THEATRE FACTS 2012

A REPORT ON THE FISCAL STATE OF THE PROFESSIONAL NOT-FOR-PROFIT AMERICAN THEATRE

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and Laurie Baskin

Kevyn Morrow and Johnny Ramey
in Center Stage's 2012 production of
The Whipping Man by Matthew Lopez,
directed by Kwame Kwei-Armah.
Photo by Richard Anderson.

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INTRODUCTION

Theatre Facts is Theatre Communications Group's (TCG) annual report that examines the fiscal state of the professional not-for-profit American theatre. The report analyzes the field's attendance, performance and fiscal health using data from the TCG Fiscal Survey for the fiscal year that theatres completed anytime between October 31, 2011, and September 30, 2012. Theatres' contributions to their communities and to the nation's artistic legacy go well beyond the quantitative analyses that are described here. This report is organized into 3 sections that offer different perspectives:

1. The *Universe* section offers a broad overview of the U.S. not-for-profit professional theatre field in 2012. The 1,782 theatres represented are comprised of TCG member theatres—both those that participated in Fiscal Survey 2012 and those that did not—and additional not-for-profit professional theatres throughout the country that filed Internal Revenue Service (IRS) Form 990.
2. The *Trend Theatres* section presents a longitudinal analysis of the 112 TCG theatres that responded to the TCG Fiscal Survey each year since 2008. In addition, we offer a sub-section that highlights 10-year trends for 85 TCG theatres that have been survey participants each year since 2003. This section provides interesting insights regarding long-term trends experienced by a small sample of mostly larger theatres. When we speak of Trend Theatres in this report, we are making reference to those included in the 5-year trend analysis, unless otherwise noted, and we adjust for inflation unless otherwise noted.
3. The *Profiled Theatres* section provides a detailed examination of the 178 theatres that completed TCG Fiscal Survey 2012. This section provides the greatest level of detail, including breakout information for theatres in 6 different budget categories

The report complies with the audit structure recommended by the Federal Accounting Standards Board (FASB). It examines unrestricted income and expenses; attendance, pricing and performance details; and Balance Sheet figures. Unless otherwise noted, income is reported as a percentage of expenses because expenses serve as the basis for determining budget size. In the tables, there may be slight discrepancies in the totals due to rounding. Before diving into the full report, we highlight key, overall findings in the *Executive Summary* that follows.

EXECUTIVE SUMMARY

The *Executive Summary* begins with key findings from the 112 Trend Theatres that participated in the TCG Fiscal Survey each year since 2008. This longitudinal analysis reveals that the year 2012 brought an overall return to pre-recession levels after difficult times during the height of the recent economic crisis, reflecting general economic trends in society.

The average theatre ended 2012 with essentially break-even Change in Unrestricted Net Assets (CUNA), with total income growth nearly mirroring inflation and virtually flat expense growth vis-à-vis 2008.

WHAT IS CUNA?

CUNA, or the Change in Unrestricted Net Assets, includes operating income and expenses; unrestricted equipment and facilities, board designated and endowment gifts; capital gains/losses; capital campaign expenses; and gifts released from temporary restrictions in the current year.

CUNA = TOTAL UNRESTRICTED INCOME – TOTAL UNRESTRICTED EXPENSES

Earned income growth fell short of inflation over the past 5 years. Despite 5-year overall decreases, subscription income and the number of season ticket holders rose from 2011 to 2012, showing potential promise for the future. Single ticket income was at a 5-year high in 2012, rising annually since 2009, as was single ticket buyer attendance. Overall attendance was higher in 2012 than in either 2010 or 2011 but still down 1.8% from 2008. Over the same time period, theatres offered 5.9% more performances.

Contributed income growth exceeded inflation for the 5-year period, primarily driven by growth in foundation and non-trustee individual support. The average foundation grant, corporate gift and non-trustee individual gift per donor were at a 5-year high in 2012. There were increases in contributions from 6 of 11 sources of funding from 2011 to 2012. Roughly half of the contributed income funding sources more than recovered to pre-recession average levels by 2012, while half did not.

Theatres' expense growth and total income growth were neck-and-neck with inflation for the period despite wide swings in the interim years. In many of their income and expense areas, theatres in the *Trend Theatres* section of this report experienced similar patterns of contraction and expansion as the U.S. stock market, consumer spending, employment and the GDP over the 5-year period. Earned income was at its lowest in 2009, contributed income fell to its lowest point in 2010, and both precipitated belt-tightening of expenses in 2010.

Figure A presents 5-year trends in income, expenses and CUNA. Five-year inflation-adjusted growth rates were -5.7% for earned income (skewed by 1 large theatre's unrealized capital losses), 6.7% for contributed income, -0.4% for total income and -0.1% for expenses. After fluctuating over the years, CUNA in 2012 represented -1.5% of total expenses. Earned income, although lower in 2012 than 2008 after adjusting for inflation, was at a nearly identical absolute level in 2012 as in 2008, holding fairly steady over the past 2 years after recovering from the low of 2009. Contributed income was at a 5-year high in 2011 (skewed by 1 large theatre's capital campaign) after dipping in 2010, with 5-year growth outpacing inflation. **Figure A** demonstrates that the trends in earned income and CUNA track closely with one another. If we were to eliminate the theatre with exceptional 2012 unrealized capital losses from the analyses, we would see earned income growth still falling short of inflation but by only 3%, with total income growth of 1% and a 2% decrease in expenses compared with 2008. Without the outliers in 2011 and 2012, we would still see a similar pattern of CUNA over the 5-year period but less ground reclaimed in 2011 and a slightly positive rather than slightly negative end for CUNA in 2012. Throughout this report, we do include theatres with exceptional activity in our analyses since they are part of the national community, but note when they skew any findings.

FIGURE A

TREND THEATRE AVERAGES: EARNED AND CONTRIBUTED INCOME, EXPENSES AND CUNA (NOT ADJUSTED FOR INFLATION)

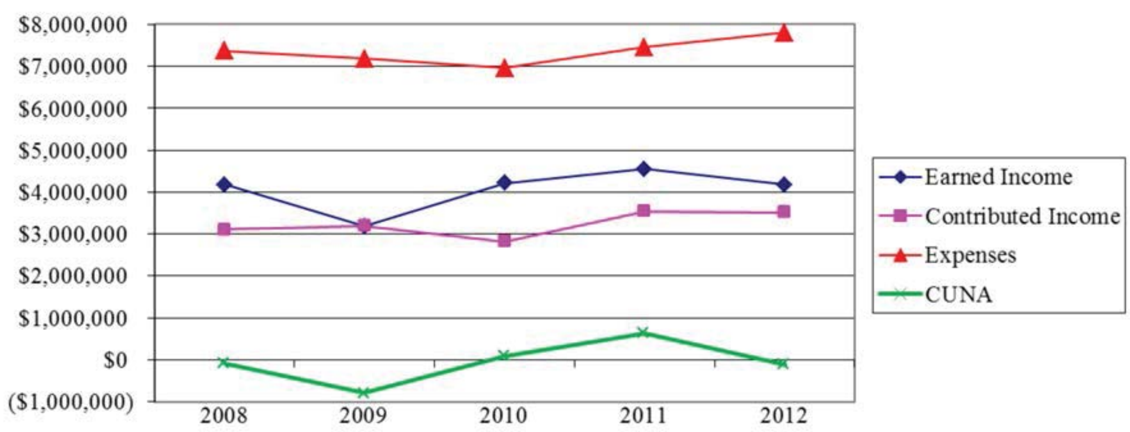


Figure B presents levels of earned income and contributed income over time, along with total income, expenses and CUNA. The bar chart illustrates more clearly how total income was just shy of expenses in 2008 and 2012, how expenses exceeded total income in 2009 to leave CUNA notably negative, and total income surpassed expenses in 2010 and 2011 to create positive CUNA. Earned income exceeded contributed income every year except 2009, when the down economy drove severe capital losses.

FIGURE B

TREND THEATRE AVERAGES: EARNED, CONTRIBUTED AND TOTAL INCOME, EXPENSES AND CUNA

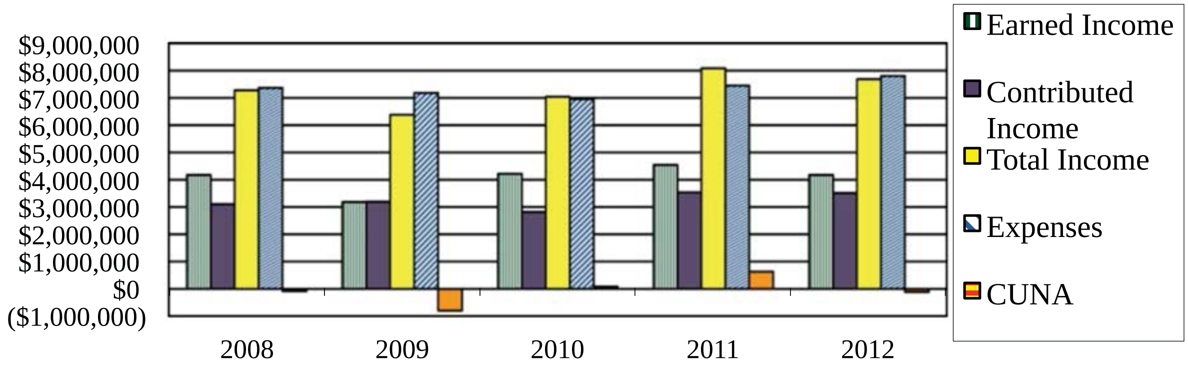
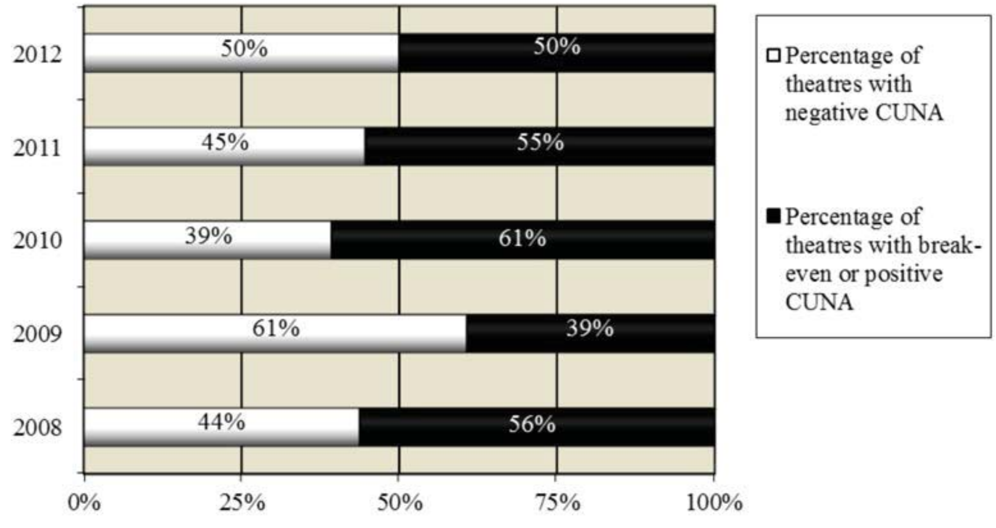


Figure C1 shows the annual percentage of Trend Theatres that broke even or had positive CUNA versus those that experienced negative CUNA. This chart highlights the fact that while less than half of the theatres had break-even or positive CUNA in 2009, the majority experienced break-even or positive CUNA in 2008, 2010 and 2011. In 2012, half broke even or better.

FIGURE C1

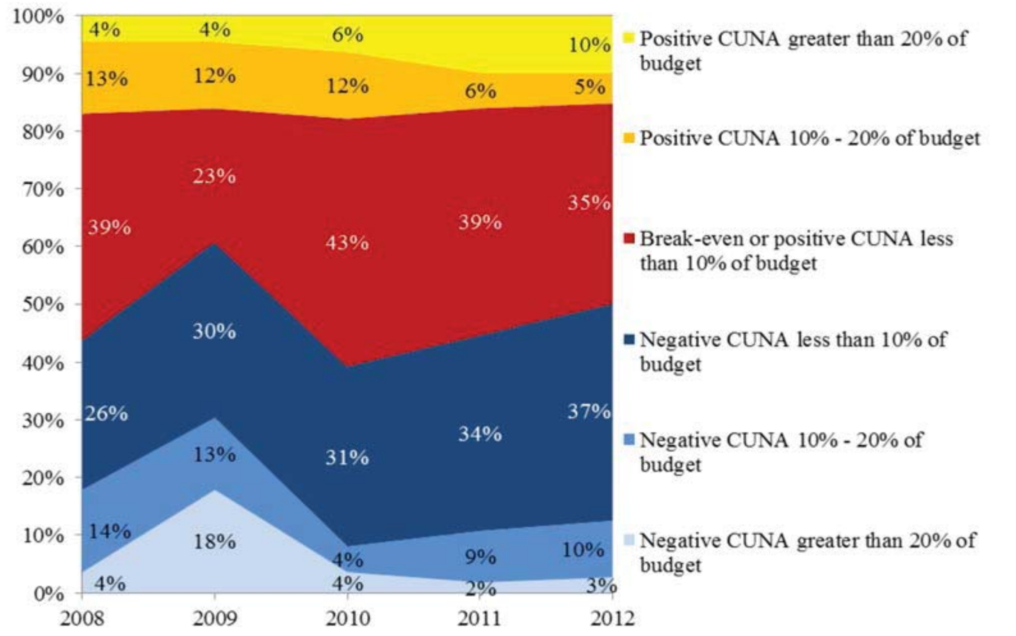
BREAKDOWN OF 112 TREND THEATRES' CHANGES IN UNRESTRICTED NET ASSETS (CUNA)



Figures A, B and C1 tell a consistent story that average CUNA was just below break-even in 2008, became more negative on average in 2009, rebounded in 2010 and 2011 for the majority of theatres, and returned to near break-even in 2012. **Figure C1** reveals that while half of theatres ended 2012 with positive CUNA, the percentage of theatres with negative CUNA increased steadily from 2010 to 2012. A closer examination of the data in **Figure C2**, which details CUNA as a percent of expenses annually, shows that the majority of negative bottom lines in 2012 were not severe; only 3% of theatres had negative CUNA exceeding 20% of budget in 2012. In fact, 72% of theatres in 2012 ended the year in the CUNA span between 10% below and 10% above break-even (the two largest zones). Fifteen percent of theatres had positive CUNA greater than 10% of budget in 2012, while 13% had negative CUNA over 10% of budget. Thirteen Trend Theatres ended each of the past 5 years in positive territory and 2 ended each year with a deficit.

FIGURE C2

BREAKDOWN OF 112 TREND THEATRES' CHANGES IN UNRESTRICTED NET ASSETS (CUNA) PROPORTIONAL TO EXPENSES



Total net asset growth trailed inflation by 3.8%, and net assets became increasingly less liquid. Capital campaigns brought theatres substantial growth in new, improved or expanded facilities. However, average working capital was negative and grave cause for concern in each of the past 5 years, becoming increasingly severe in 2009 and 2010, improving somewhat in 2011 and declining again in 2012.

Findings from the 178 Profiled Theatres—all of the theatres that participated in TCG Fiscal Survey 2012—highlight how theatres of different sizes have different mixes of income and expense allocation. The **largest theatres**, those with budgets of $5 million or more, supported a higher share of expenses with total ticket income and a lower level of expenses with earned income from other activities than other groups. They earned proportionally more from subscription income, offered a greater selection of ticket packages for purchase and filled a higher proportion of available seats with subscribers. Their endowment earnings supported a higher level of expenses than was the case for theatres with budgets below $5 million. Large theatres obtained a lower proportion of their budget than their smaller counterparts from foundations and fundraising events; they spent more of their budget on production payroll and realized higher levels of depreciation. The largest theatres also spent comparatively more on physical production expenses and less on occupancy expenses. More than three-quarters of large theatres can be found in urban markets. They tended to end 2012 with negative CUNA.

Findings for **mid-sized theatres**, whose total expenses range from $1 million to $4,999,999, were on par with or in between the larger and smaller theatres. On average, mid-sized theatres ended 2012 in the black. Comparatively, they received more funding from trustees and other individuals, earned less from co-productions and enhancement funds, spent less of their budget on physical production expenses and more on royalties. They tended to operate under a serious working capital shortage. The smaller of the mid-sized theatres received proportionally more support from sheltering organizations than theatres of other sizes and had the highest percentage of positive CUNA relative to expenses. Mid-size theatres have a greater presence in suburban communities than other groups, and they reported the highest subscriber renewal rates.

Smaller theatres, with budgets below $1 million, are inclined to be much more reliant on contributed income, particularly foundation and local government support. Proportionally, they received a lower share of their funding from trustees and more from in-kind donations. They filled fewer seats with subscribers and retained fewer subscribers relative to mid-sized and larger theatres; the larger among them played to more empty seats. Presenter fees and tour contracts made up a greater share of their income. Comparatively, more of their resources went to artistic payroll, occupancy expenses and general management fees, such as office supplies and audit fees, but they spent less on production payroll and royalties. As theatres grow in size even within this category, they tend to add paid professional staff and artists and increase the share of the budget allocated to administrative payroll. The smaller of the theatres in this group ended the year with positive CUNA while the reverse was true for the larger among them. Small theatres tend to be located in urban areas.

We begin the full report on the following page with the *Universe* section, an examination of key indicators for the largest body of theatres in 2012. This will be followed by 5-year and 10-year Trend Theatre analyses, then a presentation of detailed 2012 facts and figures for the Profiled Theatres.

THE UNIVERSE

In 2012, not-for-profit theatres presented the creative work of 77,900 professional artists to 36.7 million audience members. This conclusion is based on an extrapolation of data from the 178 TCG theatres that participated in Fiscal Survey 2012 to 1,604 additional theatres, including TCG members that did not respond to the Fiscal Survey and additional theatres that completed Form 990 for the Internal Revenue Service, which collects information for not-for-profit theatres. We used total annual expenses—the only data reported by all theatres—to generate the estimates presented in **Table 1** for the Universe of not-for-profit professional theatres.

We estimate that in 2012, 1,782 Theatres in the U.S. Not-for-Profit Professional Theatre Field:

- **Attracted** 36.7 million audience members to 211,000 performances of 18,500 productions. Nearly 1.6 million Americans subscribed to a theatre season.
- Contributed nearly $2 billion to the U.S. economy in payments for goods and services and hired 123,000 artists, administrators and production/technical staff. The real **economic impact** is far greater than $2 billion because theatre-goers frequently dine at restaurants, pay for parking, hire babysitters, etc. Many employees live in the theatre's community, pay rent or buy homes, make regular purchases and contribute to the overall tax base.
- Engaged the majority of their **employees** in artistic pursuits. We estimate that the theatre workforce (i.e., all paid full-time, part-time, jobbed-in or fee-based employees) is comprised of 63% artistic, 24% production/technical and 13% administrative professionals. It is worth noting that these percentages shift based on theatre size. We estimate that theatres with total expenses of half a million dollars or less (i.e., 65% of Universe Theatres) employ 77% of their workforce in artistic positions, 15% in production and 8% as administrators. Theatres with total expenses greater than $500,000 employ 56% in artistic positions, 29% in production and 15% in administration.
- Received 52% of their **income** from earned sources and 48% from contributions. Theatres with total expenses of $500,000 or less received 49% from earned sources and 51% from contributions, whereas, theatres with total **expenses** above $500,000 received 53% from earned and 47% from contributed sources.
- Experienced a positive **Change in Unrestricted Net Assets (CUNA)**, which encompasses changes in all unrestricted funds and includes Net Assets Released from Temporary Restriction (NARTR), equivalent to 2.0% of expenses. NARTR occurs, for example, if an individual made a contribution to a capital campaign in a prior year but the capital project did not get started until the current year. Once the project begins, the net assets are released from temporary restriction.

TABLE 1: ESTIMATED 2012 UNIVERSE OF U.S. NOT-FOR-PROFIT PROFESSIONAL THEATRES (1,782 Theatres)

Estimated Productivity		
Attendance	36,700,000	
Subscribers	1,570,000	
Performances	211,000	
Productions	18,500	
Estimated Finances		
Earnings	$ 1,058,000,000	
Contributions	$ 968,000,000	
Total Income	$ 2,026,000,000	
Expenses	$ 1,986,000,000	
Changes in Unrestricted Net Assets	$ 40,000,000	
Earned $ as a % of Total Income	52%	
Contributed $ as a % of Total	48%	
CUNA as a % of Expenses	2.0%	
Estimated Workforce		**% of Total**
Artistic (all)	77,900	63%
Administrative	15,700	13%
Production/Technical	29,400	24%
Total Paid Personnel	123,000	

TREND THEATRES

In this section we report on activity for the 112 Trend Theatres that responded to the TCG Fiscal Survey each year from 2008 to 2012. Following the same set of theatres over time avoids variations attributable to different theatres participating in some years but not in others. Trend Theatres, whose average expenses were $7.8 million in 2012, are significantly larger than theatres found in the *Universe* section.

We organize the analysis into 5 sections: (1) earned income sources; (2) attendance, pricing and performance trends; (3) sources of contributions; (4) expense allocations and Change in Unrestricted Net Assets (CUNA); and (5) Balance Sheet. All dollar figures and percentages represent averages rather than aggregates. In each section, we present 1-year percentage changes that offer a longer-term perspective comparing activity levels in 2012 to activity levels in 2008. These tables reflect the story of the past 5 years. We also include a10-year trend analysis for a subset of 85 long-term Trend Theatres that have participated in the TCG Fiscal Survey each year since 2003. We highlight key facts that deserve attention in the sections that follow. We indicate when 1 or 2 theatres' activities skew the trend and distort the reality faced by the rest of the Trend Theatres.

EARNED INCOME

We examine changes in earned income in this section. **Table 2** shows average earned income from each source and 3 trend indices: 1-year percentage change, 4-year percentage change and 4-year percentage change adjusted for inflation. We italicize trends where a negative line item has become increasingly negative over time because positive percentage changes in these cases may seem counterintuitive. **Table 3** shows each earned income category in relation to total expenses in order to see which income categories are increasing or decreasing as a proportion of total budget. In some instances, there is a positive dollar increase in an income category—even after adjusting for inflation—but a decrease in the percentage of expenses that it supports. This occurs when the increase in an income category does not keep pace with the increase in total expenses over the 5-year period. Roughly half of the line items increased and half decreased over time. Theatres' capital losses in 2008, 2009 and 2012 reflect volatility in global economic capital markets. Five-year earned income growth exclusive of investment income was -2.6% shy of inflation. When we add in investment income, that figure falls to -5.7%, primarily because of 5-year overall declines in endowment earnings, interest and dividends and 1 theatre with an 8-figure unrealized capital loss.

For the 112 Trend Theatres:

- **Earned income** shrunk from 2008 to 2009, increased in 2010 and 2011, and declined in 2012. After adjusting for inflation, earned income fell by 5.7% over the 5-year period (see **Table 2**). Earned income supported 3.2% less of total expenses in 2012 than in 2008 (see **Table 3**).
- **Average subscription income** was at its highest point of the 5-year period in 2008, hit a low in 2010 and has increased annually since. Despite the rebound, subscription income was 13.7% lower in 2012 than in 2008 after adjusting for inflation. As shown in **Table 3**, subscription income covered a progressively lower level of total expenses each year, from a high of 18.4% in 2008 to a low of 15.9% in 2012.
- **Flexible subscription income** (not shown in the tables) accounted for 9% of total subscription income in 2008 and 2009, rose to 11% in 2010, dropped to 8% in 2011, and went back to 9% in 2012. The number of theatres reporting flexible subscription income fluctuated between 67 in 2011 and 78 in 2009. Of the 61 theatres that consistently offered flexible subscriptions, 49% reported increases over the 5 years.
- **Average single ticket income** increased annually from 2009 to 2012, ending on a 5-year high in 2012. Five-year growth exceeded inflation by 9.2% and also exceeded expense growth, supporting 2.2% more of average total expenses in 2012 than 2008. Fifty-four percent of theatres reported higher inflation-adjusted total single ticket income in 2012 than in 2008. Single ticket sales are, by far, the greatest source of earned income annually (see **Table 3**).
- **Booked-in event income**, generated by shows, films or events that the theatre neither created nor offered as part of a series, has increased each year since 2009, with overall growth 52.5% above inflation. It increased 16.3% in the past year alone. The set of theatres reporting booked-in event income grew annually from 2008 to 2011 then tapered off in 2012. Only 10 theatres reported it in every one of the past 5 years. The growth in this area was driven predominantly by 2 theatres, which together accounted for 34% of total booked-in event income in 2012. Neither reported income in this area in 2008 or 2009.
- **Total ticket income** grew at the rate of inflation from 2008 to 2012. With the rallying of subscription income in recent years and the overall gains in single ticket and booked-in event income, **Table 3** shows ticket income covered the same proportion of expenses in 2012 as in 2008, despite dips in 2009 and 2011.
- Income from **presenter fees and contracts for toured performances** was at a 5-year low in 2012, less than one-third the average level in 2009-2012 as it was in 2008, with an overall inflation-adjusted drop of 74.3% over the 5-year period. The spike was primarily due to 1 theatre that earned more than $7 million from this activity in 2008 but nothing in 2009-2012. In no year since has a theatre brought in more than 6-figure income in this area.

TABLE 2: AVERAGE EARNED INCOME (112 Theatres)

	2008	2009	2010	2011	2012	1-yr. %chg.	4-yr. %chg.	4-yr %CGR*
Subscriptions	$1,354,901	$1,314,902	$1,195,495	$1,203,138	$1,239,711	3.0%	-8.5%	-13.7%
Single Ticket Income	1,714,752	1,544,379	1,751,414	1,852,680	1,984,857	7.1%	15.8%	9.2%
Booked-In Events**	53,588	48,946	59,784	74,453	86,625	16.3%	61.6%	52.5%
Total Ticket Income	**$3,123,242**	**$2,908,226**	**$3,006,693**	**$3,130,272**	**$3,311,192**	**5.8%**	**6.0%**	**0.0%**
Tour Contracts/Presenting Fees**	$89,358	$27,345	$28,464	$30,031	$24,305	-19.1%	-72.8%	-74.3%
Educational/Outreach Income	193,227	199,153	196,424	201,959	209,792	3.9%	8.6%	2.4%
Royalties	49,824	51,252	46,890	40,232	35,366	-12.1%	-29.0%	-33.0%
Concessions	85,955	85,893	90,856	104,588	116,350	11.2%	35.4%	27.7%
Production Income (co-production & enhancement income)	112,451	154,396	80,604	140,906	90,388	-35.9%	-19.6%	-24.2%
Advertising	23,727	21,825	18,024	19,894	22,070	10.9%	-7.0%	-12.2%
Rentals	79,253	83,601	83,701	105,993	99,940	-5.7%	26.1%	19.0%
Other (ticket handling, insur., etc.)	228,598	196,682	222,336	214,501	206,371	-3.8%	-9.7%	-14.8%
Total Other Earned Income	**$862,393**	**$820,145**	**$767,298**	**$858,104**	**$804,583**	**-6.2%**	**-6.7%**	**-12.0%**
Interest and Dividends	$55,153	$27,941	$24,962	$19,948	$18,368	-7.9%	-66.7%	-68.6%
Endowment Earnings/Transfers	192,283	52,585	272,011	244,432	185,798	-24.0%	-3.4%	-8.8%
Capital Gains/(Losses)**	(57,357)	(622,474)	147,345	291,794	(143,864)	-149.3%	*150.8%*	*136.6%*
Total Investment Income	**$190,078**	**$(541,948)**	**$444,317**	**$556,174**	**$60,303**	**-89.2%**	**-68.3%**	**-70.1%**
Total Earned Income	**$4,175,713**	**$3,186,423**	**$4,218,309**	**$4,544,550**	**$4,176,078**	**-8.1%**	**0.0%**	**-5.7%**

*Compounded Growth Rate adjusted for inflation. **Trend skewed by 1 or 2 theatres' exceptional activity.
Italicized positive percentages reflect an increasingly negative trend.

TABLE 3: AVERAGE EARNED INCOME AS A PERCENTAGE OF TOTAL EXPENSES (112 Theatres)

	2008	2009	2010	2011	2012	1-year % chg.	4-year % chg.
Subscriptions	18.4%	18.3%	17.2%	16.1%	15.9%	-0.3%	-2.5%
Single Ticket Income	23.3%	21.5%	25.2%	24.9%	25.4%	0.6%	2.2%
Booked-In Events**	0.7%	0.7%	0.9%	1.0%	1.1%	0.1%	0.4%
Total Ticket Income	**42.4%**	**40.5%**	**43.2%**	**42.0%**	**42.4%**	**0.4%**	**0.0%**
Tour Contracts/Presenting Fees**	1.2%	0.4%	0.4%	0.4%	0.3%	-0.1%	-0.9%
Educational/Outreach Income	2.6%	2.8%	2.8%	2.7%	2.7%	0.0%	0.1%
Royalties	0.7%	0.7%	0.7%	0.5%	0.5%	-0.1%	-0.2%
Concessions	1.2%	1.2%	1.3%	1.4%	1.5%	0.1%	0.3%
Production Income (co-production & enhancement income)	1.5%	2.1%	1.2%	1.9%	1.2%	-0.7%	-0.4%
Advertising	0.3%	0.3%	0.3%	0.3%	0.3%	0.0%	0.0%
Rentals	1.1%	1.2%	1.2%	1.4%	1.3%	-0.1%	0.2%
Other (ticket handling, insur., etc.)	3.1%	2.7%	3.2%	2.9%	2.6%	-0.2%	-0.5%
Total Other Earned Income	**11.7%**	**11.4%**	**11.0%**	**11.5%**	**10.3%**	**-1.2%**	**-1.4%**
Interest and Dividends	0.7%	0.4%	0.4%	0.3%	0.2%	0.0%	-0.5%
Endowment Earnings/Transfers	2.6%	0.7%	3.9%	3.3%	2.4%	-0.9%	-0.2%
Capital Gains/(Losses)**	-0.8%	-8.7%	2.1%	3.9%	-1.8%	-5.8%	-1.1%
Total Investment Income	**2.6%**	**-7.5%**	**6.4%**	**7.5%**	**0.8%**	**-6.7%**	**-1.8%**
Total Earned Income	**56.7%**	**44.4%**	**60.6%**	**61.0%**	**53.5%**	**-7.5%**	**-3.2%**

**Trend skewed by 1 or 2 theatres' exceptional activity.

For the 112 Trend Theatres:

- **Educational and outreach income** was up for a second straight year and at its highest 5-year level in 2012, with 5-year growth of 2.4% above inflation. Theatres offered an average of 7 education and outreach programs annually. The average number of people served by outreach and education activity also was at a 5-year high in 2012, rising to 18,776 from a low of 16,269 in 2011. Annually, roughly one-third of all education and outreach income comes from arts in education programs and youth services and two-thirds from training programs that target people of all ages (not shown in the tables). Earned income from adult access/outreach programs is negligible.
- **Royalty income** was at a 5-year low in 2012, peaking in 2009 and declining over the past 3 years for an overall drop of 33% after adjusting for inflation. Income per property dwindled annually, from $17,715 in 2008 to $11,548 in 2012. The collective number of world premieres by the Trend Theatres fluctuated from a low of 145 in 2010 to a high of 176 in 2012. Theatres that produce the most world premieres are not the same ones that earn the highest levels of royalty income.
- The number of theatres reporting **enhancement income** (income from commercial producers) varies. Five theatres received enhancement income in every one of the 5 years. Enhancement income per theatre ranged from $50,000 to $2.1 million in 2012. The table below shows the number of theatres reporting enhancement income and the average amount these theatres reported each year (in thousands):

ENHANCEMENT INCOME TABLE

	2008	2009	2010	2011	2012
# theatres reporting enhancement income	17	14	17	14	13
Their average enhancement income (in thousands)	$603	$1,053	$344	$885	$465

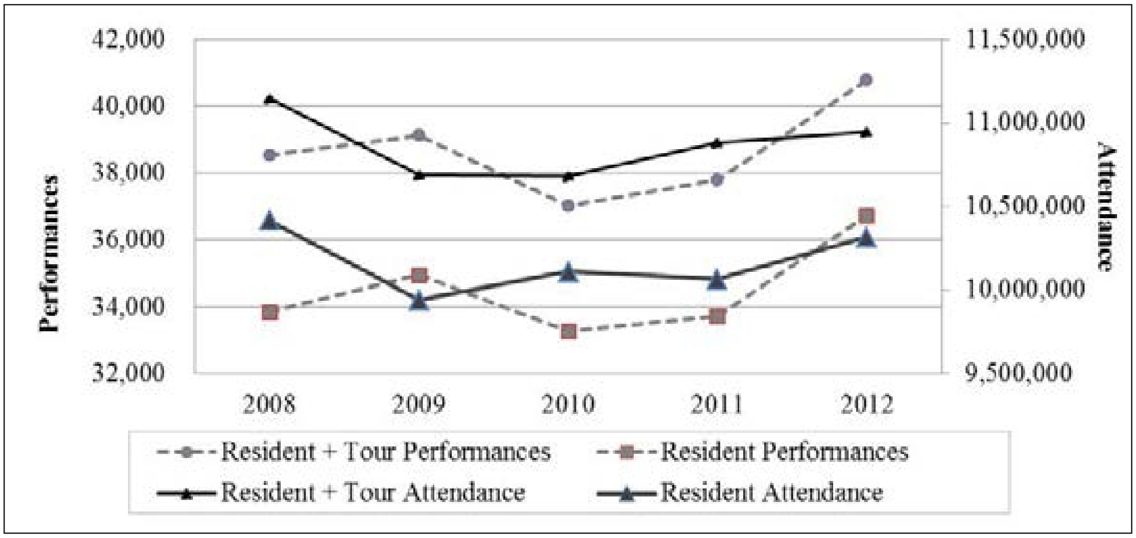
- Eighteen to 25 theatres co-produce each year. Examining only the sub-group of theatres reporting **co-production income**, the lowest average level was $89,900 in 2008 and the highest was $144,400 in 2010. Five theatres reported co-production income in each of the past 5 years.
- Average **production income**—a combination of enhancement and co-production income from a commercial or not-for-profit partner that shares a theatre's production and its costs—fluctuated over time. Five-year growth in production income lagged inflation by 24.2%, reaching its highest levels in 2009 and 2011.
- **Rental income** growth outpaced inflation by 19% and covered 0.2% more expenses in 2012 than in 2008, peaking in 2011. Between 82% and 88% of theatres earned income from rentals annually, indicating that they are taking advantage of down time to earn ancillary income from their physical assets.
- **Other Earned Income** fluctuated considerably over the 5-year period, peaking in 2008 and ending 14.8% below that level. This category includes income earned from special projects, ticket handling, insurance claims, etc.
- Income from categories other than ticket income or investment instrument income, referred to as **'Total Other Earned Income'** in **Tables 3 and 4**, collectively fell short of inflation by 12% and supported 1.4% less of total expenses over time.
- Average **interest and dividends** declined annually, ending the 5-year period 68.6% below 2008 levels, adjusting for inflation. As a result, interest and dividends supported 0.5% less of total expenses in 2012 than in 2008. Seventy-four percent of the Trend Theatres' interest and dividend growth fell short of inflation for the period. This trend is not surprising given that the U.S. prime interest rate was decreased in December of 2008 to its lowest level since the turn of the millennium and remained at the same level throughout the rest of the 5-year period. This area will likely rebound when interest rates become more favorable.
- Average **endowment earnings/transfers** were at their highest in 2010, decreasing each of the past 2 years. There was a 5-year overall decrease of 8.8%, considering inflation, and the low was in 2009 at the height of the economic crisis. This line item includes earned and transferred investment income from endowments (donor restricted) or quasi-endowments (board designated) that were established specifically to provide income. Endowment earnings of 34 theatres were lower in 2012 in inflation-adjusted figures compared to 2008 while 34 theatres experienced growth in endowment earnings in excess of inflation.
- Average **capital gains (losses)** from investment assets were at their 5-year low in 2012, due primarily to 1 theatre with exceptional unrealized capital losses. Another outlier in 2011 skewed that year's average capital gains much higher. Eliminating these theatres from the analyses would leave 2012 average capital gains at $50,188 and an overall positive trend for the period.

  Twenty-five percent of theatres reported capital gains in 2012, as compared with only 6% of theatres at the height of the crisis in 2009 and 35% during 2010 and 2011. It is important to note that theatres report increases or decreases in capital gains as a result of accounting for the present market value of their investment portfolios in addition to gains or losses from the sale of securities. As such, these reports represent realized and unrealized gains or losses in the present market value of the portfolio from year to year. The expectation is that, with a long-term investment strategy, the portfolio will increase in value over time despite annual flux.

ATTENDANCE, PERFORMANCE AND PRICING TRENDS

In this section we explore paid attendance levels, number of performances, ticket prices and subscription details that underpin the findings regarding ticket revenue reported in the previous section. **Figure D** charts aggregate performances and paid attendance for resident productions, as well as performances and paid attendance for overall activity with tours included. **Table 4** displays aggregate paid attendance levels, as well as average pricing, packaging and capacity utilization. **Table 5** shows the number of performances at the 112 Trend Theatres and some average figures for performance-related trends. The Figure and Tables demonstrate that Trend Theatres added resident performances but saw slightly lower audience figures for resident performances over the span of the 5-year period, indicating that the increase in the supply of in-residence performances outpaced growth in demand.

FIGURE D: ATTENDANCE AND PERFORMANCE TRENDS



For the 112 Trend Theatres:

- Total **paid attendance**—including resident productions and tours—rebounded from a low point in 2010 but remained 1.8% lower than at the start of the 5-year period; meanwhile, the related **total number of performances** grew by 5.9%, as seen in the upper 2 trend lines of **Figure D**. The addition of performances in 2011 was met with attendance increases, largely driven by tours.
- **Children's series attendance** was at a 5-year low in 2012, down 0.8% from the 2008 level. From 2009 to 2011, children's series attendance was higher than in 2008 and 2012 even though there were fewer performances offered during those 3 years.
- The 5-year 8.4% growth in the number of **resident performances** was met with a 0.9% decrease in **resident production attendance**, as seen in the lower 2 trend lines of **Figure D**. Resident attendance was flat in 2010 and 2011 but rose 2.5% in 2012. As shown in **Tables 4 and 5**, the growth in single ticket buyers did not keep pace either with subscriber attrition or the expansion in number of performances offered. As a result, paid capacity utilization at resident performances was at a high of 75.1% in 2008 and a low of 72.1% in 2009, ending the 5-year period at 72.5%.
- **Main series attendance** has increased annually since 2009 but was still 2.3% lower than at the start of the 5-year period. The total number of main series performances was at its highest in 2012, 2.1% above that of 2008. Theatres are fairly consistent in the number of average annual performance weeks but there was a slight uptick in the number of main series productions in 2012, as shown in **Table 5**. Theatres were evenly split between those who offered fewer main series performances in 2012 than in 2008 and those who offered more. A third of theatres who decreased their number of main series performance saw corresponding attendance increases while one quarter of those adding performances experienced attendance decreases over time.
- The **number of special production performances** (e.g., non-subscription holiday productions) was at a 5-year high in 2012, with theatres offering 23.5% more performances of special productions in 2012 than in 2008. Attendance at special productions, however, fluctuated considerably over time and ended 4.4% lower in 2012 than in 2008.
- Attendance at **staged readings and workshops** grew steadily and strongly from 2008 to 2011 but dropped slightly in 2012, increasing 38.8% overall. Theatres offered 15.2% more staged readings and workshop performances than at the start of the 5-year period.

TABLE 4: AGGREGATE ATTENDANCE AND AVERAGE PRICING, PACKAGING, CAPACITY UTILIZATION (112 Theatres)

	2008	2009	2010	2011	2012	1-yr. % chg.	4-yr. %chg.	4-yr.% CGR*
AGGREGATE								
Main Series (total)	8,960,237	8,364,168	8,416,441	8,505,360	8,750,504	2.9%	-2.3%	
Special Productions	755,355	698,046	766,256	646,229	721,975	11.7%	-4.4%	
Children's Series	363,482	383,793	381,164	394,360	360,488	-8.6%	-0.8%	
Staged Readings/ Workshops	33,411	37,763	46,281	52,678	46,389	-11.9%	38.8%	
Other	104,974	235,129	254,631	175,880	100,190	-43.0%	-4.6%	
Booked-In Events**	196,223	221,096	244,668	289,457	335,701	16.0%	71.1%	
Resident Subtotal	**10,413,682**	**9,939,995**	**10,109,441**	**10,063,964**	**10,315,247**	**2.5%**	**-0.9%**	
Touring	732,020	749,258	568,835	818,198	631,359	-22.8%	-13.8%	
Total	**11,145,702**	**10,689,253**	**10,678,276**	**10,882,162**	**10,946,606**	**0.6%**	**-1.8%**	
AVERAGE								
Subscription Renewal Rate	74%	74%	73%	75%	73%			
High Subscription Discount	41.6%	40.3%	43.0%	37.6%	37.4%			
Low Subscription Discount	11.2%	10.6%	10.8%	10.6%	11.1%			
Subscription Price (per ticket)	$31.06	$32.16	$33.26	$34.45	$34.03	-1%	10%	4%
Single Ticket Price	$31.60	$32.02	$32.71	$34.28	$34.15	0%	8%	2%
Number of Ticket Packages Offered	6.4	6.5	6.9	6.4	6.8	5%	6%	
Number of Subscribers/Season Ticket Holders	7,666	7,004	6,612	6,460	6,541	1%	-15%	
Subscription Tickets (#subscribers x #tickets/ package sold)	38,619	36,498	33,544	33,406	34,482	3%	-11%	
Single Tickets	52,909	51,552	51,476	53,523	54,687	2%	3%	
Total In-Residence Paid Capacity Utilization	75.1%	72.1%	73.5%	74.0%	72.5%			
Subscriber Capacity Utilization	27.5%	27.2%	26.3%	26.9%	26.7%			

**Trend skewed by 1 or 2 theatres' exceptional activity.

TABLE 5: AGGREGATE NUMBER OF PERFORMANCES, OTHER AVERAGE PERFORMANCE-RELATED TRENDS (112 Theatres)

	2008	2009	2010	2011	2012	1-yr. % chg.	4-yr. % chg.
AGGREGATE							
Main Series (total)	27,501	27,543	25,611	26,703	28,078	5.1%	2.1%
Special Productions	2,291	2,368	2,329	2,085	2,830	35.7%	23.5%
Children's Series	1,732	1,451	1,557	1,549	1,688	9.0%	-2.5%
Staged Readings/ Workshops	493	627	533	633	568	-10.3%	15.2%
Other	930	1,741	2,303	1,229	978	-20.4%	5.2%
Booked-In Events**	907	1,210	926	1,516	2,571	69.6%	183.5%
Resident Subtotal	**33,854**	**34,940**	**33,259**	**33,715**	**36,713**	**8.9%**	**8.4%**
Touring	4,667	4,177	3,747	4,066	4,066	0.0%	-12.9%
Total	**38,521**	**39,117**	**37,006**	**37,781**	**40,779**	**7.9%**	**5.9%**
AVERAGE							
Number of Main Series Productions	7.7	7.5	6.8	7.2	7.7	8%	1%
Number of Performance Weeks	35.3	34.8	34.1	34.7	35.2	1%	0%
Number of Actor Employment Weeks (sum of # weeks each actor employed)	589	594	522	566	582	3%	-1%

**Trend skewed by 1 or 2 theatres' exceptional activity.

For the 112 Trend Theatres:

- **Attendance at booked-in offerings** saw annual growth, with 71.1% more people attending booked-in event performances in 2012 than in 2008. The number of booked-in performances, however, nearly tripled over the past 5 years, with recent growth largely driven by 2 theatres reporting over 600 booked in performances. Eliminating these 2 theatres would still leave 5-year growth of 42%. The number of theatres reporting booked-in offerings steadily increased from 28 in 2009 to 35 in 2012. Booked-in events account for an average of 2% to 3% of total performances annually.
- After a low in 2010, **attendance at tour performances** spiked to a 5-year high in 2011 and fell 23% in 2012. The overall 13.8% 5-year decrease in tour attendance was consistent with the 12.9% 5-year cut in the **number of tour performances.**
- The **"other" performances** include pre-show education events, backstage and walking tours, park lectures, cabaret performances and other late-night short musicals and plays.
- Despite an increase from 2011 to 2012, there were 11% **fewer subscription tickets** sold and there was a slight decrease in the percentage of seats filled by subscribers over the 5-year period. The average number of plays purchased per subscription package sold was approximately 5 each year. Between 2008 and 2012, the average number of **season ticket holders** declined 15% while the average subscription renewal rate fluctuated between a high of 75% in 2011 and a low of 73% in 2010 and 2012. Two-thirds of theatres experienced subscriber attrition over the 5-year period while one-third attracted more subscribers in 2012 than in 2008.
- Not all resident productions are offered on subscription. If we focus only on **productions offered on subscription**, subscribers filled 34% of the capacity in 2011 and 2012, down from 36% in 2008.
- From 2008 to 2011, the **average price per subscription ticket** rose annually then diminished slightly in 2012, with the effect being an overall increase of 4% above inflation. The lowest average subscription package discount was about the same in 2012 as in 2008 while the deepest discount peaked in 2010 and was at its lowest in 2012 for the 5-year period. Theatres are raising subscription prices and discounting slightly less. Average subscription and single ticket prices are nearly the same each year.
- The **number of single ticket** buyers for in-residence and toured productions was at a 5-year high in 2012. Despite that growth, single ticket buyers filled 45.8% of the average house in 2012, down from 47.6% in 2008 and 47.2% in 2010 and 2011, and tour attendance was down. Single ticket prices increased 2% more than inflation over the period.
- The total **number of actor employment weeks** fluctuated over time, increasing for a second year in 2012 from a low point in 2010, and nearly returning to its 2008 level.

CONTRIBUTED INCOME

In this section, we examine contributed income and total income trends. Contributed sources include Net Assets Released from Temporary Restriction (NARTR). For example, contributions may include capital campaign gifts granted in a prior year but not released from temporary restrictions until the current year, as was the case for 1 Trend Theatre whose NARTR significantly inflated the 2011 average state funding, trustee support, total contributed income, total income and CUNA.

Table 6 shows average contributed income from each source for 2008 through 2012 along with 1-year percentage changes, 4-year percentage changes and 4-year percentage changes adjusted for inflation. Total contributed income increased 6.7% above inflation from 2008 to 2012, reflecting increases in roughly half of the contributed income categories. Contributed income also supported 2.9% more of expenses (see **Table 7**). Total income nearly kept pace with inflation, falling short by a negligible 0.4% over the 5 years (see **Table 6**).

For the 112 Trend Theatres:

- After adjusting for inflation, average **federal funding** was at a 5-year low in 2012, dropping to less than half of its high level of 2010, primarily due to fluctuating NARTR that was at its 5-year lowest in 2012 and a 76% drop in funding from federal sources other than the National Endowment for the Arts. From 2008 to 2010, two theatres annually reported exceptionally high federal funding, ranging between $530,000 and $1.1 million, largely supported by the National Capital Arts and Cultural Affairs Program. Federal funding was 43.2% lower in 2012 than in 2008, representing the biggest reduction in support of all contributed income sources. In 2012, the highest federal funding reported was $290,900, which was NARTR related to a capital campaign.

  In 2009, the NEA added the one-time American Recovery and Reinvestment Grant initiative, which provided Trend Theatres collectively with $670,000 in funds in 2010 and a balance of $25,000 in 2011. NEA Access to Artistic Excellence grants totaled $1.2 million in 2008 and 2009, rising to $1.4 million 2010 and dropping to roughly $1 million in 2011 and 2012. Shakespeare for a New Generation grants more than doubled over the period.

Additional federal funding sources over the period include the National Endowment for the Humanities; the U.S. Embassy; the Combined Federal Campaign; Departments of Justice, Housing and Urban Development, Education, and State; the U.S. Information Agency; Federal Work Study; the National Parks Service; the Economic Development Administration; and the National Capital Arts and Cultural Affairs Program of the U.S. Commission of Fine Arts, which funds organizations in Washington, DC.

- **Federal funding** earmarked for education programs was at a high of 17% in 2008, dropping to 12% in 2009, and recovering to 15% in 2010 through 2012.

- **State support** was 27% lower in 2012 than in 2008 after adjusting for inflation. It was fairly consistent from 2008 to 2010. In 2011, one theatre recognized capital campaign-related NARTR which accounted for 66% of aggregate state funding and skewed the average. General state agency funding, funding supporting touring and support of education programs were all down. Ninety-one of the 112 Trend Theatres saw lower, inflation-adjusted state support in 2012 than in 2008.

TABLE 6: AVERAGE CONTRIBUTED INCOME (112 THEATRES)

	2008	2009	2010	2011	2012	1-yr. %chg.	4-yr. %chg.	4-yr.% CGR*
Federal**	$51,311	$55,366	$63,429	$35,717	$30,873	-13.6%	-39.8%	-43.2%
State**	116,288	105,397	109,276	336,395	89,978	-73.3%	-22.6%	-27.0%
City/County**	140,651	202,840	125,722	266,659	275,693	3.4%	96.0%	84.9%
Corporations	313,273	262,681	235,708	282,437	268,591	-4.9%	-14.3%	-19.1%
Foundations**	532,899	670,429	472,914	586,500	744,584	27.0%	39.7%	31.8%
Trustees**	387,130	367,042	331,822	465,563	384,648	-17.4%	-0.6%	-6.3%
Other Individuals	847,126	803,729	741,300	835,312	959,905	14.9%	13.3%	6.9%
Fundraising Events/Guilds	341,505	318,201	346,625	350,395	369,486	5.4%	8.2%	2.1%
United Arts Funds	28,479	30,122	27,468	27,063	27,712	2.4%	-2.7%	-8.2%
In-Kind Services/Materials/Facilities	177,129	180,516	186,938	187,426	204,925	9.3%	15.7%	9.1%
Other Contributions	170,001	199,403	182,092	166,339	157,217	-5.5%	-7.5%	-12.8%
Total Contributed Income**	**$3,105,792**	**$3,195,725**	**$2,823,295**	**$3,539,807**	**$3,513,612**	**-0.7%**	**13.1%**	**6.7%**
Total Income**	**$7,281,506**	**$6,382,149**	**$7,041,603**	**$8,084,357**	**$7,689,690**	**-4.9%**	**5.6%**	**-0.4%**

*Compounded Growth Rate adjusted for inflation. **Trend skewed by 1 or 2 theatres' exceptional activity.

TABLE 7: AVERAGE CONTRIBUTED INCOME AS A PERCENTAGE OF TOTAL EXPENSES (112 Theatres)

	2008	2009	2010	2011	2012	1-yr. % chg.	4-yr. % chg.
Federal**	0.7%	0.8%	0.9%	0.5%	0.4%	-0.1%	-0.3%
State**	1.6%	1.5%	1.6%	4.5%	1.2%	-3.4%	-0.4%
City/County**	1.9%	2.8%	1.8%	3.6%	3.5%	0.0%	1.6%
Corporations	4.3%	3.7%	3.4%	3.8%	3.4%	-0.3%	-0.8%
Foundations**	7.2%	9.3%	6.8%	7.9%	9.5%	1.7%	2.3%
Trustees**	5.3%	5.1%	4.8%	6.2%	4.9%	-1.3%	-0.3%
Other Individuals	11.5%	11.2%	10.7%	11.2%	12.3%	1.1%	0.8%
Fundraising Events/Guilds	4.6%	4.4%	5.0%	4.7%	4.7%	0.0%	0.1%
United Arts Funds	0.4%	0.4%	0.4%	0.4%	0.4%	0.0%	0.0%
In-Kind Services/Materials/Facilities	2.4%	2.5%	2.7%	2.5%	2.6%	0.1%	0.2%
Other Contributions	2.3%	2.8%	2.6%	2.2%	2.0%	-0.2%	-0.3%
Total Contributed Income**	**42.1%**	**44.5%**	**40.6%**	**47.5%**	**45.0%**	**-2.5%**	**2.9%**
Total Income**	**98.8%**	**88.9%**	**101.2%**	**108.5%**	**98.5%**	**-10.0%**	**-0.3%**

**Trend skewed by 1 or 2 theatres' exceptional activity.

For the 112 Trend Theatres:

- Average **local government funding** had extreme swings from year to year, ending 85% higher in 2012 after adjusting for inflation. Fluctuations were largely driven by exceptional city or county unrestricted support of capital campaigns for 3 theatres, one with $9 million of local support in 2009, another with $13 million in 2011 and another with $15 million in 2012. Overall city and county funding supported 1.6% more expenses in 2012 than in 2008.
- **Corporate giving** was at its highest in 2008, fluctuated over time, and ended 19.1% lower in 2012 after adjusting for inflation, supporting 0.8% less of expenses than in 2008. On average, 23 corporations donated in the past year as compared with the peak of 28 in 2008, but their average gift in 2012 was $12,200, the highest of the 5-year period. The lowest average corporate gift was $10,800 in 2010. Two theatres reported no corporate support in 2008, whereas this was the case for 5 theatres in 2012. Two-thirds of theatres saw lower, inflation-adjusted corporate support in 2012 than in 2008. Nine percent of corporate gifts were earmarked for capital campaigns in 2008, 2011 and 2012, as compared to the low of 1% in 2010. Between 11% and 13% of corporate gifts were earmarked for education programs annually.
- Average **foundation support** was at a 5-year high in 2012, rising 31.8% above inflation and representing a second year of growth since a low in 2010. Foundation grants supported nearly 2.3% more of expenses in 2012 than in 2008. The spikes in giving in 2009 and 2012 were largely driven by 1 theatre's overall strong foundation support in 2009 and another's high capital campaign support from foundations in 2012. Eliminating these two theatres from the analysis would still leave foundation support 10% higher in 2012 than in 2008 after adjusting for inflation. The average number of foundation gifts per theatre was 19 each year except 2010, when it was 18. The average foundation gift was at a 5-year low of $10,800 in 2010 and a high of $39,500 in 2012.
- **Combined individual contributions** from trustees and non-trustees rose annually from a low in 2010 to a 5-year high in 2012, outpacing inflation by 2.8% and supporting 0.5% more expenses. Individuals were easily the greatest source of contributed funds each year. Unrestricted gifts for capital campaigns represented 12% of total individual giving in 2008, a high of 21% in 2011 and 13% in 2012.
- Average **trustee giving** peaked in 2011 and fluctuated in other years, with overall growth lagging inflation by 6.3%. One theatre's $10 million capital campaign NARTR from trustees skewed the trend upward for 2011. Additional analyses revealed that an average of 29 to 32 trustees per theatre make donations annually. The average trustee gift ranged from a low of $11,000 in 2010 to a high of $16,800 in 2011, ending at $14,000 in 2012. Forty-two percent of theatres saw higher, inflation-adjusted trustee giving in 2012.
- Similar to the trend in trustee giving, average **gifts from other individuals (non-trustees)** decreased annually from 2008 through 2010, climbed in 2011 and reached a 5-year high in 2012. Gifts from non-trustee individuals outpaced inflation by 6.9% and covered 0.8% more expenses in 2012 compared to 2008.

  Additional analyses indicated that aggregate other individual gifts were at a low of $83 million in 2010 and a high of $107.5 million in 2012. More individual donors contributed higher average gifts over time. The average number of other individual donors was at a 5-year low of 1,605 in 2010 and a high of 1,702 in 2012. Starting in 2009, there were annual increases in the average gift from other individuals, from $442 in 2009 to $564 in 2012. Two-thirds of theatres saw inflation-adjusted growth in non-trustee contributions over the 5-year period.
- **Contributed support generated by fundraising events and guilds** was at a 5-year high in 2012, rising each of the past 4 years. By contrast, United Arts Funding growth trailed inflation by 8.2%. In-kind giving grew annually, outpacing inflation by 9.1%. Growth in in-kind giving from individuals, corporations and sheltering organizations all exceeded inflation over the 5-year period.

> Considering both earned and contributed income combined, **total income growth** over the 5-year period trailed inflation by a slight 0.4% and supported 0.3% less of expenses.
>
> One theatre's $22 million unrealized capital loss slanted total earned income and total income downward in 2012. If we were to eliminate this theatre from the analyses, we would see **earned income growth still lagging inflation but by only 3%** rather than 5.7%, and **total income growth of 1.3%** instead of -0.4%.
>
> Expenses and CUNA will be examined in detail in the section that follows.

EXPENSES AND CHANGES IN UNRESTRICTED NET ASSETS (CUNA)

This section examines each category of expenses and how theatres shifted their allocation of resources over time, as well as Changes in Unrestricted Net Assets (CUNA), which is the balance that remains after subtracting total unrestricted expenses from total unrestricted income. **Table 8** presents average expenses and CUNA in dollars and 1-year percentage changes, 4-year percentage changes and 4-year percentage changes adjusted for inflation. **Table 9** presents each expense category and CUNA as a percentage of total expenses and **Table 10** points to a subset of administrative expense-to-income ratios.

After belt-tightening in many areas in 2009 and again in 2010, total expenses rose in 2011 and 2012. The overall effect was basically a return to 2008 expense levels after adjusting for inflation (growth trailed inflation by -0.1%). Seven of 11 expense categories were at their highest 5-year average in absolute dollars in the past year and grew at a higher rate than inflation, including every payroll area. Only general management/operations expenses (e.g., office supplies, audit and legal fees, I.T., etc.) were down from 2011 to 2012.

Average CUNA was in negative territory in 2008 and 2009 during the height of the economic crisis, rallied in 2010 and 2011, and fell back below break-even in 2012. It is important to keep in mind that CUNA includes both operating capital campaigns, depreciation and realized and unrealized capital gains and losses. Average CUNA was greatly affected by an outlier in 2011 and again in 2012. Eliminating outlier theatres these two years would leave CUNA at an average of $278,000 in 2011 and $176,300 in 2012: a positive 2% compared with total expenses rather than -1.5%, and a much smoother trend over post-recession years.

Positive annual CUNA in 2010 and 2011 contributed to an overall improvement in unrestricted net assets over the 5-year period. Theatres' year-end unrestricted net assets fell from 2008 to 2009, rose over the next 2 years, and diminished slightly in 2012. Overall growth in unrestricted net assets from the beginning of 2008 to the end of 2012 exceeded inflation by 0.2%. Half of the 112 Trend Theatres experienced budget growth that exceeded inflation over the 5 years.

For the 112 Trend Theatres:

- **Total payroll** increased 3.4% above inflation from 2008 to 2012, attaining its highest 5-year level and accounting for 1.8% more of theatres' total expenses. Every payroll category was at its highest in 2012, with the strongest growth in the area of artistic payroll. The average number of paid employees was at its peak of 262 in 2012. Theatres added 3.5% more employees to their payroll from 2011 to 2012 on a full-time, part-time and jobbed-in basis. The number of full- and part-time employees was at a low of 66 in 2010 and a high of 73 in 2012, while the average number of fee-based or jobbed-in workers was at a low of 168 in 2010 and rose to 189 by 2012.

- In 2008, **artistic and administrative payroll** accounted for 17.9% and 19.9% of theatres' expenses, respectively—the largest areas of resource allocation (see **Table 9**). Since then, administrative payroll rose to 20.7% of expenses, and its growth has outpaced inflation by 0.8%. Artistic payroll now represents 18.8% total expenditures and its growth over the 5-year period outpaced inflation by 4.7%.

- Additional analyses (not shown in the tables) indicate that the **number of full-time and part-time artistic staff per theatre**, including actors on staff, was 11 in 2008 and 10 each year after. The average total number of paid artists—including staff *and* contracted artists—grew 4.5% over the period, fluctuating from a low of 119 in 2010 to a high of 151 in 2011, and ending at 139 in 2012. The average **number of permanent administrative personnel** (full- and part-time) fluctuated between 36 and a 5-year high of 40 in 2012. Theatres supplemented the salaried administrative workforce with an average of 14 fee-based or jobbed-in staff in 2008 and 11 to 12 in other years.

- **Production/Technical payroll** outpaced inflation over the 5-year period by 1.1% and now accounts for 0.2% more of total expenses. The average number of paid production personnel (full-time, part-time and over-hire) was 84 in 2008, dropped to a low of 78 by 2010, was at a high of 85 in 2011, and ended at 83 in 2012.

- **General artistic expenses** (housing and travel, per diem, company management and stage management expenses) was at its highest in 2012, rising nearly 5% from 2011 and 4.8% over the period.

- Average **royalty expenses** were at their highest in 2012, with growth outpacing inflation by 10.1%. The average theatre paid royalties on 8 properties annually. From 2008 to 2012, the average royalties paid per property rose annually, from $19,412 in 2008 to $22,783 in 2012.

- **Production/Technical non-payroll expenses** (physical production materials, supplies and rentals) were 6% higher in 2012 than in 2011. Despite the recent uptick, overall growth lagged inflation by 16%. One theatre accounts for 16% to 32% of all production expenses annually and spends a minimum of twice that of any other theatre annually. Eliminating this theatre from the analysis would leave growth in this area trailing inflation by 6% rather than 16% over the 5-year period.

TABLE 8: AVERAGE EXPENSES AND CUNA (112 Theatres)

	2008	2009	2010	2011	2012	1-yr. %chg.	4-yr. %chg.	4-yr.% CGR*
Artistic Payroll	$1,321,633	$1,361,796	$1,275,603	$1,370,763	$1,466,561	7.0%	11.0%	4.7%
Administrative Payroll	1,465,902	1,484,339	1,430,785	1,507,657	1,613,151	7.0%	10.0%	3.8%
Production Payroll	1,057,170	1,095,555	1,001,116	1,099,719	1,133,240	3.0%	7.2%	1.1%
Total Payroll	**$3,844,706**	**$3,941,691**	**$3,707,505**	**$3,978,139**	**$4,212,952**	**5.9%**	**9.6%**	**3.4%**
General Artistic Non-Payroll	258,830	259,519	229,559	273,997	287,665	5.0%	11.1%	4.8%
Royalties	157,388	155,431	150,930	169,036	183,684	8.7%	16.7%	10.1%
Production/Tech Non-Payroll (physical production)**	680,018	478,846	585,626	570,580	605,174	6.1%	-11.0%	-16.0%
Development/Fundraising	272,385	244,277	230,690	252,014	257,040	2.0%	-5.6%	-11.0%
Marketing/Customer Service/ Concessions	902,685	845,793	825,603	875,562	899,273	2.7%	-0.4%	-6.0%
Occupancy/Building/Equipment/ Maintenance	613,214	637,899	649,690	680,928	703,258	3.3%	14.7%	8.2%
Depreciation	326,646	337,690	340,184	373,247	385,199	3.2%	17.9%	11.3%
General Management/Operations	312,588	280,817	238,306	278,825	270,705	-2.9%	-13.4%	-18.3%
Total Expenses	**$7,368,458**	**$7,181,963**	**$6,958,092**	**$7,452,327**	**$7,804,951**	**4.7%**	**5.9%**	**-0.1%**
Changes in Unrestricted Net Assets (CUNA)**	**$(86,953)**	**$(799,815)**	**$83,511**	**$632,030**	**$(115,261)**	**-118.2%**	***32.6%***	***25.1%***

* Compounded Growth Rate adjusted for inflation. **Trend skewed by 1 theatre's exceptional activity.
Italicized positive percentages reflect an increasingly negative trend.

TABLE 9: AVERAGE EXPENSES AND CUNA AS A PERCENTAGE OF TOTAL EXPENSES (112 Theatres)

	2008	2009	2010	2011	2012	1-yr. %chg.	4-yr. %chg.
Artistic Payroll	17.9%	19.0%	18.3%	18.4%	18.8%	0.4%	0.9%
Administrative Payroll	19.9%	20.7%	20.6%	20.2%	20.7%	0.4%	0.8%
Production Payroll	14.3%	15.3%	14.4%	14.8%	14.5%	-0.2%	0.2%
Total Payroll	**52.2%**	**54.9%**	**53.3%**	**53.4%**	**54.0%**	**0.6%**	**1.8%**
General Artistic Non-Payroll	3.5%	3.6%	3.3%	3.7%	3.7%	0.0%	0.2%
Royalties	2.1%	2.2%	2.2%	2.3%	2.4%	0.1%	0.2%
Production/Tech Non-Payroll (physical production)**	9.2%	6.7%	8.4%	7.7%	7.8%	0.1%	-1.5%
Development/Fundraising	3.7%	3.4%	3.3%	3.4%	3.3%	-0.1%	-0.4%
Marketing/Customer Service/Concessions	12.3%	11.8%	11.9%	11.7%	11.5%	-0.2%	-0.7%
Occupancy/Building/Equipment/Maintenance	8.3%	8.9%	9.3%	9.1%	9.0%	-0.1%	0.7%
Depreciation	4.4%	4.7%	4.9%	5.0%	4.9%	-0.1%	0.5%
General Management/Operations	4.2%	3.9%	3.4%	3.7%	3.5%	-0.3%	-0.8%
Total Expenses	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		
Changes in Unrestricted Net Assets (CUNA)**	**-1.2%**	**-11.1%**	**1.2%**	**8.5%**	**-1.5%**	**-10.0%**	**-0.3%**

**Trend skewed by 1 theatre's exceptional activity.

TABLE 10: *THEATRE FACTS* ADMINISTRATIVE EXPENSE INDEX (112 THEATRES)	2008	2009	2010	2011	2012	1-yr. %chg.	4-yr. %chg.
Single ticket marketing expense (excluding personnel expense) to single ticket income:	22%	23%	21%	22%	21%	-0.8%	-0.8%
Subscription marketing expense (excluding personnel expense) to subscription income:	14%	13%	12%	11%	11%	0.2%	-2.4%
Total marketing expense (includes personnel expense) to total ticket sales:	30%	30%	29%	29%	28%	-0.5%	-1.3%
Development expenses (excluding personnel expenses, fundraising event expenses) to total unrestricted contributed income (excluding fundraising event income):	5%	4%	4%	4%	4%	0.0%	-1.2%
Fundraising event expense (excluding personnel expense) to fundraising event income:	36%	38%	34%	34%	34%	0.1%	-1.8%
Total development expense (including fundraising event expense and personnel expense) to total unrestricted contributed income:	17%	16%	17%	14%	15%	1.2%	-1.5%
Total development expense (including fundraising event expense and personnel expense) to total contributed income (includes unrestricted, temporarily restricted, and permanently restricted contributed income):	15%	15%	16%	13%	14%	0.5%	-1.5%
Education/outreach expense (excludes personnel expense) to education/outreach income (earned and contributed):	29%	27%	25%	26%	25%	-1.7%	-4.1%
Total education/outreach expense (includes personnel expense) to education/outreach income (earned and contributed):	86%	83%	79%	85%	86%	0.8%	-0.8%

- Average **development expenses** grew in 2011 and 2012. Overall growth in this area fell short of inflation by 11%. **Table 10** shows that development expense as a percentage of contributed income, whether considered with or without personnel costs and with solely unrestricted funds or all contributed funds, has trended downward since 2008. Fundraising efforts were most cost-effective over time as theatres continued to raise funds despite cuts in development costs (see **Table 10**). Return on each dollar spent on fundraising events was less efficient in 2009 due to lower contributed income, then improved in 2010 and has remained strong since.

- Like development expense, **marketing expenses** increased in 2011 and 2012; however, growth fell short of inflation by 6% over the 5-year period (see **Table 8**).

- As shown in **Table 10**, **expenditures targeting single ticket buyers** were more effective in 2010 and 2012 than in the other years, requiring only 21 cents to generate each dollar of revenue. Inflation-adjusted single ticket income and single ticket prices increased over the 5-year period, as discussed earlier.

- Generating a dollar of **subscription income** required 14 cents in 2008, as shown in **Table 10**, dropping to 11 cents in 2011 and 2012. Meanwhile, subscription income and the number of subscribers increased from 2011 to 2012. Including marketing personnel expense, it took 2 cents less of total **marketing resources to generate a dollar of ticket income** in 2012 than in 2008 and 2009.

- While education/outreach income growth surpassed inflation- over the 5-year period (see **Table 2**), the **expenses allocated to generate education/ outreach income** decreased by more than 4% over the 5-year period. Including personnel costs, it cost roughly the same to raise each dollar of education/outreach income in 2012 than in 2008, even though it varied quite a bit annually (see **Table 10**). It should be noted that the education and outreach income reflected in **Table 10** includes both earned and contributed income; total education/outreach expenses include education program staff salaries, but not the development costs associated with grant writing for education or outreach funding.

- **Occupancy/building, equipment and maintenance costs** increased annually. Overall growth in this area was 8.2% above inflation over 5 years. Forty-four percent of theatres reported that they owned their stage and office spaces in 2012, down from 47% stage ownership and 45% office ownership in 2008. Annually, about 44% of theatres rent space, while 10% of theatres occupied donated space in 2008 as compared with roughly 13% each year since. The largest component of this expense category is the cost of rent or debt service on facilities and regularly scheduled maintenance of infrastructure and utilities, which rose 12.7% more than inflation over the 5-year period.

- **General management/operations** expenses went up and down over the years but overall they decreased more than any other cash line item over the 5-year period, falling 18.3% more than inflation (see **Table 8**) and accounting for 0.8% less of expenses (see **Table 9**).

- **Depreciation**, the non-cash expense that accounts for the decrease in the book value of property and equipment, increased 11.3% between 2008 and 2012 after adjusting for inflation and is now equivalent to 4.9% of total expenses. This increase reflects the impact of increases in fixed assets, which we discuss in the Balance Sheet section that follows.

BALANCE SHEET

The Balance Sheet is a cumulative record of a theatre's fiscal history and provides insights into long-term stability and overall fiscal health. Unlike the Statement of Activities, which gives a summary of unrestricted income and expenses for the year, the Balance Sheet provides a snapshot in time of the value of a theatre's assets, liabilities and net assets (unrestricted, temporarily restricted and permanently restricted) at the end of the fiscal year.

Theatres increase their assets through purchased or donated investments, acquisition of land, buildings, money, stocks, etc., and with CUNA. Each year, CUNA is added to the year's beginning balance of unrestricted net assets to arrive at total unrestricted net assets. CUNA serves as the link between annual activity and the Balance Sheet, but the unrestricted net assets are only one of many components of a theatre's capital structure. The Balance Sheet also connects back to annual activity when funds that were temporarily restricted meet their designated restriction and release into the annual statement of activities as NARTR.

Not every Trend Theatre responds to the Balance Sheet section of the survey; for example, some theatres that are part of a sheltering organization do not keep a separate Balance Sheet. Of the 112 Trend Theatres, 103 are included in the Balance Sheet analyses. These theatres' Balance Sheets demonstrate that growth in total assets over the past 5 years trailed inflation by 5.2%, despite averaging $19 million per theatre in 2008 and $19.4 million in 2012 and improving every year since their big decline in 2009. Over the same period, growth in theatres' liabilities fell short of inflation by 4.3% and total net asset growth trailed inflation by 5.5%.

Quick Reference for Calculation of Key Balance Sheet Indicators

WORKING CAPITAL = TOTAL UNRESTRICTED NET ASSETS – FIXED ASSETS – UNRESTRICTED LONG-TERM INVESTMENTS

WORKING CAPITAL RATIO = WORKING CAPITAL/TOTAL EXPENSES

FIXED ASSETS = TOTAL LAND + BUILDING + EQUIPMENT AT COST – ACCUMULATED DEPRECIATION

INVESTMENT RATIO = TOTAL INVESTMENTS/TOTAL EXPENSES

Table 11 presents the annual aggregate value of the different asset categories net of liabilities for the 103 Trend Theatres, along with the 1-year percentage changes, 4-year percentage changes and inflation-adjusted 4-year percentage changes. The Table also includes the investment ratio over time, which we describe in detail below. We acknowledge the assistance of Cool Spring Analytics for recommending the Balance Sheet categories and ratios reported in this section. Trend Theatres' aggregate total net assets—unrestricted, temporarily restricted and permanently restricted—were at their 5-year peak in absolute dollars in 2012 but that growth trailed inflation by 3.8% over the 5-year period. Net assets were at a collective low of $1.28 billion in 2009 in the depths of the economic crisis and grew to $1.44 billion by 2012. Growth was driven by fixed assets, which climbed annually, and other net assets such as building and plant funds, undesignated cash and net assets not in a reserve or endowment.

TABLE 11: AGGREGATE NET ASSETS (in Millions) (103 Theatres)

	2008	2009	2010	2011	2012	1-yr. %chg.	4-yr. %chg.	4-yr.%chg. CGR*
Working Capital**	$ (54)	$ (212)	$ (264)	$ (207)	$ (264)	*27.4%*	*390.4%*	*362.7%*
Fixed Assets	$ 759	$ 847	$ 883	$ 940	$ 1,000	6.4%	31.7%	24.2%
Investments	$ 659	$ 468	$ 501	$ 556	$ 551	-0.8%	-16.3%	-21.0%
Other Net Assets	$ 55	$ 176	$ 184	$ 146	$ 160	9.5%	193.1%	176.5%
Total Net Assets	**$ 1,419**	**$ 1,278**	**$ 1,303**	**$ 1,435**	**$ 1,447**	**0.9%**	**2.0%**	**-3.8%**
Total Expenses	**$ 784**	**$ 761**	**$ 739**	**$ 790**	**$ 830**	**5.1%**	**5.9%**	**-0.1%**
Investment Ratio	**84%**	**62%**	**68%**	**70%**	**66%**	**-3.9%**	**-17.6%**	

* Compounded Growth Rate adjusted for inflation. *Italicized positive percentages reflect an increasingly negative trend.*
**Trend skewed by 1 or 2 theatres' exceptional activity.

Working capital consists of the unrestricted resources available to meet day-to-day obligations and cash needs, and it is a fundamental building block of a theatre's capital structure. It is a better indicator of a theatre's operating position than CUNA, which includes non-operating activity and doesn't reflect the theatres' savings or outstanding obligations. Negative working capital indicates that a theatre is borrowing funds (e.g., using deferred subscription revenue, delaying payables, taking out loans, etc.) to meet daily operating needs.

As noted in the Contributed Income section, successful capital campaigns over the years have increased theatres' long-term investments and fixed assets, but that success has not translated into sufficient levels of readily-available funds to meet daily needs. **Table 11** shows that working capital was negative in each of the 5 years; 30% of theatres had negative working capital in 2008 that grew even more negative by 2012 and 22% had negative working capital that improved over time but remained negative. In each year from 2008 to 2012, between 67 and 72 of the 103 Trend Theatres reported negative working capital. More theatres reported negative working capital in 2012 than in the other four years. Working capital improved from 2010 to 2011 (i.e., became less negative) then returned to its 2010 level in 2012. One theatre accounted for 19% of negative working capital in 2009, 32% in 2010 and 29% in 2012. Another theatre accounted for roughly 35% of positive working capital every year except 2010. Eliminating these theatres from the analysis would leave working capital of -$99 million in 2008 and -$187 million in 2012, an 82% deterioration of working capital for the remaining theatres after adjusting for inflation.

Further investigation (not shown in the tables) revealed that growth in total cash reserves outpaced inflation by 8%, even though unrestricted (which is part of working capital) and permanently restricted cash reserves lost value. The growth is largely driven by 1 theatre that ended its capital campaign in 2009 and accounted for one-third to two-thirds of all temporarily restricted cash reserves in 2010 through 2012. Eliminating this theatre from the analyses would leave growth in total cash reserves lagging inflation by 16%. In **Table 12**, we use average figures to relate working capital to total expenses to create a working capital ratio.

TABLE 12: AVERAGE WORKING CAPITAL (103 Theatres)

	2008	2009	2010	2011	2012	1-yr. %chg.	4-yr. %chg.	4-yr.%chg. CGR*
Total Unrestricted Net Assets	$7,906,013	$6,673,890	$ 6,817,503	$ 7,916,226	$ 7,892,983	0%	0%	-6%
Fixed Assets	$7,372,957	$8,220,972	$ 8,571,274	$ 9,129,511	$ 9,710,133	6%	32%	24%
Unrestricted Investments	$1,055,559	$510,061	$ 812,739	$ 798,696	$ 745,416	-7%	-29%	-33%
Working Capital**	**$(522,503)**	**$(2,057,144)**	**$(2,566,510)**	**$(2,011,980)**	**$(2,562,566)**	***27%***	***390%***	***363%***
Total Expenses	**$7,611,539**	**$7,387,329**	**$7,174,464**	**$7,673,125**	**$8,062,792**	**5%**	**6%**	**0%**
Working Capital Ratio	**-7%**	**-28%**	**-36%**	**-26%**	**-32%**	**-6%**	**-25%**	

* Compounded Growth Rate adjusted for inflation. ***Italicized positive percentages reflect an increasingly negative trend.***
**Trend skewed by 1 or 2 theatres' exceptional activity.

The working capital ratio, or the proportion of unrestricted resources available to meet operating expenses, indicates how long a theatre could operate if it had to survive on current resources. A negative working capital ratio suggests that theatres are experiencing cash flow crunches. The average Trend Theatre experienced a negative working capital ratio in each of the past 5 years, with the lowest level in 2010, improving in 2011 but dipping again in 2012. A low of 67% of Trend Theatres reported negative working capital in 2008, rising to a high of 71% in 2012. Cool Spring Analytics recommends that each theatre determine its own working capital needs based on its cyclical cash flow. In the absence of that determination, 25%, or 3 months of funds, is a benchmark for adequate working capital to handle most cash flow fluctuations. Of the 103 Trend Theatres, only 8 to 11 theatres met this benchmark annually.

Many capital campaigns raised funds to build new buildings, renovate existing facilities and purchase new equipment. Thirty-five percent of Trend Theatres were in a capital campaign in 2008 and 2012, fluctuating between 33% and 37% in interim years. In 2011 and 2012, 20% reported that they completed a capital campaign within the last 5 years, down from a high of 29% in 2010. Six theatres fell into both categories as they transitioned from one capital campaign into another.

Tables 11 and **12** both indicate that growth in total fixed assets (i.e., land, property and equipment less accumulated depreciation) surpassed inflation by 24%, driven largely by the 5-year 23% increase in the purchase cost of land and buildings before taking depreciation into consideration. Growth in the purchase cost of equipment exceeded inflation by 12%. The fixed asset growth has resulted in a steady increase in depreciation. Fixed assets accounted for 54% of total net assets in 2008 and 69% in 2012. Investments accounted for 37% to 39% of total net assets every year except 2008, when they made up 46% of the total (see **Table 11**).

In **Table 11**, we also relate investments to total expenses to form an investment ratio. An increasing investment ratio over time is an indication of financial strength because increases in invested capital generate income for operating purposes. Investments were at their highest in 2008. The recession took its toll in 2009, causing the investment ratio to drop that year. With the economic recovery, investment values and the investment ratio rebounded in 2010 and again in 2011, then weakened somewhat in 2012. Overall growth in investments has not been robust enough to return theatres to pre-recession levels; investment growth lagged inflation by 21%. As illustrated in **Table 12**, the unrestricted portion of investments lost 33% in value from 2008 to 2012 in inflation-adjusted figures. Of the 78 theatres reporting investments, roughly half faced an inflation-adjusted loss in investment value over the 5-year period. Only 2 of the highest 10 investment portfolios gained value in excess of inflation.

SIDE NOTE: A 10-YEAR VIEW

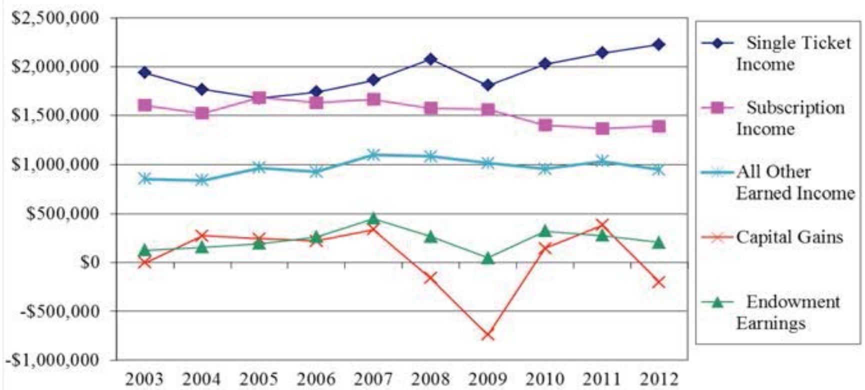
Eighty-five theatres have participated in the TCG Fiscal Survey annually since 2003. These theatres tend to have larger budgets than the rest of the Trend Theatres. In 2012, their total expenses averaged $8.6 million compared to $7.4 million for the average Trend Theatre. The historical activity for this group sometimes contradicts the trends reported in the section above because of the underrepresentation of smaller theatres. Our examination of this subset of larger theatres provides a longer-term horizon of key trends.

For the 85 Theatres:

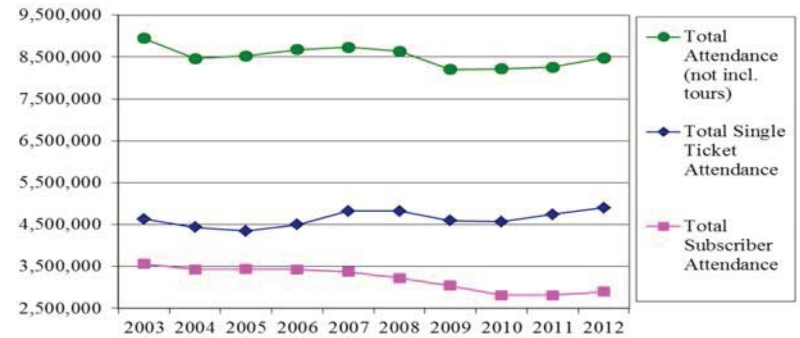
EARNED INCOME AND ATTENDANCE

- Growth in average **subscription income** (see Side Note **Figure A**) trailed inflation by 13%, continuing the downward trend since its peak in 2005. Subscription renewals peaked at 75% in 2011 after a low of 70% in 2005, ending the period at 73%. Aggregate **subscriber attendance** was at a 10-year high in 2003 (see Side Note **Figure B**) and steadily declined to its lowest levels in 2011 and 2012, with a 19% drop over the period; the number of **season ticket holders** was down 22%. If we focus only on resident **productions offered on subscription**, subscribers filled 44% of the capacity in 2003, dwindling to a low of 33% in 2010 and inching back to 34% in 2011 and 2012. Growth in the average **subscription price** per ticket exceeded inflation by 9%.
- **Single ticket income** continued its upward trend (see Side Note **Figure A**) despite dips in 2005 and 2009, to achieve its highest level of the 10-year period in 2012. Single ticket income growth outpaced inflation by 15% from 2003 to 2012. Average **single ticket attendance** increased 6% over the 10-year period, with a low average of 52,400 in 2005 and a high of 59,100 in 2012 (see Side Note **Figure B**). Average **single ticket price** growth surpassed inflation by 3.5%.
- An overall 6% increase in the **number of resident performances** offered was met with a 5.2% decrease in **total attendance**, which was at its highest point in 2003, was flat for 2 years after a drop in 2009, and rose in 2012 (see Side Note **Figure B**).
- **Endowment earnings/transfers** grew steadily from 2003 to their peak in 2007, dropped off during 2008 and 2009, spiked to their second highest level for the 10-year period in 2010, and contracted in 2011 and 2012 (see Side Note **Figure A**). After adjusting for inflation, endowment earnings in 2011 were 61% higher than their 2003 level.
- **Capital gains and losses** had spikes and valleys over time with the highs and lows of the stock market (see Side Note **Figure A**). The low finish of 2012 was driven by one outlier theatre, whose situation was described earlier, as was the high of 2011.
- **All other earned income** combined rose fairly steadily to a peak in 2007 and has trended downward since. Over the 10-year period, other earned income outpaced inflation by 12%.
- Overall, **earned income growth** exceeded inflation by 1.2%. Without the outlier theatre, growth would have been 6%.

Side Note Figure A: Selected 10-Year Earned Income Trends (inflation adjusted)



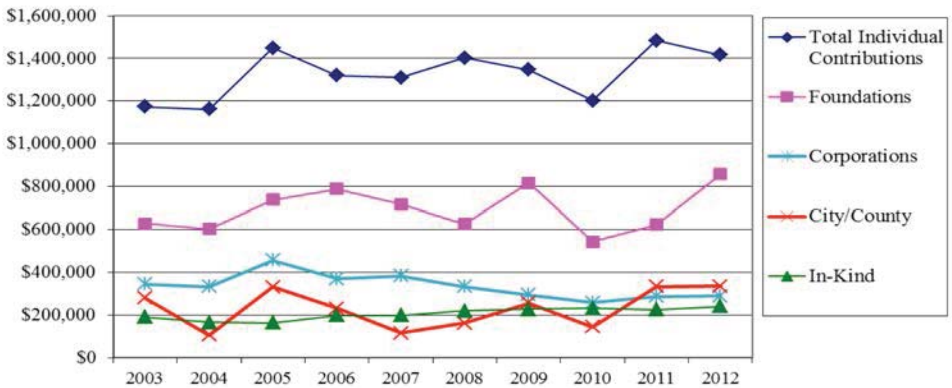
Side Note Figure B: 10-Year Aggregate Attendance Trends



CONTRIBUTED INCOME (See Side Note Figure C)

- Average **individual contributions** increased 21% more than the rate of inflation, fluctuating greatly over time. Individual contributions dropped sharply in 2010 and rallied in 2011, then dipped again in 2012. The average number of non-trustee individual donors per theatre was at its highest in 2005, trended downward until 2011, and returned to its 2008 average level of 1,890 in 2012.
- **Foundation funding** oscillated, peaking in 2012 with overall growth outpacing inflation by 37%. The drastic uptick in 2012 was due to the outlier theatre discussed earlier, without whom the peak would have occurred in 2009 and growth would have been 6%.
- **Corporate giving** trailed inflation by 18%. Corporate funding has been on a downward trend since 2005.
- **Local government funding** ended the period 20% higher than its 2003 level in inflation-adjusted dollars, spiking erratically with capital campaign support**. State funding** (not shown in the Figure) was at its lowest level in 2012.
- **In-kind contributions** trended steadily upward, growing 26% over the 10-year period after adjusting for inflation.
- **Growth in contributed income** outpaced inflation by 18%. **Total income growth** exceeded inflation by 8%.

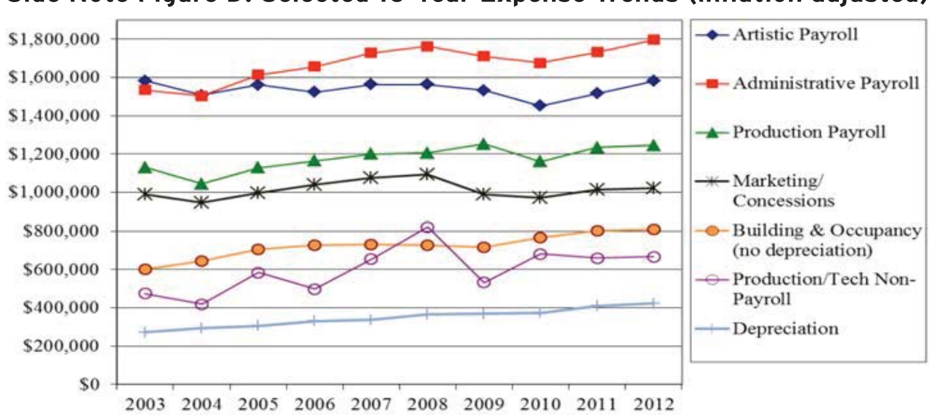
Side Note Figure C: Selected 10-Year Contributed Income Trends (inflation adjusted)



EXPENSES (See Side Note Figure D)

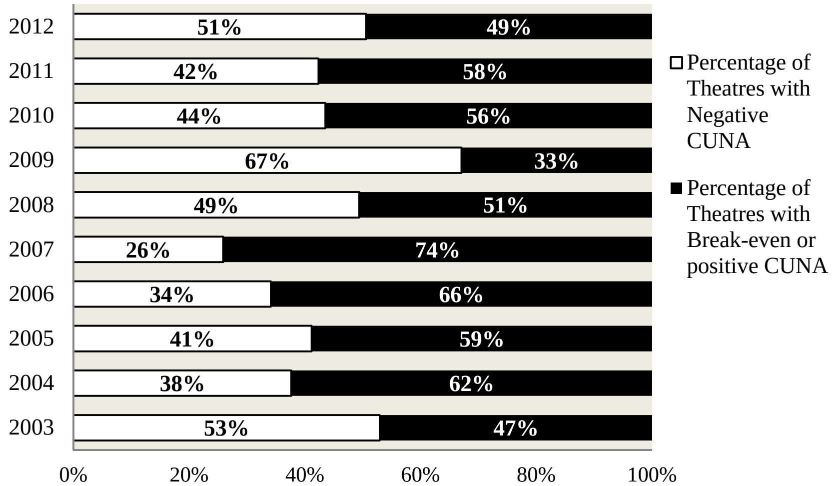
- Growth of **artistic payroll** outpaced inflation by 0.6% over the 10-year period, achieving its peak in 2012. **Administrative and production/technical payroll** growth outpaced inflation by 18% and 11%, respectively. Average administrative payroll surpassed average artistic payroll in 2004 and has remained higher since.
- Among non-payroll expenses, **depreciation** (the value of capital expenses amortized annually), **production/technical** (production materials and rentals) and **occupancy** (building, equipment and maintenance costs) expenses saw substantial increases, rising 57%, 42% and 36% respectively in inflation-adjusted figures. Average **marketing expenses** have been above $1 million in inflation-adjusted figures since 2006 without much variation since 2009.
- **Overall expense growth** exceeded inflation by 14%.
- Expense growth exceeded total income growth, leaving the 10-Year Trend Theatres with negative **CUNA**. Average CUNA varied in proportion to expenses, from a high of 13% in the strong economy of 2005 to a low of -11% in 2009, ending the period at -1.9%. Side Note **Figure E** shows the percentage of theatres that broke even or better each year.

Side Note Figure D: Selected 10-Year Expense Trends (inflation adjusted)



SIDE NOTE: A 10-YEAR VIEW

Side Note Figure E: Breakdown of 85 Trend Theatres' CHANGES IN UNRESTRICTED NET ASSETS (CUNA)



BALANCE SHEET

Seventy-eight of the 85 10-Year Trend Theatres completed the Balance Sheet section of the survey each of the 10 years.

For these 78 theatres:

- **Total assets** were 43% more in 2012 than in 2003, after adjusting for inflation, a collective $1.7 billion in 2012 compared to $934 million in 2003. Despite the economic turbulence of the past decade, the value of investments increased by 62% and the value of fixed assets grew 85% over the 10-year period in inflation-adjusted figures. Theatres added assets through market growth and through successful capital campaigns. Only 23 of the theatres did not conduct a capital campaign at some point during the period.
- Over the 10-year period, growth in **net assets** outpaced inflation by 3% and liabilities increased 77% from 2003 to 2012, after adjusting for inflation. Total net assets represented a high of 80% of total assets in 2006 and a low of 71% in 2009, 2010 and 2012, underscoring the growth in liabilities over the period.
- The **investment** ratio increased over time, rising from a low of 38% in 2003 to its peak level of 56% in 2008, dipping in 2009 and recovering to 50% to 51% in each of the past 3 years. Total investments reached their peak value in 2008 at an average of $6.4 million, their value fell with the recession, and the average investment figure for 2012 was not far behind the 2008 level at $6.1 million.
- Average **working capital** was negative each of the 10 years. Within that negative territory, working capital ebbed and flowed considerably, with a low of -$2.8 million in 2010 (an average -35% working capital ratio) and a high of -$258,000 in 2008 (an average -3% working capital ratio). The 2012 working capital ratio was -31%. Between 48 and 53 theatres per year-the majority-experienced negative working capital.

PROFILED THEATRES

The *Profiled Theatres* section shares findings for the 178 theatres that completed TCG Fiscal Survey 2012. We examine the same details covered in the *Trend Theatres* section—i.e., earned income; attendance, pricing and performance; contributed income; expenses and CUNA; and Balance Sheet ratios. We avoid making comparisons to Profiled Theatres of years past because different theatres respond to the survey from year to year.

This section begins with a brief overview of aggregate, industry-wide activity related to earned income, contributed income and expenses. We then break down information into Budget Group Snapshots, which provide income, attendance, pricing, performance and expense details for the Profiled Theatres organized into 6 budget groups, based on total annual expenses. Budget Group Snapshots reveal how different size theatres have distinctive needs and operating results. We end with an examination of Profiled Theatres' Balance Sheet activity.

The 2012 Profiled Theatres' budget size ranged from $205,000 to $68 million, with the average budget equal to $5.9 million. Several large theatres skew the average budget size. If we look at the median instead of the arithmetic mean, the midpoint in the budget range is $2.7 million. We continue to refer to the arithmetic mean when we talk about the 'average' in this report.

2012 PROFILED THEATRES (178 Theatres)

Budget Group	Number of Theatres	Budget Size
6	31	$10 million or more
5	33	$5 million - $9,999,999
4	22	$3 million - $4,999,999
3	55	$1 million - $2,999,999
2	24	$500,000 - $ 999,999
1	13	$499,999 or less

The chart to the right shows the budget ranges and the number of theatres for each group. Seventy-one percent of Profiled Theatres are resident in urban areas, 19% reside in suburban communities and 10% are located in rural areas. Eighty-seven percent of Group 6 Theatres are based in urban areas. One-third of Group 4 Theatres and one-quarter of Group 5 Theatres are located in suburban communities. Rural theatres are most prominent in Groups 2 and 3, representing roughly 15% of theatres in both categories.

Collectively, the Profiled Theatres ended the year with a slightly negative bottom line in 2012, equivalent to less than 1% of expenses. Theatres' CUNA ranged from a low of -$32 million to a high of $31 million, with both extremes driven by non-operating activity.

EARNED INCOME

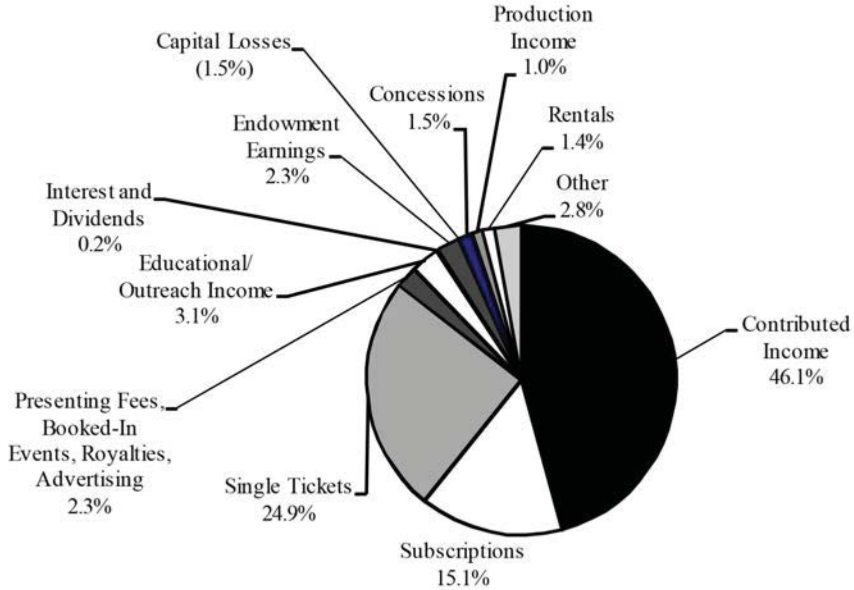
Figure E shows earned income details as a percentage of expenses for Profiled Theatres. Overall, earned income financed 53.1% of total expenses and contributed income financed 46.1% of total expenses; these figures add to 99.2% because total expenses exceeded total income by 0.8%, leaving theatres with negative CUNA, on average. Income from ticket sales represented 77% of total earned income and supported 41.2% of all expenses. Single ticket income was the largest source of earned income and funded 24.9% of expenses.

The 178 Profiled Theatres:

- Attracted 7.2 million **single ticket buyers** and 761,000 **subscribers**/season ticket holders, representing 4 million seats occupied by subscribers in 2012. Flexible subscriptions represented 9.9% of subscription income. Group sales and pick-and-choose vouchers accounted for 8.7% and 1.4% of single ticket sales, respectively.
- Received $11 million in **production income**, with 20% of that amount attributable to 1 theatre. Forty-eight theatres earned production income, 37 reported co-production income, 18 reported enhancement income and 7 reported both.
- Produced 322 **world premieres** and earned $4.1 million from 387 **royalty properties** for an average of $10,650 per property. One theatre with only 5 properties earned 53% of the income from royalties and subsidiary rights reported by all theatres.
- Offered approximately 1,100 **education and outreach programs** that served a national audience of 2.5 million people. Education activity generated $32 million in earned income and attracted another $17.6 million in earmarked contributions.

FIGURE E: INCOME AS A PERCENTAGE OF EXPENSES WITH EARNED INCOME DETAIL*

**Percentages total 99.2% because total expenses exceeded total income by 0.8%.*

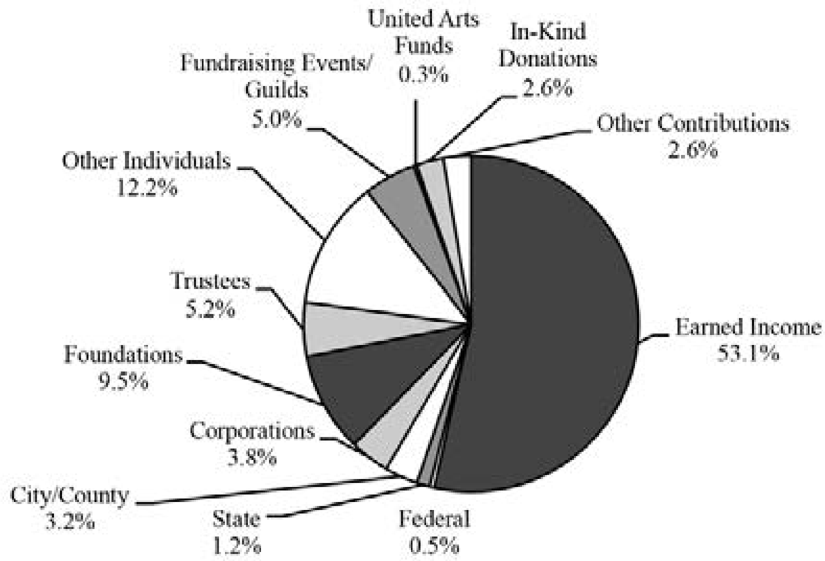


CONTRIBUTED INCOME

The contributed income analysis examines all unrestricted funds, including Net Assets Released from Temporary Restriction (NARTR), which are contributions received in a prior fiscal year for activity occurring in the current fiscal year, hence the release of funds from temporary restriction. **Figure F** presents income detail for Profiled Theatres, with particular focus on different sources of contributed income. Contributions financed 46.1% of total expenses, with individual donations representing the largest single source of contributed income.

FIGURE F: INCOME AS A PERCENT OF EXPENSES WITH CONTRIBUTED INCOME DETAIL*

** Percentages total 99.2% because total expenses exceeded total income by 0.8%.*



Collectively, the 178 Profiled Theatres:

- Released $99 million of **NARTR**, which was reported by theatres of every budget size and supported 9.5% of total expenses. More than half of all NARTR came from foundations and non-trustee individuals.
- Conducted **capital campaigns** that generated $73 million or 15% of all contributed funds. Twenty-seven percent of Profiled Theatres were in capital campaigns in 2012 and 16% completed a capital campaign in the past 5 years. One theatre began its current capital campaign in 2012, 11 began in 2011, 7 began in 2010 and 6 began in 2009; the remainder of those in a capital campaign began theirs between 2000 and 2008. At least one theatre of every budget size was in a capital campaign in 2012.
- Received more than $181 million in **gifts from trustees and other individuals**, which supported 17.4% of total expenses and accounted for 37.6% of all contributed dollars. Fourteen percent of the total was earmarked for capital campaigns.
- Received 30% of individual contributions from **trustees**, who gave an average of $13,029 (see **Table 13**), including NARTR. Twenty-seven percent of total trustee dollars realized in 2012 were NARTR. Profiled Theatres' boards averaged 25 members. Board size tends to increase with theatre size. Group 1 Theatres averaged 10 trustee donors, whereas Group 6 Theatres averaged 40.
- Attracted contributions from 244,743 **non-trustee individuals** who gave average gifts of $521 (see **Table 13**). For mid-size and larger theatres (Groups 3, 4, 5 and 6), gifts from other individuals were the greatest source of contributed funds.
- Raised $40 million from 3,544 **corporations**. The average corporate gift in 2012 was $11,240 (see **Table 13**). Of total corporate dollars, 27% was NARTR.
- Received $100 million from 2,881 **foundation grants**, which averaged $34,766 (see **Table 13**). Thirty-one percent of this $100 million was NARTR and 22% was allocated to capital campaigns. Foundation support was the greatest source of contributed funds for smaller (Groups 1 and 2) theatres.
- Attracted $468,500 to support **touring** programs and $18 million in support of **education programs**.
- Accepted nearly $27 million in **in-kind donations**, raised nearly $53 million from special **fundraising events or guilds** and received $28 million in **other contributed support** from service organizations and sheltering organizations, such as performing arts centers, universities or museums.

TABLE 13: AVERAGE GIFT BY SOURCE (includes NARTR and unrestricted capital campaign gifts)

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Average Trustee Gift	$ 13,029	21,570	12,999	12,571	6,986	1,739	923
Average Other Individual Gift	$ 521	606	474	638	483	267	41
Average Corporate Gift	$ 11,240	20,201	9,988	6,565	4,730	2,392	2,717
Average Foundation Gift	$ 34,766	68,771	26,660	26,471	18,525	14,323	7,861

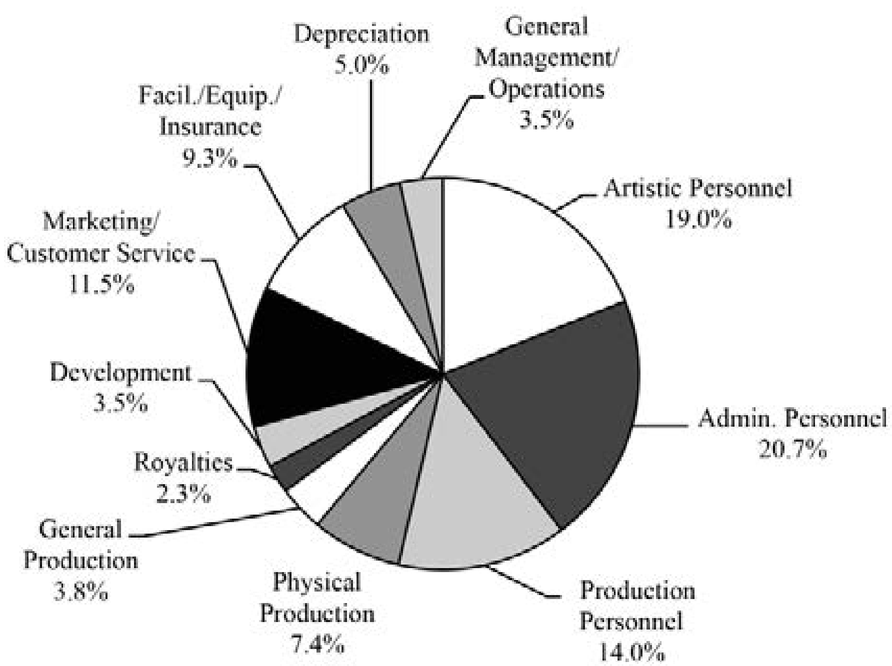
EXPENSES AND CHANGES IN UNRESTRICTED NET ASSETS (CUNA)

Profiled Theatres' expenses are detailed in **Figure G**. Theatres provide not only artistry for their communities; they also provide jobs for cultural workers. The labor-intensive nature of the art form means that nearly 54% of total expenses—over a half a billion dollars in total—goes to payroll in the three classifications of artistic (19.0%), administrative (20.7%) and production/technical (14.0%). These figures include salaries, payroll taxes, health insurance, unemployment insurance, welfare and retirement programs and vacation pay. This figure rises to 56% of total expenses—exceeding $587 million—if we also add in payment to authors in the form of royalties.

Altogether, the Profiled Theatres contributed over $1 billion to the U.S. economy in 2012 in direct payments for goods and services. Direct production expenses—artist and production payroll, royalties, general production expenses (artist housing and travel, designer expenses, etc.) and production materials (including production management expenses)—totaled $488 million, or 47% of all expenses. Profiled Theatres expensed over $134 million in occupancy/building/equipment/maintenance and other administrative costs, such as audit fees, IT and office supplies. CUNA for the 178 Profiled Theatres was -$8.3 million, or the equivalent of -0.8% of total expenses. On average, theatres in Groups 1, 3 and 4 ended the year in the black.

The year ended with a higher level of unrestricted net assets than it began: The aggregate balance of unrestricted net assets for Profiled Theatres was $875 million at the beginning of the fiscal year and $944 million at the end of the year.

FIGURE G: BREAKDOWN OF EXPENSES



Collectively, the 178 Profiled Theatres:

- Most often **rent** rather than own their spaces. Forty-three percent own their stage and office spaces, 44% rent their stage and 45% rent their office space. Thirteen percent operate out of donated theatre and/or office space.
- Paid nearly $25 million in **royalties** for 1,300 properties—an average of $19,000 per property.
- Recognized $52 million in **depreciation**, the annual decrease in the book value of property and equipment.
- Allocated 10% of development expenses, 5% of marketing expenses and 16% of general management expenses for professional fees for independent contractors or consultants. Another 6% of general management expenses went to web services and IT consultants.

As detailed in Table 14, the 178 Profiled Theatres also:

- Spent 21 cents to generate every dollar of **single ticket income** and 11 cents to generate every dollar of **subscription income**.
- Disbursed a total of 29 cents, including marketing personnel salaries and benefits, to bring in every dollar of **ticket income**.
- Paid 4 cents **to generate each dollar of unrestricted contributed income** not associated with fundraising events and considering only non-personnel expenses. If we add in all development costs, including staff compensation and fundraising event expenses, that figure rises to 16%. Finally, it takes 14 cents invested in all development personnel and non-personnel expenses to generate one dollar of income donated, regardless of its level of restriction.
- Disbursed 35 cents for each dollar generated from **fundraising events**.
- Spent 78 cents **to bring in each dollar of education and outreach income**. This figure includes income earned from education and outreach activities, such as fees received for adult access programs and training programs, as well as contributed income that supports education and outreach programs. It takes into account education and outreach personnel salaries and benefits but does not include development costs associated with grant writing for education or outreach funding. Of the 78 cents, 55 cents go to payroll and 23 cents to items such as study guides, promotional materials, etc. We recognize that theatres' motives for conducting education and outreach programming focus more on returns to society than financial returns.

TABLE 14: PROFILED THEATRES ADMINISTRATIVE EXPENSE INDEX

- ▶ Single ticket marketing expense to single ticket income (excludes personnel expense): 21%
- ▶ Subscription marketing expense to subscription income (excludes personnel expense): 11%
- ▶ Total marketing expense to total ticket sales (includes personnel expense): 29%
- ▶ Development expense (excludes personnel expense and fundraising event expenses) to total unrestricted contributed income (excludes fundraising event income): 4%
- ▶ Fundraising event expense to fundraising event income (excludes personnel expense): 35%
- ▶ Total development expense to total unrestricted contributed income (includes fundraising event expense and personnel expense): 16%
- ▶ Total development expense (includes fundraising event expense, personnel expense) to total contributed income (includes unrestricted, temporarily restricted and permanently restricted contributed income): 14%
- ▶ Education/outreach expense to total education/outreach income (excludes personnel expense, includes both earned and contributed income): 23%
- ▶ Total education/outreach expense to total education/outreach income (includes personnel expense and both earned and contributed income): 78%

BUDGET GROUP SNAPSHOT:

EARNED INCOME

We now examine average earned income dollar figures for all Profiled Theatres and each budget group. **Table 15** provides average dollar figures for each earned income line item and **Table 16** reports each line item as a percentage of total expenses.

There are 3 general observations that emerge from the tables: (1) larger theatres relied more on ticket income to support expenses; as shown in **Table 16**, Group 6 Theatres supported 45.5% of all expenses with ticket income, whereas, this figure is only 25.7% for Group 1 Theatres; (2) larger theatres also relied more on subscription income to support expenses; as illustrated in **Tables 15** and **16**, Group 1 and 2 Theatres experienced far lower subscription income relative to expenses than the industry average; (3) the smaller the theatre, the more the reliance on income from presenter fees and tour contracts; as shown in **Table 16**.

Other Observations for the 178 Profiled Theatres:

- One Group 1 Theatre earns one-third of that group's total **subscription income**. Group 1 and 2 Theatres tend to support a lower proportion of expenses with subscription income (see **Table 16**). One large Group 6 Theatre had more than twice the level of **single ticket income** for any other theatre. Even with this exceptional level, this theatre accounted for only 23% of the Group's total.
- With the exception of Group 3 and 6 Theatres, more than 45% of the income from **booked-in productions** was earned by 1 theatre in each group.
- Only 3 theatres in Groups 1, 4 and 6 reported income from tour contracts and presenter fees. By contrast, 14 theatres in both Groups 2 and 3 earn some level of income from this activity.
- Group 6 Theatres earned proportionally less income from **education/outreach activities** and more from production income than theatres in other groups (see **Table 16**).
- Capital losses for Group 6 Theatres and for the Profiled Theatres overall was heavily skewed by 1 theatre with $22 million in unrealized losses; similarly, Group 4 and 5 Theatres each had an outlier that skewed capital gains. If we were to eliminate the Group 6 Theatre from the analyses, capital gains for Profiled Theatres would average $33,000 and the Group 6 Theatres' average would be $87,900. Without the outliers, capital gains would average -$143,000 for Group 5 Theatres and $30,000 for Group 4 Theatres. However, because these theatres are part of the national community, we include them in the analyses and note their exceptional activity.
- No Group 1 Theatre reported endowment earnings or capital gains/(losses); one earned royalty income.

TABLE 15: AVERAGE EARNED INCOME

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**178**	**31**	**33**	**22**	**55**	**24**	**13**
Subscriptions**	$ 891,296	$ 3,054,324	$1,143,696	$ 538,071	$ 235,354	$ 52,089	$ 14,812
Single Ticket Income	1,467,582	5,618,476	1,340,077	730,791	405,028	146,992	73,271
Booked-In Events**	65,664	244,624	86,150	35,019	6,687	4,193	1,775
Total Ticket Income	**$ 2,424,542**	**$ 8,917,424**	**$2,569,923**	**$1,303,880**	**$ 647,070**	**$203,274**	**$ 89,858**
Tour Contracts/Presenter Fees	26,723	9,212	16,125	36,356	32,023	47,216	18,817
Educational/Outreach Income	181,155	370,847	318,695	226,791	79,308	25,026	21,575
Royalties	23,153	122,296	3,710	4,194	1,996	229	3
Concessions	86,959	276,453	116,085	61,731	23,233	16,645	3,264
Production Income (co-production & enhancement income)	61,742	271,303	47,351	15,857	7,209	10,434	1,640
Advertising	17,767	35,439	18,082	17,888	15,534	7,340	3,325
Rentals	79,825	288,966	85,177	38,745	21,900	13,988	3,646
Other	163,308	612,298	167,458	100,381	37,901	10,142	1,939
Total Other Earned Income	**$ 640,632**	**$ 1,986,815**	**$ 772,683**	**$ 501,944**	**$ 219,104**	**$ 131,020**	**$ 54,209**
Interest and Dividends	14,192	44,376	14,214	5,658	9,756	646	369
Endowment Earnings	138,163	539,210	129,881	58,216	40,805	2,765	-
Capital Gains/(Losses)**	(89,036)	(617,333)	6,223	81,707	(705)	204	-
Total Investment Income	**$ 63,319**	**$ (33,747)**	**$ 190,317**	**$ 145,581**	**$ 49,856**	**$ 3,615**	**$ 369**
Total Earned Income	**$ 3,128,493**	**$10,870,492**	**$3,532,923**	**$1,951,406**	**$ 916,030**	**$ 337,909**	**$ 144,436**

**Skewed by 1 theatre's exceptional activity.

TABLE 16: AVERAGE EARNED INCOME AS A PERCENTAGE OF EXPENSES	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**178**	**31**	**33**	**22**	**55**	**24**	**13**
Subscriptions**	15.1%	15.6%	16.3%	13.9%	12.8%	6.6%	4.2%
Single Ticket Income	24.9%	28.6%	19.2%	18.9%	22.0%	18.7%	21.0%
Booked-In Events**	1.1%	1.2%	1.2%	0.9%	0.4%	0.5%	0.5%
Total Ticket Income	**41.2%**	**45.5%**	**36.7%**	**33.7%**	**35.2%**	**25.8%**	**25.7%**
Tour Contracts/Presenting Fees	0.5%	0.0%	0.2%	0.9%	1.7%	6.0%	5.4%
Educational/Outreach Income	3.1%	1.9%	4.6%	5.9%	4.3%	3.2%	6.2%
Royalties	0.4%	0.6%	0.1%	0.1%	0.1%	0.0%	0.0%
Concessions	1.5%	1.4%	1.7%	1.6%	1.3%	2.1%	0.9%
Production Income (co-production & enhancement income)	1.0%	1.4%	0.7%	0.4%	0.4%	1.3%	0.5%
Advertising	0.3%	0.2%	0.3%	0.5%	0.8%	0.9%	1.0%
Rentals	1.4%	1.5%	1.2%	1.0%	1.2%	1.8%	1.0%
Other	2.8%	3.1%	2.4%	2.6%	2.1%	1.3%	0.6%
Total Other Earned Income	**10.9%**	**10.1%**	**11.0%**	**13.0%**	**11.9%**	**16.6%**	**15.5%**
Interest and Dividends	0.2%	0.2%	0.2%	0.1%	0.5%	0.1%	0.1%
Endowment Earnings/Transfers	2.3%	2.7%	1.9%	1.5%	2.2%	0.4%	0.0%
Capital Gains/(Losses) **	-1.5%	-3.1%	0.7%	2.1%	0.0%	0.0%	0.0%
Total Investment Income	**1.1%**	**-0.2%**	**2.7%**	**3.8%**	**2.7%**	**0.5%**	**0.1%**
Total Earned Income	**53.1%**	**55.4%**	**50.5%**	**50.4%**	**49.9%**	**42.9%**	**41.3%**

****Skewed by 1 theatre's exceptional activity.**

BUDGET GROUP SNAPSHOT:

ATTENDANCE, PRICING AND PERFORMANCES

Below and in **Table 17** we take a close look at marketing and performance measures as well as employment figures for the Profiled Theatres. Since not every theatre offers a subscription package, averages reported in this section reflect the number of theatres that responded to each question.

The 178 Profiled Theatres:

- **Attracted** over 11.3 million patrons, sold 761,000 subscriptions and held over 36,000 main series performances of 1,222 productions.
- Filled an average of 72% of their seats with paying customers. Group 2 Theatres tended to play to smaller houses overall and Group 1 and 2 Theatres saw, on average, a lower **proportion of the house filled** with subscribers.
- Averaged a 73% subscriber **renewal rate** from the prior year; Group 3 and 4 Theatres experienced the highest retention of subscribers and Group 1 the lowest.
- Realized nearly identical average **ticket prices** for subscribers and single ticket buyers. Only Group 3 Theatres charged slightly higher average prices for subscribers than for single ticket buyers. Group 6 Theatres gave the heaviest subscriber discounts and the broadest range of discounts.
- Provided 86,358 weeks of actor employment: actor employment weeks increase with budget size, as do the number of performances and performance weeks offered.
- Employed an average of 212 full-time, part-time and jobbed-in artistic, administrative and production/technical personnel during the course of the year. The aggregate number of people employed across all Profiled Theatres was 37,669.
- Tended to offer more **ticket packages** as budget size increased.
- Offered some **resident productions off subscription**. Considering only capacity of those productions offered on subscription, subscribers filled an average of 31% of potential capacity: 36% for Group 6, 35% for Group 5, 32% for Group 4, 31% for Group 3, 19% for Group 2 and 18% for Group 1.
- Collectively offered 5,694 weeks of **performances** around the country.
- Experienced an average employee turnover rate of 8%.

TABLE 17: INDUSTRY AVERAGES

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**178**	**31**	**33**	**22**	**55**	**24**	**13**
Subscription Renewal Rate (%)	73%	72%	73%	76%	76%	70%	63%
High Subscription Discount (%)	37%	43%	36%	41%	31%	38%	41%
Low Subscription Discount (%)	10%	9%	10%	14%	8%	12%	10%
Subscription Price (per ticket)	$32.08	$44.33	$36.76	$32.64	$27.44	$20.77	$18.10
Single Ticket Price	$32.32	$47.38	$37.27	$32.70	$26.46	$24.17	$19.44
Number of Ticket Packages Offered	6	9	6	6	5	5	2
Number of Subscribers/Season Ticket Holders	5,176	13,604	6,194	4,587	1,932	651	236
Subscription Tickets (# subscribers x # tickets/ package sold)	27,258	73,811	33,638	19,160	10,330	3,767	1,444
Single Tickets	42,286	124,502	48,090	27,490	18,260	9,492	5,292
Total In-Residence Paid Capacity (%)	72%	75%	71%	75%	71%	67%	73%
Total In-Residence Subscriber Capacity (%)	25%	28%	28%	27%	24%	16%	16%
Number of Main Series Performances	204	403	260	193	146	88	71
Number of Performance Weeks	32	43	36	28	29	27	23
Number of Actor Employment Weeks (sum of # weeks each actor employed)	502	1,061	501	422	406	203	156
Number of Total Paid Employees (includes jobbed-in, part-time and full-time personnel)	212	507	270	174	125	79	32
Paid Employee Turnover (# vacated positions/ total # paid employees)	8%	9%	9%	8%	7%	8%	1%

BUDGET GROUP SNAPSHOT:

CONTRIBUTED INCOME

Table 18 reports average contributions for all Profiled Theatres and for each budget group. We present contributions and total income as a percentage of expenses in **Table 19**. In addition to these tables, we offer the following observations.

For the 178 Profiled Theatres:

- The average **federal funding** equaled 0.5% of expenses and 1% of total contributed income. Not every theatre that reports funding from the National Endowment for the Arts provides detail about the granting category from which they were awarded funds. For those that do, 39 theatres averaged a grant of $34,882 for Access to Artistic Excellence projects; 4 theatres received an average grant of $20,500 for Learning in the Arts for Children and Youth; and 15 theatres received grants averaging $23,000 for the Shakespeare for a New Generation program. Numerous theatres received federal funding from sources other than the NEA, such as the Economic Development Administration; the National Park Service; the U.S. Embassy; the Combined Federal Campaign; the Federal Work Study Program; and the National Capital Arts and Cultural Affairs Program of the U.S. Commission of Fine Arts, which funds organizations in Washington, DC. No theatre received funding from the National Endowment for the Humanities. Every group benefited from some form of federal funding.

- **State funding** for Group 1 and 4 Theatres (see **Table 18**) was skewed by 1 theatre whose state support accounted for 48% and 69% of the group's total, respectively. In both cases, the high level was not tied to any particular activity such as touring, education or a capital campaign. Eliminating these theatres from the analysis would leave the Group 1 state funding average at $5,386 and the Group 4 average at $30,911.

- One theatre in Group 5 and another in Group 6 received unusually high **city and county funding** tied to capital campaigns. Eliminating these theatres from the analysis would leave city/county funding at $92,922 for remaining Group 5 Theatres and $271,339 for Group 6 Theatres.

- Group 3 and 4 Theatres supported a lower percentage of expenses with **corporate support** than other groups (see **Table 19**).

- Smaller theatres received higher **foundation support** as a percentage of expenses (see **Table 19**). One Group 6 Theatre accounted for 31% of that group's foundation support, with most of the total earmarked for a capital campaign. Eliminating this theatre from the analyses would leave average foundation support for Group 6 Theatres at $ 1.2 million. Of the 178 theatres, all but 3 theatres received some foundation support.

TABLE 18: AVERAGE CONTRIBUTED INCOME AND TOTAL INCOME	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**178**	**31**	**33**	**22**	**55**	**24**	**13**
Federal	$ 26,769	$ 67,335	$ 27,341	$ 22,933	$ 19,230	$ 6,042	$ 5,231
State**	73,459	120,487	127,216	94,368	41,536	20,496	22,312
City/County**	187,095	751,284	164,758	49,744	51,190	18,086	17,858
Corporations	223,791	777,432	271,494	120,849	58,308	30,194	14,213
Foundations**	562,702	1,754,761	589,748	445,199	229,039	136,064	49,583
Trustees	304,635	858,621	439,197	289,701	110,888	21,522	9,654
Other Individuals**	716,049	2,283,809	807,276	597,582	257,660	88,729	43,915
Fundraising Events/Guilds	296,050	922,180	342,852	234,655	117,318	32,912	30,029
United Arts Funds	17,473	78,358	14,187	-	2,958	1,824	502
In-Kind Services/Material/Facilities	151,911	367,377	288,899	103,894	46,012	39,206	27,738
Other Contributions	155,580	257,047	262,831	143,092	126,186	39,981	271
Total Contributed	**$ 2,715,513**	**$ 8,238,692**	**$3,335,799**	**$2,102,015**	**$1,060,325**	**$435,057**	**$221,305**
Total Income	**$ 5,844,006**	**$ 19,109,184**	**$6,868,722**	**$4,053,421**	**$1,976,355**	**$772,965**	**$365,742**

**Skewed by 1 Theatre's exceptional activity.

TABLE 19: AVERAGE CONTRIBUTED INCOME AS A PERCENTAGE OF EXPENSES	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**178**	**31**	**33**	**22**	**55**	**24**	**13**
Federal	0.5%	0.3%	0.4%	0.6%	1.0%	0.8%	1.5%
State**	1.2%	0.6%	1.8%	2.4%	2.3%	2.6%	6.4%
City/County**	3.2%	3.8%	2.4%	1.3%	2.8%	2.3%	5.1%
Corporations	3.8%	4.0%	3.9%	3.1%	3.2%	3.8%	4.1%
Foundations**	9.6%	8.9%	8.4%	11.5%	12.5%	17.3%	14.2%
Trustees	5.2%	4.4%	6.3%	7.5%	6.0%	2.7%	2.8%
Other Individuals**	12.2%	11.6%	11.5%	15.4%	14.0%	11.3%	12.6%
Fundraising Events/Guilds	5.0%	4.7%	4.9%	6.1%	6.4%	4.2%	8.6%
United Arts Funds	0.3%	0.4%	0.2%	0.0%	0.2%	0.2%	0.1%
In-Kind Services/Materials/Facilities	2.6%	1.9%	4.1%	2.7%	2.5%	5.0%	7.9%
Other Contributions	2.6%	1.3%	3.8%	3.7%	6.9%	5.1%	0.1%
Total Contributed Income	**46.1%**	**42.0%**	**47.7%**	**54.3%**	**57.7%**	**55.3%**	**63.3%**
Total Income	**99.2%**	**97.4%**	**98.2%**	**104.6%**	**107.6%**	**98.2%**	**104.6%**

**Skewed by 1 Theatre's exceptional activity.

For the 178 Profiled Theatres:

- Individual giving from trustees and other individuals played a more important role in financing expenses of Group 4 Theatres than for other groups. One Group 1 Theatre reported 29% of that group's total due to individual gifts to its capital campaign. Eliminating this theatre from the analyses would leave the average from non-trustee individuals at $32,061 for Group 1 Theatres.
- Half of the budget groups finished the year with total **income in excess of total expenses**, as detailed in the next Budget Group Snapshot.
- Group 1 Theatres are more reliant on income from **fundraising events and guilds** and donations of **in-kind services, materials and facilities** than other groups.
- The heavy influence of **other contributions** for Group 3 Theatres is largely attributable to sheltering organization support.

BUDGET GROUP SNAPSHOT:

EXPENSES AND CHANGES IN UNRESTRICTED NET ASSETS (CUNA)

Average expense figures for all Profiled Theatres are shown in **Table 20**, as are expenses for each budget group. In **Table 21**, we provide key personnel and non-personnel expenses allocated by administrative department. **Table 22** presents each expense line item in proportion to total expenses.

TABLE 20: AVERAGE EXPENSES AND CUNA

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**178**	**31**	**33**	**22**	**55**	**24**	**13**
Artistic Payroll	$1,117,745	$3,491,757	$1,255,034	$835,761	$444,507	$201,787	$124,645
Administrative Payroll	1,218,070	3,893,731	1,583,874	849,960	373,782	168,342	41,976
Production Payroll	825,350	2,863,996	1,119,917	424,109	184,624	60,835	17,412
Total Payroll	**$3,161,165**	**$10,249,484**	**$3,958,826**	**$2,109,831**	**$1,002,913**	**$430,964**	**$184,033**
General Artistic Non-Payroll	222,486	747,902	259,045	148,128	64,327	38,926	10,614
Royalties	138,888	442,677	166,057	102,005	51,898	13,249	7,902
Production/Tech Non-Payroll (physical production)	435,595	1,797,854	329,633	222,047	85,073	44,877	21,806
Development/Fundraising	205,454	643,640	235,804	175,886	77,445	19,436	18,545
Marketing/Customer Service/ Concessions	677,603	2,270,381	801,190	455,495	206,725	78,709	39,415
Occupancy/Building/Equipment/Maintenance	546,870	1,751,999	669,221	353,357	191,363	89,504	38,433
Depreciation	294,196	1,066,324	327,523	166,380	72,070	33,971	4,849
General Management/Operations	208,593	643,006	248,142	140,869	85,418	37,488	23,912
Total Expenses	**$5,890,849**	**$19,613,267**	**$6,995,441**	**$3,873,998**	**$1,837,233**	**$787,125**	**$349,508**
Changes in Unrestricted Net Assets (CUNA)	**$(46,843)**	**$(504,083)**	**$(126,719)**	**$179,423**	**$139,123**	**$(14,160)**	**$16,233**

Adding together personnel and non-personnel program costs allocated to the various administrative departments (see **Table 21**) reveals that Profiled Theatres spent an average of $420,944 on development, $699,534 on marketing, $281,336 on front-of-house (including box office, house management and concessions) and $219,897 on education programs and outreach. Theatres tended to spend more on non-personnel expenses with respect to marketing than they do on marketing staff, regardless of budget size, whereas staff compensation was a larger allocation of education/outreach expenses and total front-of-house, with a few exceptions in the case of smaller theatres that likely use more volunteers as ushers and in the box office. Development tended to be fairly evenly split between personnel and non-personnel expenses for Group 2 Theatres and larger (see **Table 21**).

TABLE 21: SELECTED AVERAGE ADMINISTRATIVE EXPENSES: PERSONNEL AND NON-PERSONNEL

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Development/Fundraising Personnel	$215,490	$673,712	$284,400	$177,723	$64,193	$21,968	$9,170
Non-personnel Development Expenses	205,454	643,640	235,804	175,886	77,445	19,436	18,545
Marketing Personnel	201,289	654,575	277,642	126,485	57,246	18,070	808
Non-personnel Marketing Expenses	498,245	1,749,602	569,683	293,430	136,526	54,011	29,980
Front-of-House Personnel	167,024	588,714	197,918	103,321	43,016	12,281	1,164
Non-personnel Front-of-House Expenses	114,312	367,167	130,574	86,667	41,996	16,195	3,947
Education Programs/Outreach Personnel	154,851	454,914	229,187	110,540	52,415	21,255	5,624
Non-personnel Education/Outreach Expenses	65,046	153,612	100,933	75,398	28,204	8,503	5,488

TABLE 22: AVERAGE EXPENSES AND CUNA AS A PERCENTAGE OF TOTAL EXPENSES	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**178**	**31**	**33**	**22**	**55**	**24**	**13**
Artistic Payroll	19.0%	17.8%	17.9%	21.6%	24.2%	25.6%	35.7%
Administrative Payroll	20.7%	19.9%	22.6%	21.9%	20.3%	21.4%	12.0%
Production Payroll	14.0%	14.6%	16.0%	10.9%	10.0%	7.7%	5.0%
Total Payroll	**53.7%**	**52.3%**	**56.6%**	**54.5%**	**54.6%**	**54.8%**	**52.7%**
General Artistic Non-Payroll	3.8%	3.8%	3.7%	3.8%	3.5%	4.9%	3.0%
Royalties	2.4%	2.3%	2.4%	2.6%	2.8%	1.7%	2.3%
Production/Tech Non-Payroll (physical production)	7.4%	9.2%	4.7%	5.7%	4.6%	5.7%	6.2%
Development/Fundraising	3.5%	3.3%	3.4%	4.5%	4.2%	2.5%	5.3%
Marketing/Customer Service/Concessions	11.5%	11.6%	11.5%	11.8%	11.3%	10.0%	11.3%
Occupancy/Building/Equipment/Maintenance	9.3%	8.9%	9.6%	9.1%	10.4%	11.4%	11.0%
Depreciation	5.0%	5.4%	4.7%	4.3%	3.9%	4.3%	1.4%
General Management/Operations	3.5%	3.3%	3.5%	3.6%	4.6%	4.8%	6.8%
Total Expenses	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Changes in Unrestricted Net Assets (CUNA)	**-0.8%**	**-2.6%**	**-1.8%**	**4.6%**	**7.6%**	**-1.8%**	**4.6%**

For the 178 Profiled Theatres, as detailed in Table 22:

- The smaller the theatre, the larger the proportion of budget spent on **artistic payroll**.
- Group 5 Theatres tend to spend a higher proportion of budget on **production payroll** and on **total payroll**.
- Administrative payroll was the largest budget line item for Group 4, 5 and 6 Theatres. Nevertheless, Group 1 and 6 Theatres spent proportionally less on **administrative payroll** compared to theatres in other groups.
- Group 2 Theatres spent slightly more proportionally than other groups on non-personnel **general artistic expenses** such as artist housing, travel and per diems; designer expenses; and stage management and company management expenses.
- Group 6 Theatres spent a lower share of their budgets on **occupancy expenses** related to facilities, but had a higher proportion of depreciation because they tend to own rather than rent.
- Group 6 theatres spent a much greater share of their budgets on **physical production**.
- Smaller theatres spent a greater share of their budgets on **general management expenses and operations**.
- Group 6 Theatres' **CUNA** ranged from a low of -$32 million to a high of $31 million, with both extremes driven by non-operating activity. Eliminating both theatres from the analyses would leave average CUNA for all Profiled Theatres and CUNA for Group 6 Theatres at roughly the same levels as reported in **Tables 20 and 22**.

BUDGET GROUP SNAPSHOT:

BALANCE SHEET

The Balance Sheet reflects a theatre's long-term stability and fiscal health. While CUNA is an important indicator of activity for a given year only, the balance sheet reflects the bigger picture of a theatre's capital structure that has been added to, subtracted from, or has simply changed in value over time. The 164 Profiled Theatres that completed the Balance Sheet section of the survey collectively held $2.3 billion in total assets and $1.7 billion in net assets, 59% of which was in unrestricted funds. As in the *Trend Theatres* section, we use Cool Spring Analytics' measures of fiscal health with respect to investments, physical capital and working capital.

Quick Reference for Calculation of Key Balance Sheet Indicators

WORKING CAPITAL = TOTAL UNRESTRICTED NET ASSETS – FIXED ASSETS – UNRESTRICTED LONG-TERM INVESTMENTS

WORKING CAPITAL RATIO = WORKING CAPITAL/TOTAL EXPENSES

FIXED ASSETS = TOTAL LAND + BUILDING + EQUIPMENT AT COST – ACCUMULATED DEPRECIATION

INVESTMENT RATIO = TOTAL INVESTMENTS/TOTAL EXPENSES

From **Table 23** we understand that 72% of Profiled Theatres' net assets—permanently restricted, temporarily restricted and unrestricted—are fixed assets, 35% are investments and 11% are other net assets; negative working capital deducts 18% from the total, as detailed further in **Table 24**. The distribution of net assets varies depending on theatre size, with Group 2, 3 and 4 theatres having a greater proportion of fixed and other net assets. The proportion of total net assets held in investments increases steadily as theatre size increases. In addition to the figures reported below, 6 theatres are beneficiaries of endowments ranging from $143,000 to $3.6 million that are held by other entities (e.g., by a community foundation) and are not reflected in their Balance Sheet or in the Tables below.

Profiled Theatres possess an aggregate $1.2 billion in fixed assets. Fixed assets represent a low of 61% of total net assets for Group 5 Theatres and a high of 99% of total net assets for Group 2 Theatres.

The investment ratio is best examined over time. Fifty-three percent of Profiled Theatres reported having some investments. These investments include endowments and cash reserves that generate growth in value and interest income that theatres can either reinvest or use for operations, thereby lessening the burden on other income sources and making it easier to weather hard economic times. Group 6 Theatres' aggregate investments are the equivalent of 78% of their combined total expenses (see **Table 23**). As we see in **Table 24**, no Group 1 or Group 2 Theatre reported having unrestricted endowment funds or other investments.

TABLE 23: AVERAGE TOTAL NET ASSETS

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	164	29	31	21	49	22	12
Working Capital**	$(1,875,891)	$(7,118,002)	$(1,456,939)	$(1,239,313)	$(530,219)	$(178,874)	$(9,787)
Fixed Assets	$7,474,805	$28,471,699	$6,625,267	$3,843,695	$2,000,811	$650,760	$144,287
Investments	$3,708,595	$15,717,839	$3,657,643	$1,030,570	$331,628	$50,062	$1,018
Other Net Assets	$1,144,632	$1,774,930	$1,999,935	$1,873,639	$642,137	$137,892	$33,670
Total Net Assets	**$10,452,142**	**$38,846,466**	**$10,825,906**	**$5,508,592**	**$2,444,358**	**$659,840**	**$169,188**
Total Expenses	**$6,054,776**	**$20,067,641**	**$7,037,238**	**$3,893,605**	**$1,828,206**	**$787,347**	**$349,825**
Investment Ratio	**61%**	**78%**	**52%**	**26%**	**18%**	**6%**	**0%**

**Skewed by 1 Theatre's exceptional activity.

Tables 23 and **24** show that, on average, working capital was negative for Profiled Theatres as a whole and for every budget group, meaning that the average theatre is borrowing funds to meet day-to-day cash needs and current obligations regardless of size. Depending on budget group, between 42% and 76% of theatres reported negative working capital. The lowest working capital was -$92 million (an outlier 4 times more negative than that of any other theatre) and the highest was $15 million. Eliminating the outlier theatre would leave Group 6's working capital average at -$4.1 million and the average for all theatres at -$1.3 million.

The working capital ratio, a comparison of working capital to total expenses, is another indicator of organizational health. One way to think about working capital is whether there is enough capital to handle cash flow shortages for a period of time. For example, a ratio of 25% translates into 3 months of working capital. Of the 164 Profiled Theatres that completed the Balance Sheet portion of the survey, only 8% of theatres reported a working capital ratio of 25% or more; another 28% had positive working capital that was less than 25% of their expenses. As described above, the majority of theatres (64%) reported negative working capital in 2012. The overall working capital ratio for the Profiled Theatres was -31%. The lowest reported working capital ratio—experienced by 3 theatres—was a negative magnitude of roughly 2.5 times the size of the budget, and the highest was equivalent to 95% of budget. Group 4 and 6 Theatres experienced relatively severe working capital shortages averaging more than -30% of expenses, leaving them with little financial flexibility. Group 1 Theatres reported the least severe negative working capital ratio of -3%. If we were to eliminate the Group 6 Theatre mentioned above with exceptionally negative working capital, the working capital ratio for remaining Group 6 Theatres would be -21%, and the working capital ratio for all theatres would be -22%.

TABLE 24: AVERAGE WORKING CAPITAL

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**164**	**29**	**31**	**21**	**49**	**22**	**12**
Total Unrestricted Net Assets	$6,153,202	$23,589,043	$5,547,127	$2,936,853	$1,620,665	$471,886	$134,501
Fixed Assets	$7,474,805	$28,471,699	$6,625,267	$3,843,695	$2,000,811	$650,760	$144,287
Unrestricted Investments	$554,288	$2,235,346	$378,799	$332,470	$150,073	$-	$-
Working Capital**	**$(1,875,891)**	**$(7,118,002)**	**$(1,456,939)**	**$(1,239,313)**	**$(530,219)**	**$(178,874)**	**$(9,787)**
Total Expenses	**$6,054,776**	**$20,067,641**	**$7,037,238**	**$3,893,605**	**$1,828,206**	**$787,347**	**$349,825**
Working Capital Ratio**	**-31%**	**-35%**	**-21%**	**-32%**	**-29%**	**-23%**	**-3%**

**Skewed by 1 Theatre's exceptional activity.

CONCLUSION

Overall income and expenses have largely returned to pre-recession levels after a turbulent 5-year period. The average Trend Theatre ended the year in the black in 2010 and 2011 after 2 years of pronounced capital losses; however, average CUNA slipped to a level just below break-even in 2012. Single ticket income saw a third year of gains in 2012 and subscription income its second. Contributed support was robust over the period, particularly individual contributions. Expense growth was just about level with inflation. Seven of 11 expense categories were at their highest 5-year average in absolute dollars in the past year and they grew at a higher rate than inflation, including every payroll area. Negative working capital is a critical cause for concern and a threat to the future viability of many theatres in the field. Theatres were split as to whether they ended the year with positive rather than negative CUNA.

TCG member theatres constitute a diverse and rich theatrical heritage and can be found in every state. They provide meaningful employment to theatre workers, including actors, directors, playwrights, designers, administrators and technicians. They are significant contributors to their communities and to the U.S. economy. We estimate that, as a field, not-for-profit professional theatres contributed nearly $2 billion to the economy in the form of direct compensation and payment for space, services and goods. They shared their art with 37 million patrons and employed 123,000 artists, administrators and production/technical personnel. They created 211,000 performances of 18,500 productions that now represent the American theatre legacy of 2012.

METHODOLOGY

Theatre Facts 2012 reflects information from theatres' fiscal years ending anytime between October 31, 2011, and September 30, 2012. Profiled Theatres' reported figures were verified against certified financial audits. The adjustment for inflation in the discussion of Trend Theatres of 6% (24% for the 10-Year View) 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.

We base the *Universe* section extrapolation on weighted averages for TCG member theatres of similar budget sizes. TCG member theatres tend to have higher total expenses than others, so weighting is necessary to provide realistic estimates of the activity, finances and workforce breakdown for the larger Universe. It is important to keep in mind that the figures reported in the *Universe* section table are estimates and do not represent data provided directly by the 1,604 theatres that did not participate in the TCG Fiscal Survey. To check the accuracy of the estimates, we compared total expenses reported by these theatres (the one item reported by all theatres) with a total expense figure predicted using our extrapolations. The 2 came within 2% of each other, suggesting that the extrapolated figures, while imperfect, are reasonably accurate estimates.

Editing notes: TCG opted to use numerals rather than the conventional spelling out of numbers under 10, except when a number began a sentence, for the sake of consistency and readability. In the tables, any cells with outliers were shaded.

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For more information on TCG's research efforts, including Theatre Facts, Snapshot Surveys and other projects, visit the TCG website, www.tcg.org.

2012 PROFILED THEATRES

The following 178 theatres participated in TCG Fiscal Survey 2012. The theatres are presented below by state; each theatre's budget group is noted in parentheses. **Trend Theatres are bolded.** ***10-Year Trend Theatres are bolded and in italics.***

ALABAMA

Alabama Shakespeare Festival (5)

ALASKA

Perseverance Theatre (3)

ARIZONA

Actors Theatre of Phoenix (3), Arizona Theatre Company (5), ***Childsplay (3)***

ARKANSAS

Arkansas Repertory Theatre (4), TheatreSquared (2)

CALIFORNIA

A Noise Within (3), ***American Conservatory Theater (6), Berkeley Repertory Theatre (6),*** California Shakespeare Theater (4), ***Center Theatre Group (6),*** The Chance Theater (1), Dell'Arte International (3), ***Geffen Playhouse (6), La Jolla Playhouse (6),*** Marin Theatre Company (3), North Coast Repertory Theatre (3), ***The Old Globe (6), PCPA Theaterfest (4),*** Rogue Machine (1), ***San Diego Repertory Theatre (4), South Coast Repertory (6), TheatreWorks (5),*** Watts Village Theater Company (1)

COLORADO

Arvada Center for the Arts & Humanities (6), Colorado Springs Fine Arts Center Theatre Company (3), Creede Repertory Theatre (3), ***Curious Theatre Company (3), Denver Center Theatre Company(6),*** THEATREWORKS (3)

CONNECTICUT

Connecticut Repertory Theatre (3), Elm Shakespeare Company (1), Eugene O'Neill Theater Center (4), ***Hartford Stage (5), Long Wharf Theatre (5), Westport Country Playhouse (5), Yale Repertory Theatre (5)***

D.C.

Arena Stage (6), **Folger Theatre (3),** Ford's Theatre (6), ***The Shakespeare Theatre Company (6), The Studio Theatre (5),*** **Woolly Mammoth Theatre Company (4)**

DELAWARE

Delaware Theatre Company (3), Resident Ensemble Players (4)

FLORIDA

American Stage (3), ***Asolo Repertory Theatre (5),*** Eckerd Theater Company (1), Florida Repertory Theatre (3), ***Florida Studio Theatre (4),*** Palm Beach Dramaworks (3), **Stageworks Theatre (1)**

GEORGIA

Alliance Theatre (6), Aurora Theatre (3), ***Dad's Garage (2)***

IDAHO

Boise Contemporary Theater (2), ***Idaho Shakespeare Festival (4)***

ILLINOIS

Adventure Stage Chicago (2), ***Chicago Shakespeare Theater (6), Court Theatre (4),*** Goodman Theatre (6), The House Theatre of Chicago (2), **Lookingglass Theatre Company (5),** ***Northlight Theatre (4), Steppenwolf Theatre Company (6),*** **Timeline Theatre Company (3),** Victory Gardens Theater (4), ***Writers' Theatre (4)***

INDIANA

Indiana Repertory Theatre (5)

KENTUCKY

Actors Theatre of Louisville (6)

MAINE

Penobscot Theatre (2), **Portland Stage (3)**

MARYLAND

Center Stage (5), **Everyman Theatre (3),** ***Imagination Stage (5), Round House Theatre (5)***

MASSACHUSETTS

American Repertory Theater (6), ArtsEmerson (5), **Barrington Stage Company (4),** Central Square Theater (3), ***Huntington Theatre Company (6),*** **The Lyric Stage Company of Boston (3), Merrimack Repertory Theatre (3),** ***New Repertory Theatre (3),*** SpeakEasy Stage Company (3), The Vineyard Playhouse (1), Williamstown Theatre Festival (4)

MINNESOTA

Bedlam Theatre (1), ***Children's Theatre Company (6), Commonweal Theatre Company (2),*** **Guthrie Theater (6),** Mixed Blood Theatre Company (3), Penumbra Theatre Company (4), ***Pillsbury House Theatre (3),*** Ten Thousand Things Theater Company (1), Theater Latte Da (2)

MISSOURI

The Coterie Theatre (3), Kansas City Actors Theatre (1), ***Kansas City Repertory Theatre (5),*** Paul Mesner Puppets, Inc. (1), **The Repertory Theatre of St. Louis (5),** ***Unicorn Theatre (2)***

NEW JERSEY

McCarter Theatre Center (6), **Paper Mill Playhouse (6),** Two River Theater Company (5)

NEW YORK

Atlantic Theater Company (5), Castillo Theatre (2), Elevator Repair Service Theater (2), The 52nd Street Project (3), ***Geva Theatre Center (5),*** **HERE (3),** Hudson Valley Shakespeare Festival (3), Irondale Ensemble Project (2), Kitchen Theatre Company (2), ***Lark Play Development Center (3), Mabou Mines (2), Manhattan Theatre Club (6),*** Ma-Yi Theater Company (2), **Merry-Go-Round Playhouse (4), New Dramatists, Inc. (3),** The Play Company (2), Playwrights Horizons (6), **The Public Theater (6),** Repertorio Español (3), ***Roundabout Theatre Company (6), Signature Theatre Company (6), SITI Company (3), Syracuse Stage (5), Theatre for a New Audience (4),*** **Vital Theatre Company (3),** ***The Wooster Group (3)***

NORTH CAROLINA

Actor's Theatre of Charlotte (2), **PlayMakers Repertory Company (3), Triad Stage (3)**

OHIO

Cleveland Play House (5), Cleveland Public Theatre (3), The Human Race Theatre Company (3)

OREGON

Artists Repertory Theatre (3), Miracle Theatre Group (2), Oregon Shakespeare Festival (6), Portland Center Stage (5)

PENNSYLVANIA

Arden Theatre Company (4), Bloomsburg Theatre Ensemble (2), City Theatre Company (3), EgoPo Classic Theater (1), Open Stage of Harrisburg (1), ***Pennsylvania Shakespeare Festival (3),*** The People's Light & Theatre Company (5) Pig Iron Theatre Company (2***), Pittsburgh Public Theater (5), The Wilma Theater (4)***

RHODE ISLAND

Trinity Repertory Company (5)

SOUTH CAROLINA

Arts Center of Coastal Carolina (4), **Charleston Stage Company (3),** The Warehouse Theatre (2)

TENNESSEE

Clarence Brown Theatre Company (3), Tennessee Repertory Theatre (3)

TEXAS

Alley Theatre (6), Dallas Theater Center (5), The Ensemble Theatre (3), **Main Street Theater (3)**, Shakespeare Dallas (2), **WaterTower Theatre (3),** ***ZACH Theatre (4)***

UTAH

Utah Shakespeare Festival (5)

VERMONT

Northern Stage (3), Weston Playhouse Theatre Company (3)

VIRGINIA

Roadside Theater (2), Signature Theatre (5),

WASHINGTON

ACT Theatre (5), **Harlequin Productions (2),** ***Seattle Children's Theatre (5), Seattle Repertory Theatre (5),*** **Taproot Theatre Company (3)**

WEST VIRGINIA

Greenbrier Valley Theatre (3)

WISCONSIN

American Players Theatre (5), Milwaukee Repertory Theater (6)

2012 PROFILED THEATRES

Below are the 178 TCG Fiscal Survey 2012 participants, organized by Budget Group (based on annual expenses).

BUDGET GROUP 1 THEATRES

($499,999 or less)

Bedlam Theatre (MN), The Chance Theater (CA), Eckerd Theater Company (FL), EgoPo Classic Theater (PA), Elm Shakespeare Company (CT), Kansas City Actors Theatre (MO), Open Stage of Harrisburg (PA), Paul Mesner Puppets, Inc. (MO), Rogue Machine (CA), Stageworks Theatre (FL), Ten Thousand Things Theater Company (MN), The Vineyard Playhouse (MA), Watts Village Theater Company (CA)

BUDGET GROUP 2 THEATRES

($500,000 - $999,999)

Actor's Theatre of Charlotte (NC), Adventure Stage Chicago (IL), Bloomsburg Theatre Ensemble (PA), Boise Contemporary Theater (ID), Castillo Theatre (NY), Commonweal Theatre Company (MN), Dad's Garage (GA), Elevator Repair Service Theater (NY), Harlequin Productions (WA), The House Theatre of Chicago (IL), Irondale Ensemble Project (NY), Kitchen Theatre Company (NY), Mabou Mines (NY), Ma-Yi Theater Company (NY), Miracle Theatre Group (OR), Penobscot Theatre (ME), Pig Iron Theatre Company(PA), The Play Company (NY), Roadside Theater (VA), Shakespeare Dallas (TX), Theater Latte Da (MN), TheatreSquared (AR), Unicorn Theatre (MO), The Warehouse Theatre (SC)

BUDGET GROUP 3 THEATRES

($1 million - $2,999,999)

A Noise Within (CA), Actors Theatre of Phoenix (AZ), American Stage (FL), Artists Repertory Theatre (OR), Aurora Theatre (GA), Central Square Theater (MA), Charleston Stage Company (SC), Childsplay (AZ), City Theatre Company (PA), Clarence Brown Theatre Company (TN), Cleveland Public Theatre (OH), Colorado Springs Fine Arts Center Theatre Company (CO), Connecticut Repertory Theatre (CT), The Coterie Theatre (MO), Creede Repertory Theatre (CO), Curious Theatre Company (CO), Delaware Theatre Company (DE), Dell'Arte International (CA), The Ensemble Theatre (TX), Everyman Theatre (MD), The 52nd Street Project (NY), Florida Repertory Theatre (FL), Folger Theatre (DC), Greenbrier Valley Theatre (WV), HERE (NY), Hudson Valley Shakespeare Festival (NY), The Human Race Theatre Company (OH), Lark Play Development Center (NY), The Lyric Stage Company of Boston (MA), Main Street Theater (TX), Marin Theatre Company (CA), Merrimack Repertory Theatre (MA), Mixed Blood Theatre Company (MN), New Dramatists, Inc. (NY), New Repertory Theatre (MA), North Coast Repertory Theatre (CA), Northern Stage (VT), Palm Beach Dramaworks (FL), Pennsylvania Shakespeare Festival (PA), Perseverance Theatre (AK), Pillsbury House Theatre (MN), PlayMakers Repertory Company (NC), Portland Stage (ME), Repertorio Español (NY), SITI Company (NY), SpeakEasy Stage Company (MA), Taproot Theatre Company (WA), Tennessee Repertory Theatre (TN), THEATREWORKS (CO), Timeline Theatre Company (IL), Triad Stage (NC), Vital Theatre Company (NY), WaterTower Theatre (TX), Weston Playhouse Theatre Company (VT), The Wooster Group (NY)

BUDGET GROUP 4 THEATRES

($3 million - $4,999,999)

Arden Theatre Company (PA), Arkansas Repertory Theatre (AR), Arts Center of Coastal Carolina (SC), Barrington Stage Company (MA), California Shakespeare Theater (CA), Court Theatre (IL), Eugene O'Neill Theater Center (CT), Florida Studio Theatre (FL), Idaho Shakespeare Festival (ID), Merry-Go-Round Playhouse (NY), Northlight Theatre (IL), PCPA Theaterfest (CA), Penumbra Theatre Company (MN), Resident Ensemble Players (DE), San Diego Repertory Theatre (CA), Theatre for a New Audience (NY), Victory Gardens Theater (IL), Williamstown Theatre Festival (MA), The Wilma Theater (PA), Woolly Mammoth Theatre Company (DC), Writers' Theatre (IL), ZACH Theatre (TX)

BUDGET GROUP 5 THEATRES

($5 million - $9,999,999)

ACT Theatre (WA), Alabama Shakespeare Festival (AL), American Players Theatre (WI), Arizona Theatre Company (AZ), ArtsEmerson (MA), Asolo Repertory Theatre (FL), Atlantic Theater Company (NY), Center Stage (MD), Cleveland Play House (OH), Dallas Theater Center (TX), Geva Theatre Center (NY), Hartford Stage (CT), Imagination Stage (MD), Indiana Repertory Theatre (IN), Kansas City Repertory Theatre (MO), Long Wharf Theatre (CT), Lookingglass Theatre Company (IL), The People's Light & Theatre Company (PA), Pittsburgh Public Theater (PA), Portland Center Stage (OR), The Repertory Theatre of St. Louis (MO), Round House Theatre (MD), Seattle Children's Theatre (WA), Seattle Repertory Theatre (WA), Signature Theatre (VA), The Studio Theatre (DC), Syracuse Stage (NY), TheatreWorks (CA), Trinity Repertory Company (RI), Two River Theater Company (NJ), Utah Shakespeare Festival (UT), Westport Country Playhouse (CT), Yale Repertory Theatre (CT)

BUDGET GROUP 6 THEATRES

($10 million or more)

Actors Theatre of Louisville (KY), Alley Theatre (TX), Alliance Theatre (GA), American Conservatory Theater (CA), American Repertory Theater (MA), Arena Stage (DC), Arvada Center for the Arts & Humanities (CO), Berkeley Repertory Theatre (CA), Center Theatre Group (CA), Chicago Shakespeare Theater (IL), Children's Theatre Company (MN), Denver Center Theatre Company (CO), Ford's Theatre (DC), Geffen Playhouse (CA), Goodman Theatre (IL), Guthrie Theater (MN), Huntington Theatre Company (MA), La Jolla Playhouse (CA), Manhattan Theatre Club (NY), McCarter Theatre Center (NJ), Milwaukee Repertory Theater (WI), The Old Globe (CA), Oregon Shakespeare Festival (OR), Paper Mill Playhouse (NJ), Playwrights Horizons (NY), The Public Theater (NY), Roundabout Theatre Company (NY), The Shakespeare Theatre Company (DC), Signature Theatre Company (NY), South Coast Repertory (CA), Steppenwolf Theatre Company (IL)