom, we still are charged with the task of translating the value of our art and organizations to our communities. Theatres are producing larger-cast plays, offering actors more employment weeks over the course of the season. We contributed just under \$1 billion to the economy in the form of compensation and payment for services and goods. We accomplished this in the pursuit and attainment of artistic excellence.

## Methodology

Theatre Facts 2001 includes information on participating theatres' fiscal years ending between September 1, 2000, and August 31, 2001. Information provided by Profiled Theatres was verified against certified financial audits. The adjustment for inflation in the discussion of Tracked Theatres is based on compounded annual average changes in the Consumer Price Index for all urban consumers as reported by the U.S. Department of Commerce's Bureau of Labor Statistics.

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## 2001 Profiled Theatres

Alabama	Alabama Shakespeare Festival
Alaska	Perseverance Theatre
Arizona	Actors Theatre of Phoenix, Arizona Theatre Company, Borderlands Theater, Childsplay, Inc., Invisible Theatre Company
Arkansas	Arkansas Repertory Theatre
California	A Traveling Jewish Theatre, American Conservatory Theater, Berkeley Repertory Theatre, Brava Theater Center, California Shakespeare Festival, The Foothill Theatre Company, Geffen Playhouse, The Globe Theatres, La Jolla Playhouse, Laguna Playhouse, Lamb's Players Theatre, Magic Theatre, Inc., Marin Shakespeare Company, Mark Taper Forum, North Coast Repertory Theatre, PCPA Theaterfest, San Diego Repertory Theatre, San Jose Repertory Theatre, Shakespeare Santa Cruz, South Coast Repertory, TheatreWorks
Colorado	Denver Center Theatre Company
Connecticut	Eugene O'Neill Theater Center, Hartford Stage Company, Long Wharf Theatre, Yale Repertory Theatre
Delaware	Delaware Theatre Company
DC	Arena Stage, GALA Hispanic Theatre, The Shakespeare Theatre, The Studio Theatre, Woolly Mammoth Theatre Company
Florida	Florida Repertory Theatre, Florida Stage, Florida Studio Theatre, Seaside Music Theater
Georgia	Actor's Express, Alliance Theatre Company, Dad's Garage Theatre Company, Horizon Theatre Company, 7 Stages, Theater Emory
Hawaii	Honolulu Theatre for Youth
Idaho	Idaho Shakespeare Festival
Illinois	Apple Tree Theatre, Chicago Shakespeare Theater, Court Theatre, Famous Door Theatre Company, Free Street Programs, Goodman Theatre, Lifeline Theatre, Northlight Theatre, Steppenwolf Theatre Company, Victory Gardens Theater
Indiana	Indiana Repertory Theatre, The New Harmony Theatre, The Phoenix Theatre
Iowa	Riverside Theatre
Kentucky	Actors Theatre of Louisville, Kentucky Shakespeare Festival, Roadside Theater
Maine	Portland Stage Company
Maryland	BAPA's Imagination Stage, Center Stage, Round House Theatre
Massachusetts	American Repertory Theatre, Barrington Stage Company, The Berkshire Theatre Festival, Huntington Theatre Company, The Lyric Stage Company of Boston, Merrimack Repertory Theatre, New Repertory Theatre, Shakespeare & Company, Williamstown Theatre Festival
Michigan	Detroit Repertory Theatre, Meadow Brook Theatre
Minnesota	The Children's Theatre Company, Commonweal Theatre Company, Guthrie Theater, Pillsbury House Theatre, Theatre de la Jeune Lune
Missouri	The Coterie Theatre, Missouri Repertory Theatre, Unicorn Theatre
Montana	The Montana Repertory Theatre
New Hampshire	Seacoast Repertory Theatre
New Jersey	George Street Playhouse, Growing Stage Theatre for Young Audiences, McCarter Theatre Center, New Jersey Shakespeare Festival
New Mexico	Southwest Repertory Theater Company
New York	The Acting Company, Amas Musical Theatre, Inc., Atlantic Theater Company, Capital Repertory Theatre, The Cherry Lane Alternative, The Cider Mill Playhouse, Classic Stage Company, Ensemble Studio Theatre, Geva Theatre, Inside Broadway, The Joseph Papp Public Theater/New York Shakespeare Festival, Lincoln Center Theater, Mabou Mines, Manhattan Theatre Club, Ma-Yi Theatre Company, Merry-Go-Round Playhouse, New York Theatre Workshop, The Open Eye Theater, The Paper Bag Players, Playwrights Horizons, Pregones Theater, Roundabout Theatre Company, Second Stage Theatre, Signature Theatre Company, The SITI Company, Studio Arena Theatre, Syracuse Stage, Target Margin Theater, Theatre for a New Audience, Vineyard Theatre, Women's Project & Productions, The Wooster Group
North Carolina	Actor's Theatre of Charlotte, PlayMakers Repertory Company, Theater Previews at Duke
North Dakota	Fargo-Moorhead Community Theatre
Ohio	Cincinnati Playhouse in the Park, The Cleveland Play House, Cleveland Public Theatre, Contemporary American Theatre Company, Great Lakes Theater Festival, The Human Race Theatre Company
Oregon	Artists Repertory Theatre, Oregon Shakespeare Festival, Portland Center Stage
Pennsylvania	Actors Company at the Fulton (formerly Fulton Opera House), Arden Theatre Company, Bloomsburg Theatre Ensemble, City Theatre Company, InterAct Theatre Company, Open Stage of Harrisburg, The People's Light & Theatre Company, Philadelphia Theatre Company, Pig Iron Theatre Company, Pittsburgh Public Theater, Touchstone Theatre, Walnut Street Theatre, The Wilma Theater
Rhode Island	Perishable Theatre, Trinity Repertory Company
South Carolina	Charleston Stage Company, Inc., Trustus, The Warehouse Theatre
Tennessee	Clarence Brown Theatre Company, Playhouse on the Square
Texas	A. D. Players, Alley Theatre, Dallas Children's Theater, Dallas Theater Center, Hyde Park Theatre, Kitchen Dog Theater, Main Street Theater, Undermain Theatre, Zachary Scott Theatre Center
Utah	Pioneer Theatre Company, The Salt Lake Acting Company, Sundance Theatre, Utah Shakespearean Festival
Vermont	Northern Stage, Weston Playhouse
Virginia	Mill Mountain Theatre, Signature Theatre, Theater of the First Amendment, Virginia Stage Company
Washington	ACT Theatre, The Empty Space Theatre, Intiman Theatre, Seattle Children's Theatre, Seattle Repertory Theatre, Seattle Shakespeare Company, Tacoma Actors Guild, Taproot Theatre, Village Theatre
West Virginia	Contemporary American Theater Festival
Wisconsin	American Players Theatre, Madison Repertory Theatre, Milwaukee Repertory Theater, Next Act Theatre