THEATRE FACTS 2011

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

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Goodman Theatre,
2011 production of *El Nogalar*.
(with Charín Alvarez,
Christina Nieves and Sandra Delgado).
Photo by Eric Y. Exit

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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. Using data from the annual TCG Fiscal Survey, the report analyzes the field's attendance, performance and fiscal health. *Theatre Facts 2011* compiles information for the fiscal year that theatres completed anytime between October 31, 2010, and September 30, 2011. The authors wish to note that 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 provides a broad overview of 1,876 not-for-profit professional theatres that either filled out the TCG Fiscal Survey or filed Internal Revenue Service (IRS) Form 990 in 2010-2011. This overview provides the most complete snapshot of the universe of not-for-profit professional theatres.

2. The *Trend Theatres* section presents a longitudinal analysis of the 113 TCG theatres that responded to the TCG Fiscal Survey each year since 2007. In addition, we offer a sub-section that highlights 10-year trends for 82 TCG theatres that have been survey participants each year since 2002. 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, in general, we adjust for inflation.

3. The *Profiled Theatres* section provides a detailed examination of the 179 theatres that completed TCG Fiscal Survey 2011. 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 *Universe* section, we highlight key, overall findings in the Executive Summary that follows.

EXECUTIVE SUMMARY

The year 2011 brought a second year of reprieve after 2 years of difficult times during the height of the recent economic crisis, reflecting general economic trends in society. Capital campaigns and operating income received strong support in the healthy economy of 2007, the first year of the 5-year trend analysis, deteriorated in 2008 and 2009, then recovered in 2010 and 2011.

WHAT IS CUNA?

CUNA, or the Change in Unrestricted Net Assets, includes operating income and expenses; unrestricted equipment and facility, 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

The average theatre ended 2011 with 5-year high Change in Unrestricted Net Assets (CUNA), with total income growth of 3.4% above inflation over the period and expense growth of 1.8%. In 2011, earned income growth fell short of inflation. Endowment earnings, interest and dividends were at their highest in 2007 but capital gains reached their peak in 2011. Subscriptions held relatively steady from 2010 to 2011, and although subscription income decreased over 5 years, it still remains the second greatest earned income generator for theatres. Advertising and presenter fees/tour contracts were up in 2011 from 2010 lows but down overall for the 5-year period. Single ticket income was up and single ticket buyer attendance was at its second highest level of the 5-year period in 2011. Overall attendance and the number of performances that theatres offered were higher in 2011 than in 2010 but still down 4% and 6%, respectively, from 2007. Contributed income growth exceeded inflation for the 5-year period, primarily driven by capital campaign support. There were increases in contributions from all but 4 sources of funding from 2010 to 2011. In the years to come, we will see whether the rally in 2011 was the start of an upward trend in giving across the board or whether it was anomalous. The stock market has rebounded considerably since its 10-year low in October 2009 (as reflected in overall capital gains rather than losses in 2010 and 2011) and growth in consumer spending, the GDP, disposable income, national residential housing starts and employment are all sluggish but positive. However, the economic recovery is losing steam and the European debt crisis is still unresolved, leaving an uncertain horizon. Theatres' expense growth outpaced inflation by 1.8%, with expenses at a 5-year high in 2011 following 2 years of overall budget cuts. Full-time, part-time and jobbed-in employees were added and all but 4 expense areas rose faster than inflation over the 5 years.

Figure 1 presents 5-year trends in income, expenses and CUNA. Specifically, 5-year inflation-adjusted growth rates were -3.9% for earned income, 13.9% for contributed income (skewed by one theatre's capital campaign), 3.4% for total income, 1.8% for expenses and 24.2% for CUNA. Earned income, although lower in 2011 than 2007 after adjusting for inflation, was at its highest raw level in 2011, steadily recovering over the past two years from a low in 2009. Contributed income was at a 5-year high in 2011 after dipping in 2010, with 5-year growth outpacing inflation. **Figure 1** underscores how CUNA dipped into negative territory in 2008 and 2009—largely due to capital losses—then became positive in 2010 and 2011. **Figure 1** demonstrates that the trends in earned income and CUNA track closely with one another. If we were to eliminate the theatre with exceptional capital campaign funds from the analyses, we would see contributed income growth still exceeding inflation but by only 3%, total income growth of -3%, a flat level of expenses compared with 2007, and a similar pattern of CUNA each year but less ground reclaimed in positive territory post-2009. Since this theatre is part of the national community, we include it in the analyses and note when its activity skews the findings.

FIGURE 1

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

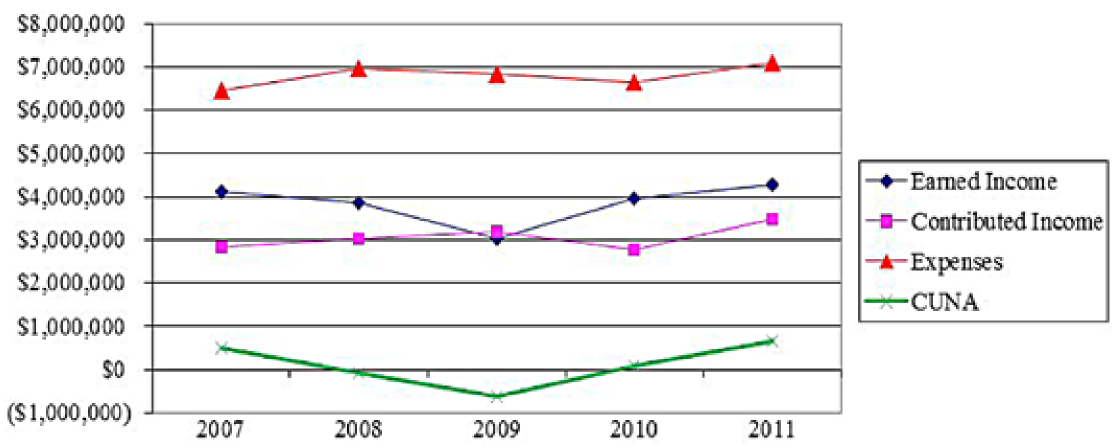


Figure 2 presents levels of earned income and contributed income over time, along with total income. The bar chart illustrates more clearly how total income exceeded expenses in 2007, how expenses exceeded total income in 2008 and 2009 to leave CUNA increasingly negative and total income rebounded in 2010 and 2011 to exceed expenses and create positive CUNA. Earned income exceeded contributed income every year except 2009, when severe capital losses were the norm in the down economy.

FIGURE 2

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

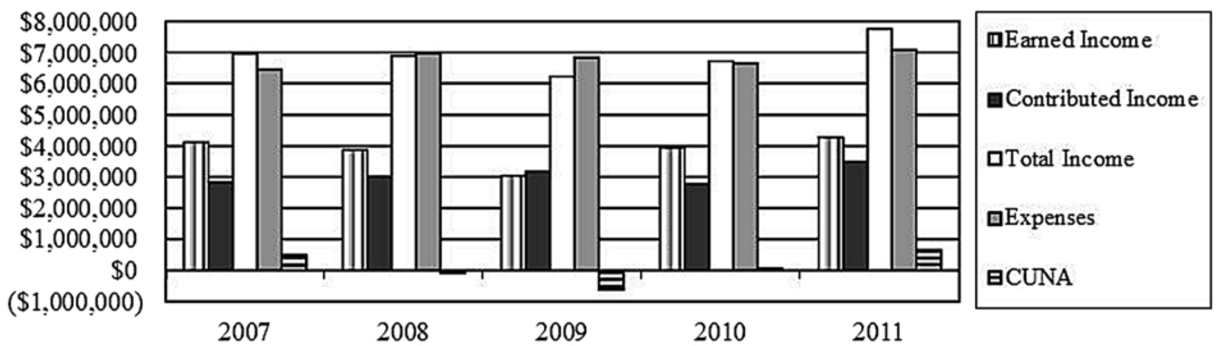
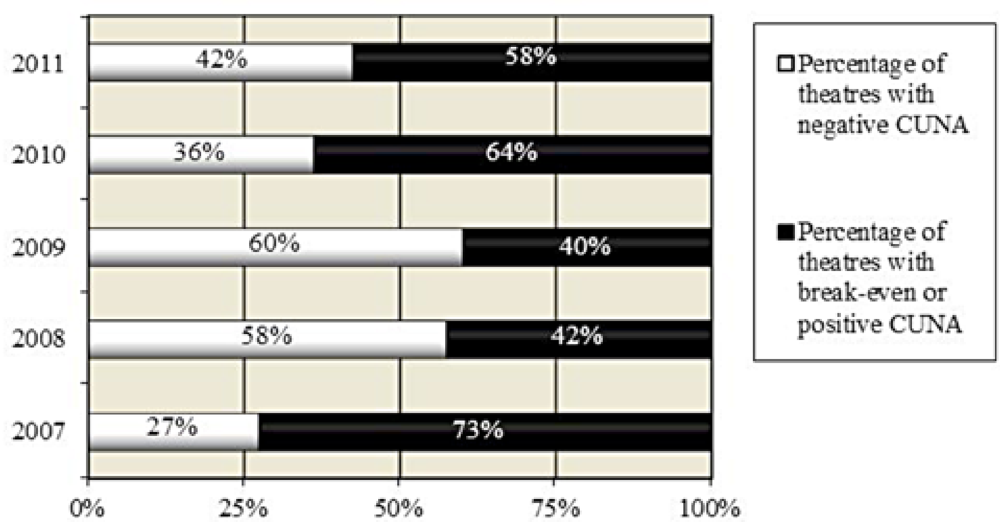


Figure 3 shows the annual percentage of Trend Theatres that broke even or had positive CUNA versus those that experienced negative CUNA. This chart highlights the fact that more than half of the theatres had negative CUNA in 2008 and 2009, while the majority of theatres had break-even or positive CUNA the other 3 years.

FIGURE 3

BREAKDOWN OF 113 TREND THEATRES' CHANGES IN UNRESTRICTED NET ASSETS (CUNA)



Figures 1, 2 and 3 tell a consistent story that average CUNA was negative in 2008 and 2009, but rebounded in 2010 and 2011 for the majority of theatres. **Figure 3** reveals that while 58% of theatres ended 2011 with positive CUNA, the percentage of theatres with negative CUNA increased from 2010 to 2011. A closer examination of the data reveals that the majority of negative bottom lines were not severe; only 2% of theatres had negative CUNA exceeding 20% of budget in 2011. In fact, 43% of theatres in 2011 ended the year in the CUNA span between 10% below and 10% above break-even. One-third of theatres had positive CUNA greater than 10% of budget, the highest proportion since 2007, while 40% had negative CUNA up to 20% of budget. Nine Trend Theatres ended each of the past 5 years in positive territory and 3 ended each year with a deficit.

Capital campaigns left theatres with substantial growth in investments and new, improved or expanded facilities. However, average working capital was negative and cause for great concern in each of the past 5 years, becoming even more severe in 2009 and 2010 and improving somewhat in 2011 but still double its 2007 level in absolute dollars. Increases in liabilities outpaced inflation by 30%.

Theatres of different size operate differently. The largest theatres, those with budgets of $5 million or more, supported a higher percentage 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 had particularly strong capital gains. 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 budgets on production payroll. The largest theatres also spent comparatively more on physical production expenses and less on occupancy expenses. Most large theatres can be found in urban markets.

Mid-sized theatres, whose total expenses range from $1 million to $4,999,999, have their own differences, but, in general, their findings were on par with or in between the larger and smaller theatres. Comparatively, they received more funding from trustees and other individuals, earned less from co-productions and enhancement funds and spent less of their budget on physical production expenses. The larger among these theatres operated under a serious working capital shortage. The smaller of the mid-sized theatres received proportionally more contributions earmarked for capital campaigns than theatres of other sizes and had the highest percentage of CUNA. Mid-size theatres have a greater presence in suburban communities than other groups.

Smaller theatres, with budgets below $1 million, tended to be much more reliant on contributed income, particularly foundation and federal government support. Proportionally, they received a lower share of their funding from individuals and more from in-kind donations. They played to more empty seats, filled fewer seats with subscribers and retained fewer subscribers relative to mid-sized and larger theatres. They led the field in the proportion of income from presenter fees and tour contracts. 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 increase the proportion of the budget allocated to administrative payroll. The larger of the theatres in this group ended the year with negative CUNA, while the average theatre in all other groups finished 2011 with positive CUNA. The smaller of these theatres had positive working capital, unlike all other groups. Small theatres tend to be located in urban or rural areas.

We begin the report on the following page with the *Universe* section, an examination of key indicators for the largest body of theatres in 2011. The *Universe* section will be followed by 5-year and 10-year Trend Theatre analyses, then a presentation of detailed 2011 facts and figures for the Profiled Theatres.

THE UNIVERSE

In 2011, not-for-profit theatres presented the creative work of 78,500 professional artists to 34 million audience members. This conclusion is based on an extrapolation of data from the 179 TCG Profiled Theatres to 1,697 additional theatres that completed IRS Form 990. These additional theatres are not members of TCG or are members who did not participate in TCG Fiscal Survey 2011. The IRS 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 theatres.

We estimate that in 2011, 1,876 Theatres in the U.S. Not-for-Profit Professional Theatre Field:

- Attracted 34 million **audience members** to 177,000 performances of 14,600 productions. In total, 1.5 million Americans subscribed to a theatre season.
- Contributed nearly $1.94 billion to the U.S. economy in payments for goods and services, and hired 130,000 artists, administrators and technical production staff in 2011. The real **economic impact** is far greater than $1.94 billion because theatre-goers frequently dine at restaurants, pay for parking, hire babysitters, etc. Theatres' employees live in their communities, 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 60% artistic, 28% production/technical and 12% administrative. It is worth noting that these percentages shift based on theatre size. For example, theatres with total expenses of $500,000 or less (i.e., 68% of Universe Theatres) employ 66% of their workforce in artistic positions, 26% in production and 8% as administrators. Theatres with total expenses greater than $500,000 employ 57% in artistic positions, 28% in production and 15% in administration.
- Received 51% of their **income** from earned sources and 49% from contributions. Theatres with total expenses of $500,000 or less received 39% from earned sources and 61% 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 5.4% 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 2011 UNIVERSE OF U.S. NOT-FOR-PROFIT PROFESSIONAL THEATRES (1,876 Theatres)

Estimated Productivity		
Attendance	34,000,000	
Subscribers	1,500,000	
Performances	177,000	
Productions	14,600	
Estimated Finances		
Earnings	$ 1,038,000,000	
Contributions	$ 1,002,000,000	
Total Income	$ 2,040,000,000	
Expenses	$ 1,936,000,000	
Changes in Unrestricted Net Assets (CUNA)	$ 104,000,000	
Earned $ as a % of Total Income	51%	
Contributed $ as a % of Total Income	49%	
CUNA as a % of Expenses	5.4%	
Estimated Workforce		**% of Total**
Artistic (all)	78,500	60%
Administrative	15,500	12%
Production/Technical	36,000	28%
Total Paid Personnel	130,000	

TREND THEATRES

This section of the report focuses on the 113 Trend Theatres that responded to the TCG Fiscal Survey each year from 2007 to 2011. 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 $7.1 million in 2011, are significantly larger than theatres found in the *Universe* section.

We organize the analysis into 5 sections: (1) earned income sources; (2) attendance, performance and pricing 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 compare activity levels in 2011 to activity levels in 2010 and 4-year percentage changes that offer a longer-term perspective comparing activity levels in 2011 to activity levels in 2007. These tables reflect the story of the past 5 years. We also include a10-year trend analysis for a subset of 82 long-term Trend Theatres that have participated in the TCG Fiscal Survey each year since 2002. In each of the following sections, we highlight key facts that deserve attention. We indicate when 1 or 2 theatres' activities skew the trend and belie 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. **Table 3** shows each earned income category as a percentage of total expenses, so that we can 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. Theatres' capital losses in 2008 and 2009 reflect the global economic decline in capital markets and the 5-year peak in capital gains shown in 2011 reflect the economic recovery. 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 -3.9% due to 5-year overall declines in endowment earnings and interest and dividends.

For the 113 Trend Theatres:

- **Earned income** shrunk from 2007 to 2009, rebounded in 2010, and rose another 8.3% to its highest level in 2011. But after adjusting for inflation, 5-year growth in earned income fell by 3.9% (see **Table 2**). Earned income supported 3.5% less of total expenses in 2011 than in 2007 (see **Table 3**).

- **Average subscription income** remains the second highest earned income generator for theatres. Average subscription income held relatively steady from 2010 to 2011 with a -0.2% change. After adjusting for inflation, subscription income was 17.6% lower in 2011 than in 2007. As shown in **Table 3**, subscription income covered a progressively lower level of total expenses each year, from a high of 19.3% in 2007 to a low of 15.6% in 2011.

- **Flexible subscription income** (not shown in the tables) accounted for 7% of total subscription income in 2007, rose to 9% in 2008 and 2009 and again to 11% in 2010, and dropped to 8% in 2011. The number of theatres reporting flexible subscription income fluctuated between 71 in 2011 and 81 in 2009. Of the 61 theatres that consistently offered flexible subscriptions, 52% reported increases over time.

- **Average single ticket income** fluctuated each year. Single ticket income reached its highest level in 2011. Five-year growth exceeded inflation by 13.3% and exceeded expense growth, supporting 2.5% more of average total expenses in 2011 than 2007. Fifty-six percent of theatres reported higher inflation-adjusted total single ticket income in 2011 than in 2007.

- **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 2008, with overall growth 39.1% above inflation. It increased 7.8% in the past year alone. The set of theatres reporting booked-in event income fluctuates from year to year. Only 12 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 40% of total booked-in event income in 2011. One of the 2 reported no income in this area in a prior year, but $1.6 million in 2011.

- Despite gains in single ticket income and booked-in event income, growth in **total ticket income** fell short of inflation by -0.4% from 2007 to 2011 due to the decrease in subscription income. **Table 3** shows ticket income covered a 0.9% lower proportion of expenses in 2011 than in 2007.

- Income from **presenter fees and contracts for toured performances** was roughly one-third the level in 2009-2011 as it was in 2007 and 2008, with an overall inflation-adjusted drop of 69.2% over the 5-year period. The spike was primarily due to one theatre that earned more than $7 million from this activity in 2007 and 2008 but nothing in 2009-2011.

TABLE 2: AVERAGE EARNED INCOME (113 Theatres)

	2007	2008	2009	2010	2011	1-yr. % chg.	4-yr. % chg.	4-yr %CGR*
Subscriptions	$ 1,243,590	$ 1,227,556	$ 1,209,031	$ 1,108,387	$ 1,106,508	-0.2%	-11.0%	-17.6%
Single Ticket Income	1,433,107	1,645,683	1,445,278	1,646,065	1,753,977	6.6%	22.4%	13.3%
Booked-In Events**	43,631	41,473	46,756	60,782	65,546	7.8%	50.2%	39.1%
Total Ticket Income	**$ 2,720,328**	**$ 2,914,712**	**$ 2,701,065**	**$ 2,815,233**	**$ 2,926,031**	**3.9%**	**7.6%**	**-0.4%**
Tour Contracts/Presenting Fees**	$ 99,634	$ 92,023	$ 33,017	$ 30,985	$ 33,107	6.8%	-66.8%	-69.2%
Educational/Outreach Income	192,549	192,384	198,383	197,515	198,669	0.6%	3.2%	-4.5%
Royalties	32,109	49,275	50,595	45,726	39,691	-13.2%	23.6%	14.5%
Concessions	80,936	83,053	82,218	84,510	100,070	18.4%	23.6%	14.5%
Production Income**	100,039	101,609	142,901	69,765	134,788	93.2%	34.7%	24.8%
Advertising	23,180	24,011	22,142	18,647	19,411	4.1%	-16.3%	-22.5%
Rentals	65,074	79,393	78,836	80,322	102,405	27.5%	57.4%	45.7%
Other (ticket handling, insur.,etc.)	193,089	221,018	181,062	220,221	199,153	-9.6%	3.1%	-4.5%
Total Other Earned Income	**$ 786,610**	**$ 842,766**	**$ 789,155**	**$ 747,692**	**$ 827,294**	**10.6%**	**5.2%**	**-2.6%**
Interest and Dividends	$49,096	$45,664	$26,582	$22,947	$18,950	-17.4%	-61.4%	-64.3%
Endowment Earnings/Transfers	331,060	184,526	21,845	253,118	217,960	-13.9%	-34.2%	-39.0%
Capital Gains/(Losses)	230,726	(114,932)	(502,026)	107,844	283,937	163.3%	23.1%	13.9%
Total Investment Income	**$ 610,882**	**$ 115,259**	**$ (453,599)**	**$ 383,909**	**$ 520,846**	**35.7%**	**-14.7%**	**-21.1%**
Total Earned Income	**$ 4,117,821**	**$ 3,872,737**	**$ 3,036,621**	**$ 3,946,835**	**$ 4,274,171**	**8.3%**	**3.8%**	**-3.9%**

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

TABLE 3: AVERAGE EARNED INCOME AS A PERCENTAGE OF TOTAL EXPENSES (113 Theatres)

	2007	2008	2009	2010	2011	1-year % chg.	4-year % chg.
Subscriptions	19.3%	17.6%	17.7%	16.7%	15.6%	-1.1%	-3.7%
Single Ticket Income	22.2%	23.6%	21.2%	24.8%	24.7%	0.0%	2.5%
Booked-In Events**	0.7%	0.6%	0.7%	0.9%	0.9%	0.0%	0.2%
Total Ticket Income	**42.2%**	**41.8%**	**39.6%**	**42.4%**	**41.3%**	**-1.1%**	**-0.9%**
Tour Contracts/Presenting Fees**	1.5%	1.3%	0.5%	0.5%	0.5%	0.0%	-1.1%
Educational/Outreach Income	3.0%	2.8%	2.9%	3.0%	2.8%	-0.2%	-0.2%
Royalties	0.5%	0.7%	0.7%	0.7%	0.6%	-0.1%	0.1%
Concessions	1.3%	1.2%	1.2%	1.3%	1.4%	0.1%	0.2%
Production Income**	1.6%	1.5%	2.1%	1.0%	1.9%	0.9%	0.4%
Advertising	0.4%	0.3%	0.3%	0.3%	0.3%	0.0%	-0.1%
Rentals	1.0%	1.1%	1.2%	1.2%	1.4%	0.2%	0.4%
Other	3.0%	3.2%	2.7%	3.3%	2.8%	-0.5%	-0.2%
Total Other Earned Income	**12.2%**	**12.1%**	**11.6%**	**11.2%**	**11.7%**	**0.4%**	**-0.5%**
Interest and Dividends	0.8%	0.7%	0.4%	0.3%	0.3%	-0.1%	-0.5%
Endowment Earnings/Transfers	5.1%	2.6%	0.3%	3.8%	3.1%	-0.7%	-2.1%
Capital Gains/(Losses)	3.6%	-1.6%	-7.4%	1.6%	4.0%	2.4%	0.4%
Total Investment Income	**9.5%**	**1.7%**	**-6.6%**	**5.8%**	**7.3%**	**1.6%**	**-2.1%**
Total Earned Income	**63.9%**	**55.6%**	**44.5%**	**59.4%**	**60.3%**	**0.9%**	**-3.5%**

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

For the 113 Trend Theatres:

- **Educational and outreach income** was at its highest 5-year level in 2011 in absolute dollars. Despite this nominal increase, education and outreach income growth fell short of inflation by 4.5%. Theatres offered from 7-9 education and outreach programs annually, on average, with 8 being the average in 2011. The average number of people served by outreach and education activity declined slightly over time, from a high of 17,200 in 2007 to a low of 15,400 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.
- **Royalty income** was at its lowest level since 2007 in 2011, peaking in 2009 and declining over the past 2 years. Income per property varied from a low of $11,130 in 2007 to a high of $17,700 in 2008. The collective number of world premieres fluctuated from a low of 141 in 2010 to a high of 168 in 2011. 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 $21,000 to $2.6 million in 2011. 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

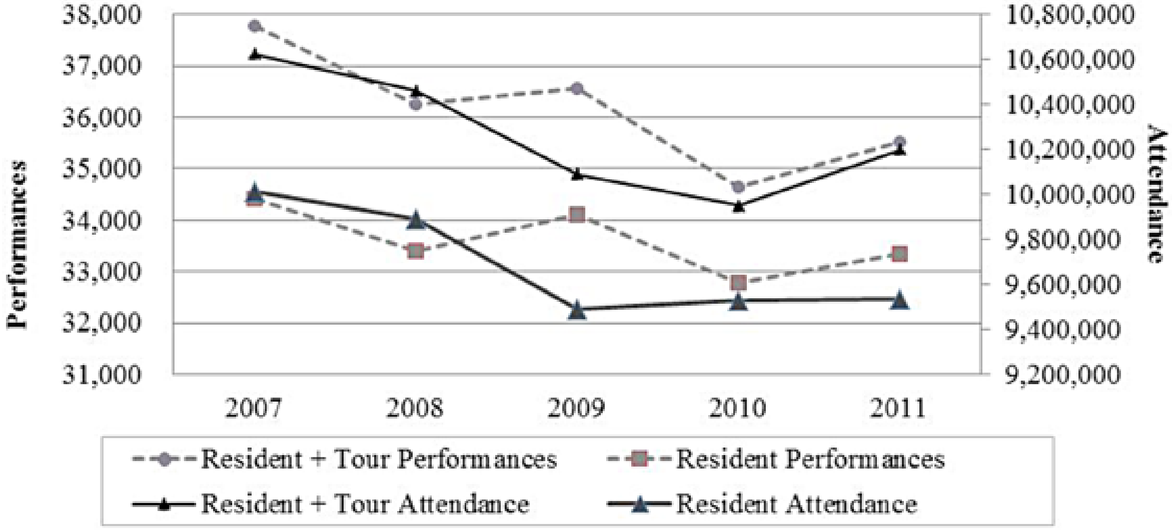
	2007	2008	2009	2010	2011
# theatres reporting enhancement income	11	16	14	16	13
Their average enhancement income (in thousands)	$787	$581	$987	$312	$946

- Eighteen to 25 theatres co-produce each year. Examining only the sub-group of theatres reporting **co-production income**, the lowest average level was $87,100 in 2008 and the highest was $146,900 in 2007. Four 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. From 2007 to 2009, 1 or 2 theatres attracted exceptionally high enhancement funds while in 2010 and 2011 there were no outliers. Five-year growth in production income surpassed inflation by 24.8%, reaching its highest level in 2011.
- **Rental income** growth outpaced inflation by 45.7% and covered 0.4% more expenses in 2011 than in 2007. Between 80% and 86% of theatres earned income from rentals annually, which demonstrates that they are taking advantage of their down time to earn ancillary income from their physical assets.
- **"Other" earned income** fluctuated considerably over the 5-year period, peaking in 2008. This category includes income earned from special projects, ticket handling, insurance claims, etc.
- Average **interest and dividends** declined annually, ending the 5-year period 64.3% below 2007 levels, adjusting for inflation. As a result, interest and dividends supported 0.5% less of total expenses in 2011 than in 2007. Three-quarters 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 2007, plunged in 2008 and 2009 with the economic crisis, regained ground in 2010, and dipped again nearly 14% in 2011 for an overall decrease of 39%, considering inflation. 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 40 theatres were lower in 2011 in inflation-adjusted figures compared to 2007 while 26 theatres experienced growth in endowment earnings in excess of inflation.
- Average **capital gains** from investment assets were at their 5-year peak in 2011, recovering from the severely negative numbers in 2008 and 2009 and 13.9% above the 2007 level. Sixty-seven percent of theatres reported capital gains in 2011, as compared with only 7% of theatres at the height of the crisis in 2009. 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 fluctuations.

ATTENDANCE, PERFORMANCE AND PRICING TRENDS

In this section, we dig deeper into paid attendance levels, number of performances, ticket prices and subscription details. **Figure 4** 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 113 Trend Theatres and some average figures for performance-related trends. These 2 tables demonstrate that Trend Theatres saw declining audience figures that exceeded cuts in the number of resident performances over the 5-year period.

FIGURE 4: ATTENDANCE AND PERFORMANCE TRENDS



For the 113 Trend Theatres:

- Total **paid attendance**—including resident productions and tours—rebounded from a low point in 2010 but fell 4% overall for the 5-year period; meanwhile, the related **total number of performances** declined by 6%, as seen in the upper 2 lines of **Figure 4**. The addition of performances in 2011 was met with attendance increases, largely driven by tours.
- Despite an uptick from 2010, **children's series attendance** was 16.7% lower in 2011 than in 2007, due partly to the fact that theatres offered 26.5% fewer children's series performances.
- The overall 3.1% decrease in the number of **resident performances** was met with a 4.7% decrease in **resident production attendance**, as seen in the lower 2 lines of **Figure 4**. Resident attendance was flat from 2010 to 2011. Paid capacity utilization at resident performances was 73% in 2007 and 2011 and fluctuated in years between.
- **Main series attendance** increased slightly from 2010 to 2011, but main series attendance decreased 3.1% over the 5-year period, and the total number of main series performances was down 3.5%. Theatres are offering fewer performances per production, averaging 35 in 2007 and only 32 in 2011. This trend is reinforced by slightly fewer average annual performance weeks, as shown in **Table 5**.
- **Attendance at special productions** (e.g., non-subscription holiday productions) was at its lowest 5-year level in 2011 and highest in 2007. The number of special production performances offered decreased 6.5% while special production attendance was down 20% over the 5-year period, varying considerably over time.
- Attendance at **staged readings and workshops** grew steadily and strongly from 2007 to 2011, increasing 80.5% over time. Theatres offered 42.2% more staged readings and workshop performances over the 5-year period.
- After a low in 2008, **attendance at booked-in offerings** saw consistent, annual growth, with 12.4% more people attending booked-in event performances in 2011 than in 2007. The number of booked-in performances grew by 9.2%.
- After a low in 2010, **attendance at tour performances** was at its highest 5-year level in 2011, driving an increase in overall attendance despite a 35.3% cut in the **number of tour performances** offered.

TABLE 4: AGGREGATE ATTENDANCE AND AVERAGE PRICING, PACKAGING, CAPACITY UTILIZATION (113 Theatres)

	2007	2008	2009	2010	2011	1-yr. % chg.	4-yr. % chg.	4-yr. % CGR*
AGGREGATE								
Main Series (total)	8,414,682	8,571,421	8,097,967	8,041,144	8,152,060	1.4%	-3.1%	
Special Productions	753,176	720,553	657,408	706,442	602,856	-14.7%	-20.0%	
Children's Series	370,302	269,324	293,776	286,553	308,549	7.7%	-16.7%	
Staged Readings/Workshops	29,071	33,777	36,779	45,271	52,462	15.9%	80.5%	
Other	186,258	115,694	190,333	206,947	130,325	-37.0%	-30.0%	
Booked-In Events	257,360	177,305	215,686	245,765	289,388	17.7%	12.4%	
Resident Subtotal	**10,010,849**	**9,888,074**	**9,491,949**	**9,532,122**	**9,535,640**	**0.0%**	**-4.7%**	
Touring	613,260	571,661	597,121	419,685	664,619	58.4%	8.4%	
Total	**10,624,109**	**10,459,735**	**10,089,070**	**9,951,807**	**10,200,259**	**2.5%**	**-4.0%**	
AVERAGE								
Subscription Renewal Rate	73%	73%	72%	72%	75%			
High Subscription Discount	38.6%	42.0%	41.2%	43.7%	38.7%			
Low Subscription Discount	10.8%	11.8%	11.5%	11.3%	11.1%			
Subscription Price (per ticket)	$29.89	$30.96	$31.92	$32.87	$34.15	4%	14%	6%
Single Ticket Price	$29.73	$31.65	$32.13	$32.75	$34.44	5%	16%	7%
Number of Ticket Packages Offered	6.0	6.3	6.3	6.8	6.4	-7%	6%	
Number of Subscribers/Season Ticket Holders	7,171	7,042	6,447	6,132	5,986	-2%	-17%	
Subscription Tickets (#subscribers x #tickets/package sold)	36,871	35,399	33,445	30,989	31,078	0%	-16%	
Single Tickets	51,099	50,569	48,666	48,065	50,587	5%	-1%	
Total In-Residence Paid Capacity Utilization	73%	74%	71%	72%	73%			
Subscriber Capacity Utilization	27%	26%	26%	26%	26%			

TABLE 5: AGGREGATE NUMBER OF PERFORMANCES, OTHER AVERAGE PERFORMANCE-RELATED TRENDS (113 Theatres)

	2007	2008	2009	2010	2011	1-yr. % chg.	4-yr. % chg.
AGGREGATE							
Main Series (total)	27,854	27,338	27,292	25,660	26,870	4.7%	-3.5%
Special Productions	2,157	2,262	2,326	2,254	2,016	-10.6%	-6.5%
Children's Series	1,696	1,420	1,150	1,243	1,247	0.3%	-26.5%
Staged Readings/Workshops	438	476	574	517	623	20.5%	42.2%
Other	900	997	1,567	2,171	1,079	-50.3%	19.9%
Booked-In Events	1,377	896	1,200	949	1,504	58.5%	9.2%
Resident Subtotal	**34,422**	**33,389**	**34,109**	**32,794**	**33,339**	**1.7%**	**-3.1%**
Touring	3,353	2,852	2,452	1,841	2,168	17.8%	-35.3%
Total	**37,775**	**36,241**	**36,561**	**34,635**	**35,507**	**2.5%**	**-6.0%**
AVERAGE							
Number of Main Series Productions	7.0	7.2	7.1	7.2	7.4	2%	5%
Number of Performance Weeks	35	34	34	33	34	2%	-3%
Number of Actor Employment Weeks (sum of # weeks each actor employed)	577	552	552	497	537	8%	-7%

For the 113 Trend Theatres:

- The **"other" performances** represent backstage tours, walking tours, education events before plays, park talks and lectures, cabaret performances and other late-night short musicals and plays.
- The proportion of available seats occupied by **subscribers** decreased from 27% in 2007 to 26% in 2008 through 2011. The average number of plays purchased per subscription package sold was approximately 5 each year. Between 2007 and 2011, the average number of season ticket holders declined by 17%, however, the average subscription renewal rate climbed to a high of 75% in 2011 after fluctuating between 71% and 72% in the 4 prior years.
- Theatres do not offer all resident productions on subscription. If we focus only on **productions offered on subscription**, subscribers filled 32% of the capacity in 2011, down from 35% in 2007 but higher than in 2010.
- From 2007 to 2011, the **average price per subscription ticket** rose annually, for an overall increase of 6% above the rate of inflation. The lowest average subscription package discount decreased from 11.8% in 2008 to 11.1% in 2011 and the deepest discount peaked in 2010 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.
- After 2 years of declines, the **number of single ticket buyers** rose 5% in 2011 and was down only 1% over the 5-year period. In the earned income section above, we saw that single ticket income was at its highest level in 2011, which means that the higher income was driven by price increases exceeding inflation rather than increased attendance over the 5-year period. Single ticket buyers filled between 45% and 48% of the average house annually, ending at 46% in 2011.
- The total **number of actor employment weeks** fluctuated over time, increased in 2011 from its low point in 2010 but was still 7% below its 2007 level, likely a factor of the drop in the average number of performances per production.

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 one 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 2007 through 2011 along with 1-year percentage changes, 4-year percentage changes and 4-year percentage changes adjusted for inflation. From 2007 to 2011, total contributed income increased 13.9% above inflation and supported 5.3% more of expenses (**Table 7**). There were increases in all but 4 contributed income categories from 2010 to 2011. Adjusted for inflation, total income grew by 3.4% over the 5 years (**Table 6**).

For the 113 Trend Theatres:

- After adjusting for inflation, average **federal funding** fell sharply in 2011 from high levels in 2008 to 2010. Federal funding was 26.2% lower in 2011 than its 2007 level, representing the biggest reduction in support of all contributed income sources. From 2007 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. In 2011, the highest federal funding reported was $490,900, which was NARTR related to a capital campaign.
- The percentage of Trend Theatres receiving **federal funding** fluctuated during the 5 years between a low of 56% in 2007 and 2011 and a high of 71% in 2010. In 2009, the NEA added the one-time American Recovery and Reinvestment Grant initiative; Trend Theatres collectively received $742,000 in funds from this program in 2010 and a remaining balance of $53,000 in 2011. NEA Access to Artistic Excellence grants totaled $1.2 million in 2008 through 2010, dropping to $970,000 in 2011 but still above the aggregate funding levels for 2007 in this category.
- **Federal funding** sources over the period include the NEA; the NEH; the U.S. Departments of Justice, Housing and Urban Development, Education, and State; the U.S. Information Agency; the Funders Census Initiative; the National Parks Service; and the National Capital Arts and Cultural Affairs Program of the U.S. Commission of Fine Arts, which funds organizations in Washington, DC.
- In 2007, 2% of all **federal funding** was earmarked for support of touring, dwindling over the years to 0% in 2011. Of total federal funding, 18% went directly to support education programs in 2007 and 2008, dropping to 12% in 2009, and recovering to 21% and 20% in 2010 and 2011, respectively.
- **State support** is skewed by one theatre that recognized $25 million in NARTR in 2011 related to its capital campaign, accounting for 77% of aggregate state funding. Whereas in prior years, only one theatre reported state support in excess of $1 million, 2 additional theatres reported funding above $1 million in 2011, both related to capital campaigns. Eliminating the exceptional activity for these 2 theatres from the analysis would leave average state funding at $84,300 in 2011 and growth for the period lagging inflation by -15%.

TABLE 6: AVERAGE CONTRIBUTED INCOME (113 THEATRES)

	2007	2008	2009	2010	2011	1-yr. % chg.	4-yr. % chg.	4-yr. % CGR*
Federal**	$ 45,225	$ 51,000	$ 55,564	$ 66,890	$ 36,068	-46.1%	-20.2%	-26.2%
State**	92,022	100,981	92,200	93,436	319,577	242.0%	247.3%	221.6%
City/County**	102,940	142,907	204,345	127,390	264,683	107.8%	157.1%	138.1%
Corporations	307,926	282,507	241,032	217,495	265,105	21.9%	-13.9%	-20.3%
Foundations	575,815	539,260	677,839	474,796	577,210	21.6%	0.2%	-7.2%
Trustees**	344,501	402,054	396,968	333,874	463,987	39.0%	34.7%	24.7%
Other Individuals	726,515	786,117	786,885	711,177	825,344	16.1%	13.6%	5.2%
Fundraising Events/Guilds	326,775	341,173	318,730	348,174	351,758	1.0%	7.6%	-0.3%
United Arts Funds	25,940	25,683	27,808	24,804	24,562	-1.0%	-5.3%	-12.3%
In-Kind Services/Materials/Facilities	150,010	179,582	181,142	189,549	187,551	-1.1%	25.0%	15.8%
Other Contributions	131,229	168,970	199,352	181,199	165,556	-8.6%	26.2%	16.8%
Total Contributed Income**	**$ 2,828,899**	**$ 3,020,235**	**$ 3,181,865**	**$ 2,768,783**	**$ 3,481,401**	**25.7%**	**23.1%**	**13.9%**
Total Income**	**$ 6,946,719**	**$ 6,892,972**	**$ 6,218,487**	**$ 6,715,618**	**$ 7,755,572**	**15.5%**	**11.6%**	**3.4%**

* 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 (113 Theatres)

	2007	2008	2009	2010	2011	1-yr. % chg.	4-yr. % chg.
Federal**	0.7%	0.7%	0.8%	1.0%	0.5%	-0.5%	-0.2%
State**	1.4%	1.4%	1.4%	1.4%	4.5%	3.1%	3.1%
City/County**	1.6%	2.1%	3.0%	1.9%	3.7%	1.8%	2.1%
Corporations	4.8%	4.1%	3.5%	3.3%	3.7%	0.5%	-1.0%
Foundations	8.9%	7.7%	9.9%	7.1%	8.1%	1.0%	-0.8%
Trustees**	5.3%	5.8%	5.8%	5.0%	6.5%	1.5%	1.2%
Other Individuals	11.3%	11.3%	11.5%	10.7%	11.6%	0.9%	0.4%
Fundraising Events/Guilds	5.1%	4.9%	4.7%	5.2%	5.0%	-0.3%	-0.1%
United Arts Funds	0.4%	0.4%	0.4%	0.4%	0.3%	0.0%	-0.1%
In-Kind Services/Materials/Facilities	2.3%	2.6%	2.7%	2.9%	2.6%	-0.2%	0.3%
Other Contributions	2.0%	2.4%	2.9%	2.7%	2.3%	-0.4%	0.3%
Total Contributed Income**	**43.9%**	**43.4%**	**46.6%**	**41.7%**	**49.1%**	**7.5%**	**5.3%**
Total Income**	**107.7%**	**98.9%**	**91.1%**	**101.0%**	**109.4%**	**8.4%**	**1.7%**

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

For the 113 Trend Theatres:

- Average **local government funding** had rather extreme swings from year to year. Fluctuations were largely driven by exceptional city or county unrestricted support of capital campaigns for 2 theatres, one with $8 million of local support in 2009 and another with $12.5 million in 2011. Overall city and county funding supported 2.1% more expenses in 2011 than in 2007.

- **Corporate giving** was up 21.9% from 2010 to 2011 following 3 years of declines, but growth trailed inflation by 20.3% for the 5-year period. Corporate gifts supported 1% less of expenses in 2011 than in 2007.

  On average, only 26 corporations donated in the past year as compared with the peak of 34 in 2007, but their average gift in 2011 was $10,800, the second highest of the 5-year period. The lowest average corporate gift was $9,200 in 2007 and the highest was $12,200 in 2009. In 2007 and 2011, a high percentage of corporate gifts were earmarked for capital campaigns: 14% and 10%, respectively, as compared to the low of 4% in 2010. Between 11% and 14% of corporate gifts supported education programs annually and less than 1% was earmarked annually for touring.

- Average **foundation support** rose 21.6% in 2011 from its 5-year low in 2010 but the 5-year trend still fell short of inflation by 7.2%. Foundation grants supported nearly 1% less of expenses in 2011 than in 2007. The average number of foundation gifts per theatre was 19 from 2007 to 2009, and 18 in 2010 and 2011. The average foundation gift was also at a 5-year low of $26,500 in 2010, a high of $35,800 in 2009, and at $31,500 in 2011.

- **Combined individual contributions** from trustees and non-trustees increased annually from 2007 to a 5-year high in 2009, bottoming out in 2010 but rallying in 2011. Individuals were by far the greatest source of contributed funds each year. Unrestricted gifts for capital campaigns accounted for a low of 9% of total individual giving in 2010 and a high of 21% of total giving in 2011.

- Average **trustee giving** peaked in 2011 and fluctuated in other years. One theatre's $10 million capital campaign NARTR from trustees in 2011 skewed the trend upward for the period. Eliminating this theatre's NARTR from the analyses would leave trustee giving growth nearly on par both with inflation and with expense growth.

  Additional analyses (not shown in the tables) 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 $17,100 in 2011. Overall, total trustee donations ranged from a low of $38 million in 2010 to a high of $52 million in 2011, with 29% to 47% of the total earmarked for capital campaigns annually.

- Similar to the trend in trustee giving, average **gifts from other individuals (non-trustees)** increased annually from 2007 through 2009, decreased in 2010, and reached a 5-year high in 2011, with growth in this area outpacing inflation by 5.2%.

  Additional analyses (not shown in the tables) indicated that aggregate other individual gifts were at a low of $71 million in 2010 and a high of $82.5 million in 2011. Fewer individual donors contributed higher average gifts over time. The average number of other individual donors was at a 5-year low of 1,489 in 2010 and a high of 1,689 in 2009. There were only slight variations in the annual level of giving per donor from 2007 to 2010, when the average gift from other individuals ranged from $460 to $499. In 2011, though, the average individual gift from non-trustees rose to $530, driven in part by capital campaign contributions, as noted earlier.

- **Contributed support generated by fundraising events and guilds was** at a 5-year high in 2011. By contrast, United Arts Funding was at a 5-year low in the most recent year. In-kind giving grew annually until 2010 then diminished 1.1% in 2011. Growth in in-kind giving from individuals and sheltering organizations exceeded inflation and corporate in-kind donations nearly kept pace with inflation over the 5-year period.

> Considering both earned and contributed income combined, **total income growth** over the 5-year period exceeded inflation by 3.4% and supported 1.7% more of expenses.
>
> One theatre's $38 million capital campaign NARTR slanted total contributed income and total income upward in 2011. If we were to eliminate this theatre from the analyses, we would see **contributed income growth still above inflation but by only 3%** rather than 13.9%, and **total income growth of -3%** instead of 3.4%.
>
> 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 increased to a 5-year high in 2011, with overall growth outpacing inflation by 1.8%—making the lackluster growth of earned income detailed above an even greater concern. Seven of 11 expense categories were at their highest 5-year average in absolute dollars in the past year, including every payroll area. Only physical production expenses (i.e., lumber, steel, fabric, etc.) were down from 2010 to 2011. Five-year growth for all but 4 expense areas surpassed inflation.

Average CUNA reached a 5-year high of $668,486 in 2011 following a retreat into negative territory in 2008 and 2009 during the height of the economic crisis and a modest rally into positive territory in 2010. It is important to keep in mind that CUNA includes both operating and non-operating activity related to unrestricted funds. It includes exceptional contributed income for theatres in capital campaigns, depreciation and capital gains and losses. Eliminating the one outlier theatre mentioned previously would leave CUNA at an average of $318,000 for remaining theatres, still positive but 42% below its 2007 level after adjusting for inflation.

Positive annual CUNA in 2007, 2010 and 2011 contributed to an overall improvement in unrestricted net assets over the 5-year period. On average, theatres recovered ground lost during 2009 and 2010 and ended 2011 with a 5-year high level of unrestricted net assets—$6.4 million. Overall, the growth in unrestricted net assets from the beginning of 2007 to the end of 2011 exceeded inflation by 9.1%. Sixty-one of the 113 Trend Theatres experienced budget growth that exceeded inflation over the 5 years.

For the 113 Trend Theatres:

- **Total payroll** increased 1.1% above inflation from 2007 to 2011 and accounted for 0.3% less of theatres' total expenses. The average number of paid employees peaked at 246 in 2011. Theatres added 10% more employees to their payroll from 2010 to 2011, on a full-time, part-time and jobbed-in basis. The number of full- and part-time employees was 69 in 2007, 63 from 2008 through 2010, and 66 in 2011. The average number of fee-based or jobbed-in workers was at a low of 160 in 2007 and rose to 180 by 2011.

- In 2007, **artistic and administrative payroll** accounted for 18.8% and 20.6% of theatres' expenses, respectively—the largest areas of resource allocation (see **Table 9**). Since then, administrative payroll has held its ground as a proportion of expenses and its growth has outpaced inflation by 1.7%. Artistic payroll, on the other hand, now represents 0.6% less of total expenditures and its growth over the 5-year period fell short of inflation by 1.7%.

- 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, fluctuated between 6 and 7 each year. The average total number of paid artists—including staff and contracted artists—fluctuated but grew 14% over the period, from a low of 103 in 2007 to a high of 117 in 2009. The average **number of permanent administrative personnel** (full-time and part-time) fluctuated between 32 and 36 each year, with 35 in 2011. Theatres supplemented the salaried administrative workforce with an average of 10 fee-based or jobbed-in staff in 2007 and 2011, with a high of 14 in 2008.

- **Production payroll** outpaced inflation over the 5-year period by 4.1% and now accounts for 0.3% more of total expenses. The average number of paid production personnel (full-time, part-time and over-hire) was 80 in 2007, dropped to a low of 75 by 2010 and increased to 83 in 2011.

- **General artistic expenses** (housing and travel, per diem, company management and stage management expenses) was at its highest in 2011, rising nearly 19% from 2010. Even so, growth was -2.2% below inflation over the period.

- Average **royalty expenses** were at their highest in 2011, with growth minimally outpacing inflation. The average theatre paid royalties on 7 to 8 properties each year. From 2007 to 2010, the average royalties paid per property ranged between $19,000 and $19,500, rising to end the 5-year period at $20,700 in 2011.

- **Production/Technical Non-Payroll expenses** (physical production materials, supplies and rentals) were 1.9% higher in 2011 than in 2007, after accounting for inflation. One theatre accounts for 16% to 33% 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 flat over the 5-year period.

TABLE 8: AVERAGE EXPENSES AND CUNA (113 Theatres)

	2007	2008	2009	2010	2011	1-yr. % chg.	4-yr. % chg.	4-yr. % CGR*
Artistic Payroll	$1,209,608	$1,256,207	$1,277,830	$1,211,311	$1,284,061	6.0%	6.2%	-1.7%
Administrative Payroll	1,328,059	1,419,504	1,432,266	1,388,749	1,458,013	5.0%	9.8%	1.7%
Production Payroll	909,149	974,771	1,022,320	936,698	1,022,596	9.2%	12.5%	4.1%
Total Payroll	**$3,446,817**	**$3,650,481**	**$3,732,416**	**$3,536,757**	**$3,764,671**	**6.4%**	**9.2%**	**1.1%**
General Artistic Non-Payroll	243,042	242,299	256,233	216,021	256,810	18.9%	5.7%	-2.2%
Royalties	149,868	150,116	145,944	143,618	163,057	13.5%	8.8%	0.7%
Production/Tech Non-Payroll (physical production)**	500,864	652,339	443,714	561,580	551,125	-1.9%	10.0%	1.9%
Development/Fundraising	250,302	266,591	243,086	230,453	250,793	8.8%	0.2%	-7.2%
Marketing/Customer Service/ Concessions	816,906	856,144	806,392	788,314	832,055	5.5%	1.9%	-5.7%
Occupancy/Building/Equipment/ Maintenance	562,529	597,751	625,987	626,393	657,920	5.0%	17.0%	8.3%
Depreciation	255,704	286,738	300,424	303,809	338,649	11.5%	32.4%	22.6%
General Management/Operations	222,409	264,150	272,639	239,378	272,006	13.6%	22.3%	13.2%
Total Expenses	**$6,448,440**	**$6,966,610**	**$6,826,835**	**$6,646,322**	**$7,087,087**	**6.6%**	**9.9%**	**1.8%**
Changes in Unrestricted Net Assets (CUNA)	**$498,280**	**$(73,638)**	**$(608,348)**	**$69,296**	**$668,486**	**864.7%**	**34.2%**	**24.2%**

* Compounded Growth Rate adjusted for inflation. **Trend skewed by 1 theatre's exceptional activity.

TABLE 9: AVERAGE EXPENSES AND CUNA AS A PERCENTAGE OF TOTAL EXPENSES (113 Theatres)

	2007	2008	2009	2010	2011	1-yr. % chg.	4-yr. % chg.
Artistic Payroll	18.8%	18.0%	18.7%	18.2%	18.1%	-0.1%	-0.6%
Administrative Payroll	20.6%	20.4%	21.0%	20.9%	20.6%	-0.3%	0.0%
Production Payroll	14.1%	14.0%	15.0%	14.1%	14.4%	0.3%	0.3%
Total Payroll	**53.5%**	**52.4%**	**54.7%**	**53.2%**	**53.1%**	**-0.1%**	**-0.3%**
General Artistic Non-Payroll	3.8%	3.5%	3.8%	3.3%	3.6%	0.4%	-0.1%
Royalties	2.3%	2.2%	2.1%	2.2%	2.3%	0.1%	0.0%
Production/Tech Non-Payroll (physical production)**	7.8%	9.4%	6.5%	8.4%	7.8%	-0.7%	0.0%
Development/Fundraising	3.9%	3.8%	3.6%	3.5%	3.5%	0.1%	-0.3%
Marketing/Customer Service/Concessions	12.7%	12.3%	11.8%	11.9%	11.7%	-0.1%	-0.9%
Occupancy/Building/Equipment/Maintenance	8.7%	8.6%	9.2%	9.4%	9.3%	-0.1%	0.6%
Depreciation	4.0%	4.1%	4.4%	4.6%	4.8%	0.2%	0.8%
General Management/Operations	3.4%	3.8%	4.0%	3.6%	3.8%	0.2%	0.4%
Total Expenses	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		
Changes in Unrestricted Net Assets (CUNA)	**7.7%**	**-1.1%**	**-8.9%**	**1.0%**	**9.4%**	**8.4%**	**1.7%**

** Trend skewed by 1 theatre's exceptional activity in 2007 and 2008.

TABLE 10: ***THEATRE FACTS*** ADMINISTRATIVE EXPENSE INDEX (113 Theatres)	2007	2008	2009	2010	2011	1-yr %chg.	4-yr %chg.
Single ticket marketing expense (excluding personnel expense) to single ticket income	24%	22%	23%	21%	22%	0.5%	-2.1%
Subscription marketing expense (excluding personnel expense) to subscription income	13%	15%	13%	12%	12%	-0.7%	-1.5%
Total marketing expense (including personnel expense) to total ticket sales	29%	31%	31%	30%	31%	1%	2.1%
Development expense (excluding personnel expenses, fundraising event expenses) to total unrestricted contributed income (excluding fundraising event income)	6%	5%	4%	5%	4%	-0.4%	-1.4%
Fundraising event expense (excluding personnel expense) to fundraising event income	34%	37%	39%	35%	34%	-0.5%	0.0%
Total development expense (including fundraising event expense and personnel expense) to total unrestricted contributed income	16%	18%	17%	16%	16%	-0.2%	0.2%
Total development expense (including fundraising event expense and personnel expense) to total contributed income (including unrestricted, temporarily restricted and permanently restricted contributed income)	14%	15%	14%	14%	15%	0.5%	1.0%
Education/outreach expense (excluding personnel expense) to education/outreach income (earned and contributed)	19%	18%	20%	23%	25%	1.8%	6.0%
Total education/outreach expense (including personnel expense) to education/outreach income (earned and contributed)	81%	87%	84%	81%	88%	6.7%	7.0%

- Average **development expenses** rose in 2011 after two years of decreases. Overall growth in this area fell short of inflation by 7.2%, a bigger drop than any other expense area. **Table 10** shows that development expense as a percentage of unrestricted contributed income has trended downward since 2007, so that fundraising efforts were most cost-effective in 2009 and 2011 as theatres continued to raise unrestricted funds despite cuts in development costs. However, if we add in development staff expenses and consider all contributed income raised rather than unrestricted income alone, we see a 1% increase in the amount spent to raise $1 (see **Table 10**). Return on each dollar spent on fundraising events diminished from 2007 through 2009, then improved in 2010 and again in 2011.

- Like development expense, **marketing expenses** increased in 2011 after two years of cuts. Growth fell short of inflation by 5.7% over the 5-year period (**Table 8**).

- As shown in **Table 10**, **expenditures targeting single ticket buyers** were more effective in 2011 than in 2007, requiring only 22 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 between 13 and 15 cents in each of the first 3 years, as shown in **Table 10**, dropping to 12 cents in 2010 and 2011. Including marketing personnel expense, it took 2 cents more of total **marketing resources to generate a dollar of ticket income** in 2011 versus 2007, although 31 cents was the average in 2008, 2009 and 2011.

- While education/outreach income decreased 4.5% in inflation-adjusted figures over the 5-year period (**Table 2**), the **expenses allocated to generate each dollar of education/outreach income** rose annually since 2008, reaching its highest level of 25% in 2011. Including personnel costs, it cost 7 cents more to raise each dollar of education/outreach income in 2011 than in 2007 (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 and equipment maintenance costs** increased annually. Overall growth in this area was 8.3% above inflation over 5 years. Forty-two percent of theatres reported that they owned their stage and office space in 2011, down from 44% stage ownership in 2007 but level with 2007 in terms of office ownership. Several theatres that once owned now either rent or occupy donated space. The largest component of this expense is the cost of rent—45% of theatres rented their space in 2011—or debt service on facilities and regularly scheduled maintenance of infrastructure and utilities, which rose 13.3% more than inflation over the 5-year period.

- **General management/operations** increased more than any other cash line item over the 5-year period, rising 13.2% more than inflation (**Table 8**) and accounting for 0.4% more of expenses (**Table 9**).

- **Depreciation**, the non-cash expense that accounts for the decrease in the book value of property and equipment, increased 22.6% between 2007 and 2011 after adjusting for inflation and is now equivalent to 4.8% 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 record of a theatre's cumulative fiscal history and provides insights into long-term stability and overall fiscal health. Unlike the Statement of Activities, which gives a summary of income and expenses for the year, the Balance Sheet provides a snapshot 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.

Not every Trend Theatre responds to the Balance Sheet section of the survey; for example, theatres that are part of a sheltering organization do not keep a separate Balance Sheet. Of the 113 Trend Theatres, 103 are included in the Balance Sheet analyses. These theatres' Balance Sheets demonstrate overall growth in total assets over the past 5 years, averaging $15 million per theatre in 2007 and $17.3 million in 2011—5% growth after adjusting for inflation despite a drop in value between 2008 and 2009. Over the same period, however, growth in theatres' liabilities outpaced inflation by 31% and liabilities were at their highest level of the period in 2011.

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 shows 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. Also, we present 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. We see that Trend Theatres' aggregate total net assets—unrestricted, temporarily restricted and permanently restricted—were at their 5-year peak in absolute dollars in 2011 but that growth fell short of inflation by 2% over the 5-year period. Net assets were at a low of $1.15 billion in 2009 at the height of the economic crisis and grew to $1.3 billion by 2011, an 11% increase from the prior year. Growth was mainly driven by fixed assets.

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

	2007	2008	2009	2010	2011	1-yr. % chg.	4-yr. % chg.	4-yr. % chg. CGR*
Working Capital**	$ (100)	$ (63)	$ (206)	$ (261)	$ (200)	24%	-100%	-85%
Fixed Assets	$ 617	$ 655	$ 748	$ 788	$ 849	8%	38%	27%
Investments	$ 462	$ 533	$ 432	$ 460	$ 510	11%	11%	2%
Other Net Assets	$ 251	$ 137	$ 178	$ 185	$ 143	-23%	-43%	-47%
Total Net Assets	**$ 1,230**	**$ 1,263**	**$ 1,152**	**$ 1,173**	**$ 1,303**	**11%**	**6%**	**-2%**
Total Expenses	**$ 688**	**$ 744**	**$ 726**	**$ 709**	**$ 755**	**6%**	**10%**	**2%**
Investment Ratio	**67%**	**72%**	**59%**	**65%**	**68%**			

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

Working capital, a fundamental building block of a theatre's capital structure, consists of the unrestricted resources available to meet obligations and day-to-day cash needs. It is a better indicator of a theatre's operating position than CUNA, which includes non-operating activity. 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; between 65 and 71 of the 103 Trend Theatres reported negative working capital annually. Working capital improved from 2007 to 2008 (i.e., became less negative) then plummeted in 2009 and 2010 as theatres were left with little financial flexibility in the face of the economic downturn. In 2011, working capital improved but was still more than double the negative value in 2007. One theatre accounted for 20% of negative working capital in 2009, 32% in 2010 and 24% in 2011. Another theatre accounted for 29% to 39% of positive working capital every year except 2010. Eliminating these theatres from the analysis would leave working capital of -$109 million in 2007 and -$157 million in 2011, a 33% deterioration of working capital for the remaining theatres after adjusting for inflation.

Further investigation (not shown in the tables) revealed that total cash reserves, the unrestricted portion of which is part of working capital, were at their lowest level in 2011. One theatre held 35% of aggregate cash reserves in 2010 and 27% in 2011; it was not currently involved in a capital campaign but had completed one in 2008. After adjusting for inflation, cash reserves of Trend Theatres were 31% lower in 2011 than in 2007. 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)

	2007	2008	2009	2010	2011	1-yr. % chg.	4-yr. % chg.	4-yr. % CGR*
Total Unrestricted Net Assets	$ 6,110,158	$ 6,623,159	$ 5,738,922	$ 5,871,372	$ 7,043,768	20%	15%	7%
Fixed Assets	5,992,415	6,360,178	7,263,282	7,655,037	8,243,712	8%	38%	27%
Unrestricted Investments	1,085,390	870,877	479,617	752,660	737,450	-2%	-32%	-37%
Working Capital**	**$ (967,647)**	**$ (607,896)**	**$ (2,003,977)**	**$ (2,536,325)**	**$ (1,937,394)**	24%	-100%	-85%
Total Expenses	$ 6,678,330	$ 7,222,864	$ 7,047,376	$ 6,886,037	$ 7,330,475	6%	10%	2%
Working Capital Ratio	**-14%**	**-8%**	**-28%**	**-37%**	**-26%**			

* Compounded Growth Rate adjusted for inflation. **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 problems. The average Trend Theatre experienced a negative working capital ratio in each of the past 5 years, dropping to its lowest level in 2010 and improving somewhat in 2011. Annually, roughly two-thirds of Trend Theatres reported negative working capital. 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 working capital, is a benchmark for adequate working capital to handle most cash flow fluctuations. Of the 103 Trend Theatres, only 8 to 12 met this benchmark over the past 5 years.

Many capital campaigns raised funds to build new buildings, renovate existing facilities and purchase new equipment. Thirty-six percent of Trend Theatres were in a capital campaign in 2011, the highest level for the 5 years, as compared with only 26% in 2007. In 2011, 21% reported that they completed a capital campaign within the last 5 years, down from a high of 32% in 2007. 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 27%, driven largely by the 5-year 31% increase in the purchase value of land and buildings before taking depreciation into consideration. Growth in the purchase value of equipment exceeded inflation by 11%. The fixed asset growth has resulted in a steady increase in depreciation. Fixed assets accounted for 50% and 52% of total net assets in 2007 and 2008, respectively, before growing to 67% in 2010 and ending the period at 65% in 2011. Investments accounted for 37% to 39% of total net assets every year except 2008, when it made up 42% 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 health because increases in invested capital generate income for operating purposes. Successful capital campaigns and wise investment strategies resulted in an increased investment ratio from 2007 to 2008. The economy 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. Despite the 1-year decline in a poor investment climate in 2009, overall growth in investments exceeded inflation by 2% over the 5-year period. As illustrated in **Table 12**, the unrestricted portion of investments lost 37% in value from 2007 to 2011, in inflation-adjusted figures. Endowments make up part of theatres' investments and their growth trailed inflation by 8% over the 5-year period.

SIDE NOTE: A 10-YEAR VIEW

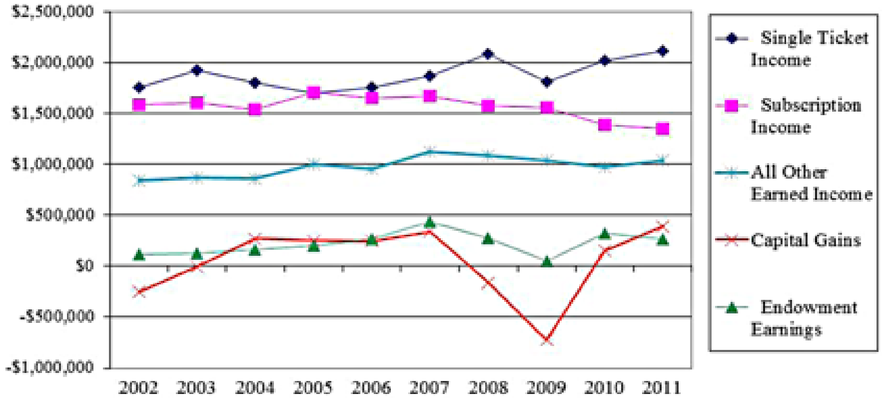
Eighty-two theatres have participated in the TCG Fiscal Survey each year since 2002. These theatres tend to have larger budgets than the rest of the Trend Theatres, with total expenses averaging $8.3 million in 2011 compared to $7.1 million for the average Trend Theatre. The historical activity for this group sometimes belies the trends reported in the section above because of the underrepresentation of smaller theatres. Key trends for this subset of larger theatres provide a longer-term perspective.

For the 82 Theatres:

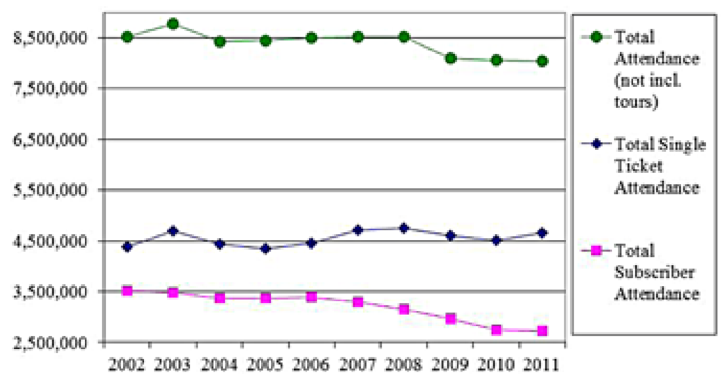
EARNED INCOME AND ATTENDANCE

- Average **subscription income** fluctuated over the 10 year period (see Side Note Figure A). After a high in 2007, it gradually decreased, falling short of inflation by 15% in 2011. **Subscription renewals** peaked at 75% in 2011 after a low of 70% in 2005. Aggregate **subscription packages** sold and **subscriber attendance**, both of which were at a 10-year high in 2002 (see Side Note Figure B), steadily declined to their lowest in 2011, with 25% and 22% drops, respectively, over the period. If we focus only on resident **productions offered on subscription**, subscribers filled 44% of the capacity in 2001, decreasing to a low of 35% in 2011. Growth in the average subscription price per ticket exceeded inflation by 10% over the period.
- After **single ticket income** dropped in 2009, it rallied over the past two years (see Side Note **Figure A**) to achieve its highest level of the 10-year period in 2011. Single ticket income growth outpaced inflation by 20% from 2002 to 2011. Average **single ticket attendance** increased 6% over the 10-year period, with a low of 54,800 in 2002 and a high of 59,600 in 2008, ending in 2011 at 56,900 (see Side Note **Figure B**). Average **single ticket price** growth surpassed inflation by 10%.
- Despite a 6% increase in the number of resident performances offered, **total attendance** fell 5.5% over the 10-year period, peaking in 2003 and remaining virtually flat since 2009 (see Side Note **Figure B**).
- **Endowment earnings/transfers** grew steadily from 2002 through 2007, dropped off during 2008 and 2009, spiked to their second highest level for the 10-year period in 2010, and contracted 13.5% in 2011 (Side Note **Figure A**). After adjusting for inflation, endowment earnings in 2011 were more than double their 2002 level.
- **Capital gains and losses** fluctuated over time with the highs and lows of the stock market, finishing at its highest level of the 10-year period in 2011 after adjusting for inflation (see Side Note **Figure A**).
- **All other earned income** combined rose fairly steadily to a peak in 2007, then decreased each year until 2010, ending with a 6% uptick in 2011. Over the 10-year period, other earned income outpaced inflation by 23%.
- Overall, **earned income growth** exceeded inflation by 27%.

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



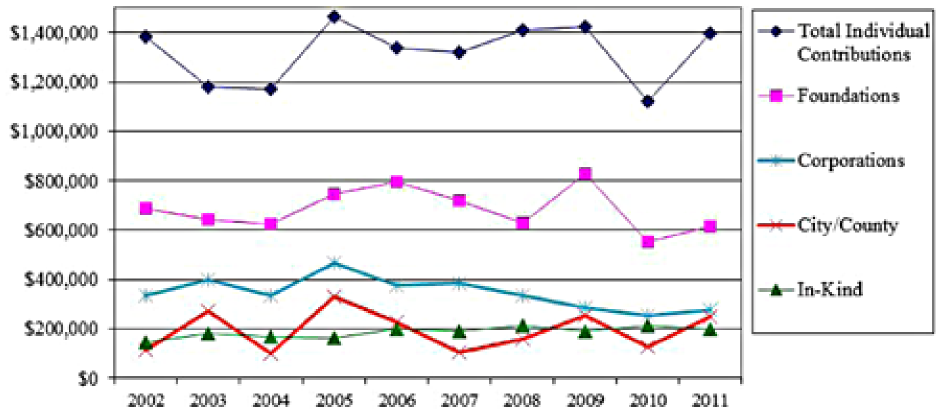
Side Note Figure B: 10-Year Aggregate Attendance Trends



CONTRIBUTED INCOME (See Side Note Figure C)

- Average **individual contributions** increased 1% more than the rate of inflation, fluctuating greatly over time. Individual contributions rose steadily from 2007 through 2009, dropped sharply in 2010 and rallied in 2011. Over time the proportion of individual contributions given by trustees grew steadily from 24% in 2002 to 37% in 2011.
- **Foundation funding** ebbed and flowed, peaking in 2009. It ended 11% lower in 2011 than 2002 adjusting for inflation.
- **Corporate giving** trailed inflation by 17%. Corporate funding has been on a downward trend since 2005.
- **Local government funding** ended the period more than double its 2007 level in inflation-adjusted dollars, spiking erratically with capital campaign support.
- **In-kind contributions** trended upward, growing 38% over the 10-year period after adjusting for inflation.
- **Growth in contributed income** outpaced inflation by 14%. Annually, an average of 17% of total contributed income was earmarked for capital campaigns. Total income growth exceeded inflation by 21%.

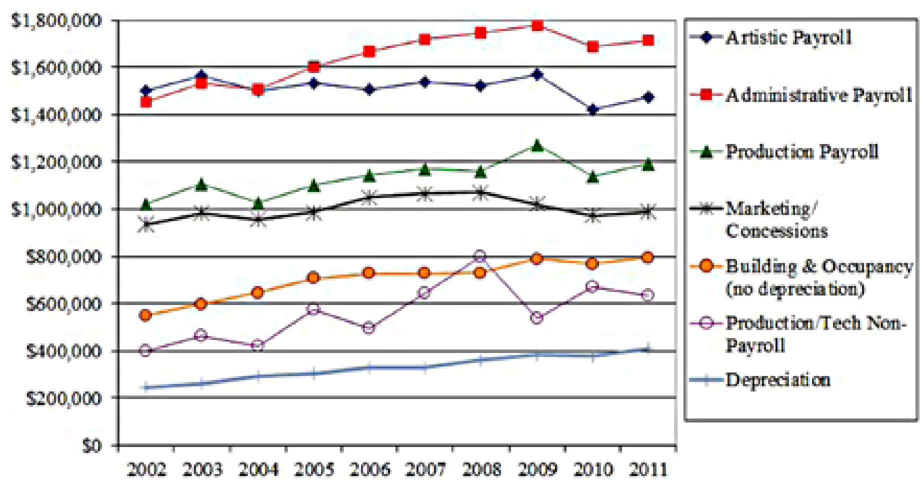
Side Note Figure C: Selected 10-Year Contributed Income Trends (inflation adjusted)



EXPENSES (See Side Note Figure D)

- Over the 10-year period, growth of **artistic payroll** fell short of inflation by 2%, reaching its highest inflation-adjusted point of the period in 2009 and lowest in 2010. **Administrative and production payroll** growth outpaced inflation by 18% and 17%, respectively, despite drops in both areas from 2009 to 2010. As a result, average administrative payroll surpassed average artistic payroll in 2004, and the gap between average production payroll and artistic payroll has narrowed considerably over time.
- Among non-payroll expenses, **depreciation** (the value of capital expenses amortized annually), **occupancy** (building, equipment and maintenance costs) and **production/technical** (production materials and rentals) expenses saw substantial increases, rising 70%, 45% and 59% respectively in inflation-adjusted figures. Average **marketing expenses** were above $1 million from 2006 to 2009 in inflation-adjusted figures, but dropped in 2010 and ended 2011 at the 2003 level. Physical **production expenses** fluctuated considerably over time.
- **Overall expense growth** exceeded inflation by 15.5%.
- Total income growth exceeded expense growth, leaving the 10-Year Trend Theatres with positive **CUNA**. CUNA varied in proportion to expenses, from a high of 13% in the strong economy of 2005 to a low of -10% in 2009, ending the period at 9%.

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



SIDE NOTE: A 10-YEAR VIEW

BALANCE SHEET

Seventy-four of the 82 10-Year Trend Theatres annually completed the Balance Sheet section of the survey.

For these 74 theatres:

- **Total assets** were 48% greater in 2011 than in 2002, after adjusting for inflation, a collective $1.6 billion in 2011 compared to $842 million in 2002. Despite the economic turbulence of the past decade, the value of investments increased by 61% and the value of fixed assets grew 89% over the 10-year period in inflation-adjusted figures. Theatres added assets through market growth and through successful capital campaigns. Three-quarters of the theatres were in a capital campaign at some point during the period.
- Over the 10-year period, growth in **net assets** outpaced inflation by 40% and liabilities were 82% higher in 2011 as compared to 2002, after adjusting for inflation. Total net assets represented 79% of total assets in 2002 but only 74% in 2011, underscoring the growth in liabilities as a proportion of assets over the period.
- The **investment** ratio increased over time, rising from a low of 52% in 2003 to its peak level of 78% in 2008, dipping in 2009 and recovering over the past two years to 75% in 2011. Investments reached their peak value in 2008 at an aggregate $494 million, and the aggregate investment figure for 2011 was not far behind at $475 million.
- Average **working capital** was negative each of the 10 years. Working capital fluctuated considerably, with a low of -$2.9 million in 2010 (an average -35% working capital ratio) and a high of -$301,000 in 2008 (an average -4% working capital ratio). The 2011 working capital ratio was -23%. Between 44 and 50 theatres per year experienced negative working capital. As discussed in the 5-year Trend section above, one theatre had exceptionally low working capital and another theatre remarkably high working capital in various years. Eliminating these 2 theatres and re-running the analyses still leaves average working capital at -$1.4 million for the remaining theatres in 2011, representing a working capital ratio of -18%.

PROFILED THEATRES

The *Profiled Theatres* section covers the 179 theatres that completed TCG Fiscal Survey 2011. We examine the same details covered in the *Trend Theatres* section—i.e., earned income, attendance, performance and pricing, contributed income, expenses and CUNA, and Balance Sheet ratios. Since different theatres respond to the full survey from year to year, we avoid making comparisons to Profiled Theatres of years past.

We start this section 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, expense, attendance and performance details for the Profiled Theatres organized into 6 budget groups. Budget Group Snapshots reveal how different size theatres have distinctive needs and operating practices. We end with an examination of Profiled Theatres' balance sheet activity.

The 2011 Profiled Theatres' budget sizes ranged from $70,000 to $63 million, with the average budget equal to $5.5 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 $2.8 million. We continue to refer to the arithmetic mean when we talk about the 'average' in this report.

2011 PROFILED THEATRES (179 Theatres)

Budget Group	Number of Theatres	Budget Size
6	25	$10 million or more
5	34	$5 million – $9,999,999
4	26	$3 million – $4,999,999
3	52	$1 million – $2,999,999
2	25	$500,000 – $ 999,999
1	17	$499,999 or less

The chart to the right shows the budget ranges and the number of theatres for each group. Seventy-four percent of Profiled Theatres are resident in urban areas, 19% reside in suburban communities and 7% are located in rural areas. All but three Group 6 Theatres are based in urban areas. A higher than average proportion of Group 4 Theatres are located in suburban communities, rural theatres are more prominent in Group 3, while Group 5 and 6 Theatres each have only one theatre in a rural area and Group 1 Theatres have none.

Collectively, the Profiled Theatres ended the year with a positive bottom line in 2011.

EARNED INCOME

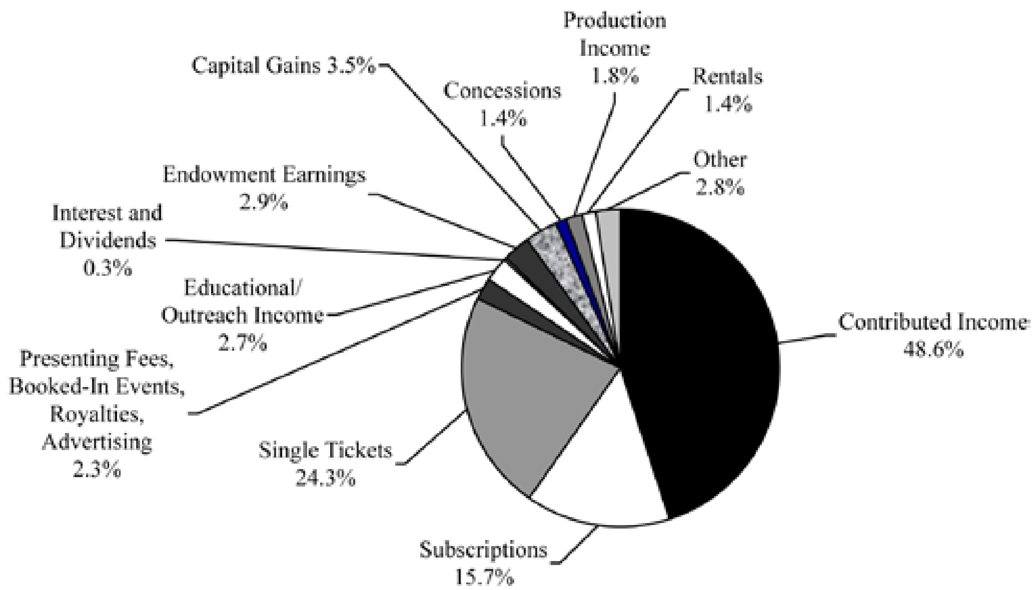
Figure 5 shows earned income details as a percentage of expenses for Profiled Theatres. Overall, earned income financed 59.1% of total expenses and contributed income financed 48.6% of total expenses; these figures add to 107.7% because total income exceeded total expenses by 7.7%, leaving theatres with positive CUNA, on average. Income from ticket sales represented 69% of total earned income and supported nearly 41% of all expenses. Single ticket income was the largest source of earned income and funded 24.3% of expenses.

The 179 Profiled Theatres:

- Attracted 6.9 million **single ticket buyers** and 760,000 **subscribers**/season ticket holders representing 4 million seats occupied by subscribers in 2011. Flexible subscriptions represented 10.4% of subscription income. Group sales and pick-and-choose vouchers accounted for 7.6% and 2% of single ticket sales, respectively.
- Received $17 million in **production income**, with 17% of that amount coming from one theatre. Forty-nine theatres received production income; 37 reported co-production income, 19 reported enhancement income and 6 reported both.
- Produced 308 **world premieres** and earned $4.6 million from 366 **royalty properties** for an average of $12,600 per property. One theatre with only 3 properties earned 57% of the income from royalties and subsidiary rights reported by all theatres.
- Offered approximately 1,200 **education and outreach programs** that served an audience of 2.3 million people. Education activity generated $27 million in earned income and attracted another $17 million in earmarked contributions.

FIGURE 5: INCOME AS A PERCENTAGE OF EXPENSES WITH EARNED INCOME DETAIL*

**Percentages total 107.7% because total income exceeded total expenses by 7.7%.*

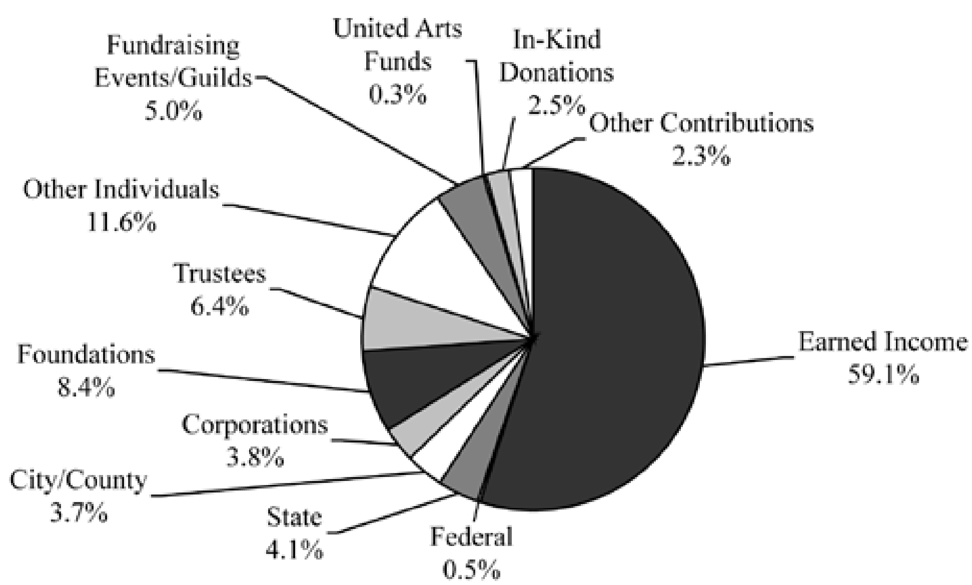


CONTRIBUTED INCOME

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 6** presents income detail for Profiled Theatres, with particular focus on different sources of contributed income. Contributions financed 48.6% of total expenses, with individual donations representing the largest single source of contributed income.

FIGURE 6: INCOME AS A PERCENT OF EXPENSES WITH CONTRIBUTED INCOME DETAIL*

**Percentages total 107.7% because total income exceeded total expenses by 7.7%.*



Collectively, the 179 Profiled Theatres:

- Released $130 million of **NARTR**, which was reported by theatres of every budget size and supported 13% of total expenses. One theatre accounted for 30% of total NARTR related to its capital campaign.
- Conducted **capital campaigns** that generated $95 million or 20% of all contributed funds. Twenty-seven percent of Profiled Theatres were in capital campaigns in 2011. Nine theatres began current capital campaigns in 2011, 6 began in 2010 and 7 began in 2009. Six theatres per year started their current campaign in 2006, 2007 and 2008, and the remainder between 2000 and 2005. At least one theatre of every budget size was in a capital campaign in 2011.
- Received more than $176 million in **gifts from trustees and other individuals**, which supported 18% of total expenses and accounted for 37% of all contributed dollars. Nineteen percent of the total was earmarked for capital campaigns.
- Received 36% of individual contributions from **trustees**, who gave an average of $14,565 (see **Table 13**), including NARTR largely tied to capital campaigns. Forty-one percent of total trustee dollars realized in 2011 were NARTR. Profiled Theatres' boards averaged 26 members. Board size tends to increase with theatre size. Group 1 Theatres averaged 12 trustee donors, whereas Group 6 Theatres averaged 43.
- Attracted contributions from 228,000 **non-trustee individuals** who gave average gifts of $496 (see **Table 13**). For larger theatres (Groups 4, 5 and 6), gifts from other individuals were the greatest source of contributed funds.
- Raised $37.5 million from 3,600 **corporations**. The average corporate gift in 2011 was $10,331 (see **Table 13**). Of total corporate dollars, 26% was from NARTR.
- Received $82 million from 2,775 **foundation grants**, which averaged $29,456 (see **Table 13**). Forty-one percent of total foundation dollars realized in 2011 were NARTR. Foundation support was the greatest source of contributed funds for smaller (Groups 1, 2 and 3) theatres.
- Attracted $384,000 to support **touring** programs and $17 million in support of **education programs**.
- Accepted nearly $25 million in **in-kind donations**, raised over $48 million from special **fundraising events or guilds** and received $37 million in **other contributed support** from service organizations and sheltering organizations, such as performing arts centers, universities or museums.

TABLE 13: AVERGE 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	$ 14,565	166,381	100,783	41,067	36,125	5,873	1,224
Average Other Individual Gift	$ 496	4,779	2,287	1,328	835	157	50
Average Corporate Gift	$ 10,331	105,315	79,107	19,880	38,547	5,070	3,707
Average Foundation Gift	$ 29,456	312,527	181,006	103,730	149,432	35,662	11,230

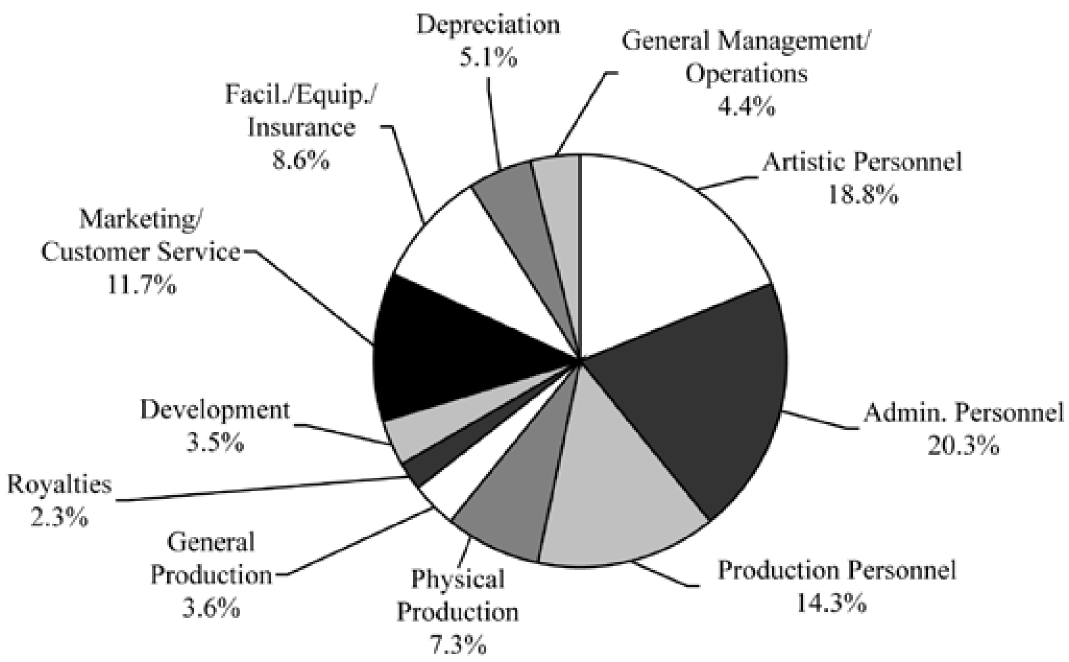
EXPENSES AND CHANGES IN UNRESTRICTED NET ASSETS (CUNA)

Figure 7 details Profiled Theatres' expenses. Fifty-three percent of total expenses—over a half a billion dollars in total—goes to compensation: artistic (18.8%), administrative (20.3%) and production payroll (14.3%). These figures include salaries, payroll taxes, health insurance, welfare and retirement programs. This figure exceeds $544 million, or 55.7% of total expenses, if we also add in payment to authors in the form of royalties. Theatres provide not only artistry for their communities; the labor-intensive nature of the art form provides jobs for cultural workers.

In total, the Profiled Theatres contributed $977 million to the U.S. economy in 2011 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)—came to $453 million, representing 46% of all expenses. Profiled Theatres expensed over $127 million in occupancy/building/equipment maintenance and other administrative costs, such as audit fees, IT and office supplies. CUNA for the 179 Profiled Theatres was $75.6 million, or the equivalent of 7.7% of total expenses. On average, all but Group 2 Theatres 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 7: BREAKDOWN OF EXPENSES



Collectively, the 179 Profiled Theatres:

- Tended to **rent** rather than own their spaces. Thirty-eight percent own their own theatre space and 37% their own offices. Fifty-one percent rent their stage and 49% rent their office space. Eleven percent operate out of donated theatre space and 14% occupy donated office space.
- Paid over $23 million in **royalties** for 1,259 properties—an average of $18,200 per property.
- Recognized **depreciation**, the annual decrease in the book value of property and equipment, of $50 million.
- Allocated 10% of development expenses, 5% of marketing expenses and 13% of general management expenses for professional fees for independent contractors or consultants. Another 5% of general management expenses was allocated to web services and IT consultants.

As detailed in Table 14, the 179 Profiled Theatres also:

- Spent 12 cents for every subscription dollar earned and 22 cents to **generate every dollar of single ticket income**.
- Expended 29 cents to bring in every dollar of **ticket income**, inclusive of marketing personnel salaries and benefits.
- 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, and we consider all contributed income, total development expenses are 13 cents for every dollar donated.
- Disbursed 35 cents for each dollar generated through **fundraising events**.
- Spent 80 cents to **bring in each dollar of education and outreach income**. This figure takes into account 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 includes education and outreach personnel salaries and benefits but does not include development costs associated with grant writing for education or outreach funding. Of the 80 cents, 55 cents go to salaries and 25 cents to items such as study guides, promotional materials, etc. We acknowledge 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): 22%
▶ Subscription marketing expense to subscription income (excludes personnel expense): 12%
▶ 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): 14%
▶ Total development expense (includes fundraising event expense, personnel expense) to total contributed income (includes unrestricted, temporarily restricted and permanently restricted contributed income): 13%
▶ Education/outreach expense to total education/outreach income (excludes personnel expense, includes both earned and contributed income): 25%
▶ Total education/outreach expense to total education/outreach income (includes personnel expense and both earned and contributed income): 80%

BUDGET GROUP SNAPSHOT:

EARNED INCOME

Now we 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 45.7% of all expenses with ticket income, whereas, this figure is only 26% 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 179 Profiled Theatres:

- One large Group 6 Theatre had twice the level of **single ticket income** of any other theatre. Even with this exceptional level, this theatre accounted for only 22% of the Group's total.
- More than 30% of the income from **booked-in productions** was earned by 1 theatre in every group. Only 2 Group 1 and 2 Group 4 Theatres booked in productions.
- Group 1 and 6 Theatres earned proportionally less income from **education/outreach activities** than theatres in other groups (Table 16).
- Endowment **earnings/transfers** provided a more important level of support for Group 5 and 6 Theatres than other groups, as Table 16 shows. No Group 1 Theatre reported endowment earnings, and no Group 1 or 2 Theatre held unrestricted endowment funds, as we explore in the Balance Sheet section that follows later in the report.
- At least 1 theatre in every group, except Group 1, reported a capital loss for the year, but every budget group averaged capital gains rather than losses. Group 6's capital gains were particularly strong. No group had more than 6 theatres reporting a capital loss rather than gain. One theatre earned 37% of the Profiled Theatres' total capital gains.
- Group 6 Theatres earned proportionally more than other groups from production income, as illustrated in Table 16. Fifteen Group 5 Theatres and 15 Group 6 Theatres reported income either from co-productions with other not-for-profit theatres, productions enhanced by for-profit entities for commercial presentation or both, whereas proportionally fewer theatres reported production income in each of the other groups.

TABLE 15: AVERAGE EARNED INCOME

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**179**	**25**	**34**	**26**	**52**	**25**	**17**
Subscriptions	$ 856,843	$ 3,343,330	$1,245,715	$ 523,644	$ 234,717	$ 50,175	$ 21,351
Single Ticket Income	1,324,574	5,816,809	1,242,357	876,750	417,088	150,406	70,243
Booked-In Events	53,917	249,672	64,294	28,327	6,768	5,236	235
Total Ticket Income	**$ 2,235,334**	**$ 9,409,811**	**$2,552,366**	**$ 1,428,720**	**$ 658,574**	**$ 205,816**	**$ 91,829**
Tour Contracts/Presenting Fees	30,469	17,244	11,529	48,010	43,903	29,379	21,478
Educational/Outreach Income	149,521	331,184	290,451	176,808	62,683	25,314	7,059
Royalties	25,876	169,821	3,425	1,158	4,561	59	60
Concessions	76,255	269,254	99,914	67,642	22,231	14,209	14,779
Production Income	97,193	549,638	71,671	16,431	10,793	8,649	885
Advertising	17,212	36,325	13,895	25,331	16,320	7,562	244
Rentals	74,503	325,092	81,725	39,288	17,147	19,062	2,378
Other	150,156	656,809	178,248	83,654	38,070	8,303	2,065
Total Other Earned Income	**$ 621,185**	**$ 2,355,367**	**$ 750,858**	**$ 458,323**	**$ 215,708**	**$ 112,536**	**$ 48,948**
Interest and Dividends	18,661	70,542	30,896	8,882	5,401	389	282
Endowment Earnings/Transfers	160,723	689,581	254,380	37,815	34,162	4,856	-
Capital Gains/(Losses)	192,054	1,133,328	142,562	33,711	4,669	2,476	957
Total Investment Income	**$ 371,439**	**$ 1,893,450**	**$ 427,838**	**$ 80,409**	**$ 44,232**	**$ 7,721**	**$ 1,239**
Total Earned Income	**$ 3,227,957**	**$ 13,658,627**	**$3,731,062**	**$ 1,967,451**	**$ 918,514**	**$ 326,074**	**$ 142,017**

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	179	25	34	26	52	25	17
Subscriptions	15.7%	16.2%	17.6%	13.4%	12.9%	6.4%	6.0%
Single Ticket Income	24.3%	28.2%	17.6%	22.5%	22.9%	19.3%	19.9%
Booked-In Events	1.0%	1.2%	0.9%	0.7%	0.4%	0.7%	0.1%
Total Ticket Income	**40.9%**	**45.7%**	**36.1%**	**36.6%**	**36.1%**	**26.3%**	**26.0%**
Tour Contracts/Presenting Fees	0.6%	0.1%	0.2%	1.2%	2.4%	3.8%	6.1%
Educational/Outreach Income	2.7%	1.6%	4.1%	4.5%	3.4%	3.2%	2.0%
Royalties	0.5%	0.8%	0.0%	0.0%	0.2%	0.0%	0.0%
Concessions	1.4%	1.3%	1.4%	1.7%	1.2%	1.8%	4.2%
Production Income	1.8%	2.7%	1.0%	0.4%	0.6%	1.1%	0.3%
Advertising	0.3%	0.2%	0.2%	0.6%	0.9%	1.0%	0.1%
Rentals	1.4%	1.6%	1.2%	1.0%	0.9%	2.4%	0.7%
Other	2.8%	3.2%	2.5%	2.1%	2.1%	1.1%	0.6%
Total Other Earned Income	**11.4%**	**11.4%**	**10.6%**	**11.7%**	**11.8%**	**14.4%**	**13.8%**
Interest and Dividends	0.3%	0.3%	0.4%	0.2%	0.3%	0.0%	0.1%
Endowment Earnings/Transfers	2.9%	3.3%	3.6%	1.0%	1.9%	0.6%	0.0%
Capital Gains/(Losses)	3.5%	5.5%	2.0%	0.9%	0.3%	0.3%	0.3%
Total Investment Income	**6.8%**	**9.2%**	**6.1%**	**2.1%**	**2.4%**	**1.0%**	**0.4%**
Total Earned Income	**59.1%**	**66.3%**	**52.8%**	**50.4%**	**50.3%**	**41.7%**	**40.2%**

BUDGET GROUP SNAPSHOT:

ATTENDANCE, PRICING AND PERFORMANCES

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

The 179 Profiled Theatres:

- **Attracted** over 12.8 million patrons, sold 760,000 subscriptions and held over 48,000 main series performances of 1,222 productions.
- Filled an average of 72% of their seats with paying customers. Smaller theatres, especially those in Group 2, tend to play to smaller houses with a lower **proportion of the house filled** with subscribers.
- Averaged a 75% subscriber **renewal rate** from the prior year. Group 2 Theatres experienced the lowest retention of subscribers.
- Charged similar **prices** for subscribers and single ticket buyers. Group 1, 2 and 3 Theatres charged slightly higher average prices for subscribers than for single ticket buyers, while the reverse was true for the 3 larger groups. Group 1 Theatres give the heaviest subscriber discounts and the broadest range of discounts.
- Provided 81,436 weeks of **actor employment**; actor employment weeks increase as budget size increases, generally speaking.
- **Employed** an average of 201 full-time, part-time and jobbed-in administrative, production and artistic personnel during the course of the year. The aggregate number of people employed across Profiled Theatres was 36,089.
- Tended to offer more **ticket packages** as budget size increases.
- Offered some **resident productions off subscription**. Considering only capacity of those productions offered on subscription, subscribers filled an average of 33% of potential capacity: 33% for Group 6, 5 and 3 Theatres, 36% for Group 4 Theatres, 22% for Group 2 and 40% for Group 1.
- Collectively offered 5,568 weeks of **performances** around the country. Generally speaking, the larger the theatre, the more main series performances offered annually.
- Experienced an **employee turnover** rate of 8% for the year, with only Group 1 and 6 Theatres deviating from the average.

TABLE 17: INDUSTRY AVERAGES

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**179**	**25**	**34**	**26**	**52**	**25**	**17**
Subscription Renewal Rate	75%	77%	76%	77%	76%	68%	72%
High Subscription Discount	38%	40%	40%	42%	35%	36%	47%
Low Subscription Discount	11%	9%	10%	13%	11%	10%	10%
Subscription Price (per ticket)	$32.49	$47.70	$35.62	$31.78	$27.44	$24.17	$24.20
Single Ticket Price	$31.84	$47.76	$37.85	$33.54	$26.30	$22.87	$21.00
Number of Ticket Packages Offered	6	9	7	6	6	3	3
Number of Subscribers/Season Ticket Holders	5,101	14,515	6,445	4,547	2,145	618	338
Subscription Tickets (#subscribers x #tickets/ package sold)	26,518	75,610	34,378	20,706	12,102	3,037	1,627
Single Tickets	39,930	130,961	43,165	34,647	19,813	9,292	4,070
Total In-Residence Paid Capacity Utilization	72%	75%	72%	74%	72%	66%	69%
Total In-Residence Subscriber Capacity Utilization	25%	28%	28%	29%	26%	14%	23%
Number of Main Series Performances	195	404	254	220	139	94	52
Number of Performance Weeks	31	42	35	32	29	28	21
Number of Actor Employment Weeks (sum of # weeks each actor employed)	473	1,153	448	477	367	209	140
Number of Total Paid Employees (includes jobbed-in, part-time and full-time personnel)	201	546	259	174	119	75	64
Paid Employee Turnover (# vacated positions/total # pd. employees)	8%	10%	8%	8%	8%	8%	3%

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**. We offer the following observations in addition to these tables.

For the 179 Profiled Theatres:

- The 179 Profiled Theatres received federal funds equal to 1% of total contributed income and 0.5% of expenses. Two theatres received NEH funding. Not every theatre that reports NEA funding provides detail about the granting category from which they were awarded funds. For those that do, 43 theatres received NEA Access to Artistic Excellence grants averaging $32,800 per grant; 4 theatres received an average grant of $36,250 for Learning in the Arts for Children and Youth projects; 1 theatre received a $10,000 Challenge America Fast-Track grant; 11 theatres received grants averaging $25,450 for the Shakespeare for a New Generation program; and 2 theatres received a remaining balance on their one-time, American Recovery and Reinvestment Act grants. Every group benefited from some form of federal funding. Numerous theatres received federal funding from sources other than the NEA or NEH, such as the U.S. Departments of Education, the Funders Census Initiative, and the National Capital Arts and Cultural Affairs Program of the U.S. Commission of Fine Arts, which funds organizations in Washington, DC.
- **State funding** for Group 6 Theatres (see **Table 18**) was skewed by 1 theatre, whose $25 million NARTR related to a capital campaign accounted for 87% of the Group's total. Eliminating this theatre would leave the average at $87,780 for all theatres, supporting only 1.6% of expenses. Without this theatre, Group 6's average would drop to $159,600.
- One theatre in Group 3 and 1 in Group 5 received unusually high **city and county funding** tied to capital campaigns. Eliminating these theatres from the analysis would leave city/county funding at $45,300 for remaining Group 3 Theatres and $97,250 for Group 5 Theatres.

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	**179**	**25**	**34**	**26**	**52**	**25**	**17**
Federal	30,120	78,192	42,395	29,533	17,326	10,360	3,971
State**	227,182	1,154,863	197,995	94,253	33,766	24,505	14,302
City/County**	199,812	714,026	297,576	50,967	110,118	21,246	12,683
Corporations**	209,453	627,674	346,674	113,930	110,451	30,215	32,488
Foundations	456,645	1,287,612	548,340	410,930	295,990	146,928	68,042
Trustees**	349,490	1,184,632	527,629	281,149	123,659	41,819	12,818
Other Individuals	631,776	2,291,190	806,132	612,176	192,505	75,078	35,049
Fundraising Events/Guilds	271,197	950,257	341,217	227,197	111,368	42,603	24,892
United Arts Funds	16,961	13,658	72,185	-	3,411	2,317	294
In-Kind Services/Materials/Facilities	135,246	342,150	280,494	58,141	65,710	28,683	27,813
Other Contributions	125,640	251,943	256,440	137,760	70,693	7,541	1,517
Total Contributed Income**	**$ 2,653,522**	**$ 8,896,197**	**$ 3,717,078**	**$ 2,016,036**	**$ 1,134,998**	**$ 431,294**	**$ 233,869**
Total Income**	**$ 5,881,480**	**$ 22,554,824**	**$ 7,448,140**	**$ 3,983,487**	**$ 2,053,512**	**$ 757,368**	**$ 375,885**

**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	**179**	**25**	**34**	**26**	**52**	**25**	**17**
Federal	0.5%	0.4%	0.6%	0.8%	0.9%	1.3%	1.1%
State**	4.1%	5.6%	2.8%	2.4%	1.9%	3.1%	4.0%
City/County**	3.7%	3.5%	4.2%	1.3%	6.0%	2.7%	3.6%
Corporations**	3.8%	3.0%	4.9%	2.9%	6.1%	3.9%	9.2%
Foundations	8.4%	6.2%	7.8%	10.5%	16.2%	18.8%	19.3%
Trustees**	6.4%	5.7%	7.5%	7.2%	6.8%	5.4%	3.6%
Other Individuals	11.6%	11.1%	11.4%	15.7%	10.5%	9.6%	9.9%
Fundraising Events/Guilds	5.0%	4.6%	4.8%	5.8%	6.1%	5.5%	7.0%
United Arts Funds	0.3%	0.1%	1.0%	0.0%	0.2%	0.3%	0.1%
In-Kind Services/Materials/Facilities	2.5%	1.7%	4.0%	1.5%	3.6%	3.7%	7.9%
Other Contributions	2.3%	1.2%	3.6%	3.5%	3.9%	1.0%	0.4%
Total Contributed Income**	**48.6%**	**43.2%**	**52.6%**	**51.7%**	**62.2%**	**55.2%**	**66.2%**
Total Income**	**107.7%**	**109.4%**	**105.5%**	**102.1%**	**112.5%**	**96.9%**	**106.4%**

**Skewed by 1 Theatre's exceptional activity.

For the 179 Profiled Theatres:

- Group 1 and 3 Theatres covered a higher percentage of expenses with **corporate support** than other groups (see **Table 19**). The high Group 3 level is driven by one theatre's corporate capital campaign contributions.
- Smaller theatres received higher **foundation support** as a percentage of expenses (see **Table 19**). Of the 179 theatres, all but 2 theatres received some foundation support.
- **Individual giving** from trustees and other individuals played a more important role in financing expenses of Group 4 Theatres than for other Groups.
- **Trustee giving** was skewed by one Group 6 Theatre with exceptional capital campaign NARTR, discussed previously. Eliminating this theatre would leave the average at $287,525 for all theatres, and an average for Group 6 Theatres of $759,855.
- All Groups of Theatres, except Group 2, finished the year with total **income in excess of total expenses**.
- One Group 6 Theatre's exceptional, capital campaign-related NARTR skewed total contributed income and total income. Eliminating this theatre from the analyses would leave the average **total contributed income** at $2,422,065 for all theatres (45.5% of expenses) and $7,439,669 for Group 6 Theatres (36.8% of expenses). **Without this theatre, average total income** would be $5,521,204 for all theatres (103.7% of expenses) and $20,577,503 for Group 6 Theatres (101.8% of expenses).

BUDGET GROUP SNAPSHOT:

EXPENSES AND CHANGES IN UNRESTRICTED NET ASSETS (CUNA)

Table 20 shows average expense figures for all Profiled Theatres and 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 as a ratio of 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	**179**	**25**	**34**	**26**	**52**	**25**	**17**
Artistic Payroll	$ 1,028,080	$ 3,604,144	$ 1,223,858	$ 887,198	$ 423,087	$ 208,273	$119,826
Administrative Payroll	1,106,998	3,966,909	1,536,983	852,160	376,866	169,195	43,496
Production Payroll	780,536	3,151,396	1,080,805	468,702	194,688	56,689	26,848
Total Payroll	**$ 2,915,614**	**$10,722,450**	**$ 3,841,646**	**$ 2,208,060**	**$ 994,641**	**$ 434,157**	**$190,170**
General Artistic Non-Payroll	197,116	791,152	220,525	130,211	72,332	26,228	12,042
Royalties	127,909	422,634	194,676	95,438	54,156	12,140	6,459
Production/Tech Non-Payroll physical production)	400,105	1,897,027	369,981	206,357	90,655	44,423	24,937
Development/Fundraising	189,532	681,201	256,007	151,387	65,695	24,915	12,760
Marketing/Customer Service/Concessions	639,781	2,454,055	815,861	450,698	212,998	74,791	45,080
Occupancy/Building/Equipment/ Maintenance	500,543	1,786,548	705,011	353,340	174,018	83,132	38,181
Depreciation	277,587	1,123,850	368,153	183,724	66,838	30,584	3,387
General Management/Operations	210,805	728,554	289,658	122,631	93,561	50,851	20,415
Total Expenses	**$ 5,458,992**	**$20,607,470**	**$ 7,061,519**	**$ 3,901,846**	**$ 1,824,893**	**$ 781,221**	**$353,432**
Changes in Unrestricted Net Assets (CUNA)**	**$ 422,487**	**$ 1,947,354**	**$ 386,622**	**$ 81,641**	**$ 228,619**	**$(23,853)**	**$ 22,453**

**Skewed by 1 Group 6 Theatre's exceptional activity.

When we merge personnel and non-personnel program costs allocated to the various administrative departments (see **Table 21**), we find that Profiled Theatres spent an average of $380,090 on development, $658,175 on marketing, $257,220 on front-of-house (including box office, house management and concessions) and $197,619 on education. Theatres tended to spend more on non-personnel expenses with respect to marketing than they did on marketing staff, regardless of budget size, whereas, staff compensation was the larger allocation of total front-of-house and education/outreach expenses, 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	$ 190,558	$ 680,391	$ 256,041	$ 165,484	$ 64,865	$ 25,441	$ 4,894
Non-personnel Development Expenses	189,532	681,201	256,007	151,387	65,695	24,915	12,760
Marketing Personnel	189,226	695,391	272,862	137,829	59,863	18,529	2,929
Non-personnel Marketing Expenses	468,949	1,868,161	588,854	309,494	141,692	52,234	29,186
Front-of-House Personnel	148,195	594,629	194,456	102,592	39,537	12,313	1,089
Non-personnel Front-of-House Expenses	109,026	416,057	125,677	88,453	37,008	17,232	10,947
Education Programs/Outreach Personnel	135,812	436,987	209,261	125,219	48,313	15,958	6,113
Non-personnel Education/Outreach Expenses	61,806	169,837	101,330	52,750	34,298	5,325	4,947

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	**179**	**25**	**34**	**26**	**52**	**25**	**17**
Artistic Payroll	18.8%	17.5%	17.3%	22.7%	23.2%	26.7%	33.9%
Administrative Payroll	20.3%	19.2%	21.8%	21.8%	20.7%	21.7%	12.3%
Production Payroll	14.3%	15.3%	15.3%	12.0%	10.7%	7.3%	7.6%
Total Payroll	**53.4%**	**52.0%**	**54.4%**	**56.6%**	**54.5%**	**55.6%**	**53.8%**
General Artistic Non-Payroll	3.6%	3.8%	3.1%	3.3%	4.0%	3.4%	3.4%
Royalties	2.3%	2.1%	2.8%	2.4%	3.0%	1.6%	1.8%
Production/Tech Non-Payroll (physical production)	7.3%	9.2%	5.2%	5.3%	5.0%	5.7%	7.1%
Development/Fundraising	3.5%	3.3%	3.6%	3.9%	3.6%	3.2%	3.6%
Marketing/Customer Service/Concessions	11.7%	11.9%	11.6%	11.6%	11.7%	9.6%	12.8%
Occupancy/Building/Equipment/Maintenance	9.2%	8.7%	10.0%	9.1%	9.5%	10.6%	10.8%
Depreciation	5.1%	5.5%	5.2%	4.7%	3.7%	3.9%	1.0%
General Management/Operations	3.9%	3.5%	4.1%	3.1%	5.1%	6.5%	5.8%
Total Expenses	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Changes in Unrestricted Net Assets (CUNA)**	**7.7%**	**9.4%**	**5.5%**	**2.1%**	**12.5%**	**-3.1%**	**6.4%**

**Skewed by 1 Group 6 Theatre's exceptional activity.

For the 179 Profiled Theatres, as detailed in Table 22:

- Smaller theatres—especially those in Group 1—were inclined to spend a larger proportion of budget on **artists**.
- Group 1 and 2 Theatres spent far less of their resources on **production payroll** relative to Group 5 and 6.
- Administrative payroll was the largest budget line item for Group 5 and 6 Theatres. Nevertheless, Group 1 and 6 Theatres spent proportionally less on **administrative payroll** compared to theatres in other Groups.
- Group 3 Theatres spent slightly more proportionally than other groups on **royalties**.
- Group 6 Theatres spent a lower share of their budget on **occupancy expenses** related to facilities, but had a higher proportion of depreciation because they tend to own rather than rent.
- Smaller theatres spent a greater share of their budgets on **general management expenses and operations.**
- Group 6 Theatres reported the most dramatic level of **CUNA**, driven by the 1 outlier with exceptional NARTR described in the section above and in the Trend section, mainly related to state funding for a capital campaign. Eliminating this theatre from the analyses would leave average CUNA for all Profiled Theatres at $200,500 (3.7% of expenses) and CUNA of $364,980 for Group 6 Theatres (1.8% of expenses).

BUDGET GROUP SNAPSHOT:

BALANCE SHEET

The Balance Sheet reflects a theatre's long-term stability and fiscal health. It 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, while CUNA is an important indicator of activity for a given year only. The 167 Profiled Theatres that completed the Balance Sheet section of the survey collectively held $2.2 billion in total assets and $1.6 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 69% of Profiled Theatres' net assets—permanently restricted, temporarily restricted and unrestricted—are fixed assets, 38% are investments and 9% are other net assets; negative working capital deducts 16% 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. As theatre size increases, so does the proportion of total net assets held in investments. In addition to the figures reported below, 5 theatres are beneficiaries of endowments ranging from $145,000 to $3.5 million that are held by other entities (e.g., by a community foundation) and are not reflected in their Balance Sheet.

Profiled Theatres possess an aggregate $1.1 billion in fixed assets. Fixed assets represent a low of 62% of total net assets for Group 5 Theatres and a high of 89% of total net assets for Group 2 Theatres.

The investment ratio is best examined over time. Just over half of the Profiled Theatres reported having some investments, as demonstrated in **Table 23**. 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 84% of their combined total expenses. As we see in **Table 24**, no Group 1 or 1 Group 2 Theatre reported having unrestricted endowment funds.

TABLE 23: AVERAGE TOTAL NET ASSETS

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**167**	**24**	**33**	**25**	**47**	**23**	**15**
Working Capital**	$ (1,562,060)	$ (6,465,183)	$ (1,635,858)	$ (1,276,287)	$ (370,205)	$ (126,907)	$ 33,953
Fixed Assets	$ 6,682,986	$ 28,444,413	$ 6,869,257	$ 4,775,536	$ 1,542,056	$ 568,428	$ 117,895
Investments	$ 3,629,896	$ 17,536,740	$ 4,219,881	$ 950,174	$ 427,571	$ 91,106	$ 7,278
Other Net Assets	$ 897,264	$ 1,229,892	$ 1,567,699	$ 1,674,545	$ 514,984	$ 105,410	$ 6,623
Total Net Assets	**$ 9,648,086**	**$ 40,745,861**	**$ 11,020,980**	**$ 6,123,968**	**$ 2,114,407**	**$ 638,037**	**$ 165,749**
Total Expenses	**$ 5,610,726**	**$ 20,802,218**	**$ 7,038,922**	**$ 3,899,710**	**$ 1,811,319**	**$ 772,556**	**$ 337,335**
Investment Ratio	**65%**	**84%**	**60%**	**24%**	**24%**	**12%**	**2%**

**Skewed by 2 Theatres' exceptional activity.

Tables 23 and **24** show that, on average, working capital was negative for Profiled Theatres, meaning that these theatres are borrowing funds to meet day-to-day cash needs and current obligations. Only Group 1 Theatres reported positive average working capital, which was the experience of all but one theatre in this Group. For all other Groups, the most severely negative working capital reported by a theatre was at least double the absolute level of the most positive reported. Overall, the lowest reported working capital was -$63 million and the highest was $21 million, reported by two Group 6 Theatres. Eliminating these theatres would leave Group 6's working capital average at -$5,129,747 and the average for all theatres at -$1,324,570.

Another indicator of organizational health is the working capital ratio, a comparison of working capital to total expenses. One way to think about working capital is whether there is enough capital to handle cash flow fluctuations for a period of time. For example, a ratio of 25% translates into 3 months of working capital. Of the 167 Profiled Theatres that completed the Balance Sheet portion of the survey, only 14% of theatres experienced a working capital ratio of 25% or more, while 27% had positive working capital but it was equivalent to less than 25% of their expenses. The majority of theatres (59%) reported negative working capital in 2011. The overall working capital ratio for the Profiled Theatres was -28%. The lowest reported working capital ratio was a negative magnitude of 3 times the size of the budget, and the highest was equivalent to 105% of budget. Group 4 Theatres experienced relatively severe working capital shortages averaging -33% of expenses, leaving them with little financial flexibility. Group 1 Theatres reported an average positive working capital ratio of 10%. If we were to eliminate the two Group 6 Theatres mentioned above with exceptionally high and exceptionally low working capital, respectively, the working capital ratio for remaining Group 6 Theatres would be -27%, and the working capital ratio for all theatres would be -25%.

TABLE 24: AVERAGE WORKING CAPITAL

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Number of Theatres	**167**	**24**	**33**	**25**	**47**	**23**	**15**
Total Unrestricted Net Assets	$ 5,670,527	$ 24,468,680	$ 5,788,318	$ 3,791,757	$ 1,308,269	$ 441,521	$ 151,848
Fixed Assets	$ 6,682,986	$ 28,444,413	$ 6,869,257	$ 4,775,536	$ 1,542,056	$ 568,428	$ 117,895
Unrestricted Investments	$ 549,601	$ 2,489,450	$ 554,918	$ 292,508	$ 136,418	$ 0	$ 0
Working Capital**	**$(1,562,060)**	**$(6,465,183)**	**$(1,635,858)**	**$(1,276,287)**	**$ (370,205)**	**$ (126,907)**	**$ 33,953**
Total Expenses	**$ 5,610,726**	**$ 20,802,218**	**$ 7,038,922**	**$ 3,899,710**	**$ 1,811,319**	**$ 772,556**	**$ 337,335**
Working Capital Ratio**	**-28%**	**-31%**	**-23%**	**-33%**	**-20%**	**-16%**	**10%**

**Skewed by 2 Theatres' exceptional activity.

CONCLUSION

There is evidence of a recovery from the depths of the economic crisis. The average theatre ended the year in the black in 2010 and even more robustly in 2011 after 2 years of pronounced capital losses that put bottom lines in the red. Endowment earnings or payouts are healthier. Single ticket income saw its second year of gains in 2011. Contributed support from all but 4 funding sources was higher in 2011 than in 2010. The average theatre restored its expenses in all but 2 areas in 2011 after making cuts in 2010, and expense growth still outpaced inflation for the 5-year period. Theatres added full-time, part-time and jobbed-in employees in 2011 after making job cuts in 2010. Despite a slight improvement from its lowest 5-year point in 2010, negative working capital is still a major cause for concern and a threat to the future viability of many theatres in the field. Nevertheless, more theatres ended 2011 with positive CUNA rather than negative.

TCG member theatres contribute to a strong and diverse theatrical heritage and can be found in every state. They provide meaningful employment to artists, technicians and professional theatre administrators. They make significant contributions to their communities and to the U.S. economy. As a field, they contributed an estimated $1.94 billion to the economy in the form of direct compensation and payment for services and goods. They shared their art with 34 million patrons and provided employment to 130,000 artists, administrators and technical personnel. They created 177,000 performances of 14,600 productions that now represent the 2011 American theatre legacy.

METHODOLOGY

Theatre Facts 2011 includes information on participating theatres' fiscal years ending anytime between October 31, 2010, and September 30, 2011. Profiled Theatres' reported figures were verified against certified financial audits. The adjustment for inflation in the discussion of Trend Theatres of 8% (25% 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 (total expenses). 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 table are estimates and do not represent data provided by 1,697 non-survey theatres themselves. 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 based on our extrapolations. The 2 came within 1% 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.

TCG and the authors wish to thank the following *Theatre Facts* Advisory Committee members for their valuable insights, feedback and guidance: Maggie Arbogast (The Wilma Theater), Jennifer Bielstein (Actors Theatre of Louisville), Patricia Egan (Cool Spring Analytics), Emily Guthman (Nonprofit Finance Fund), Paul Nicholson (Oregon Shakespeare Festival) and Regina R. Smith (The Kresge Foundation). Also, the authors would like to recognize TCG's Teresa Eyring, Kevin Moore, Kitty Suen, Rachel Hutt, Ian Boley, Josh Boerman, Dafina McMillan and August Schulenburg for their contributions to this report.

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

For more than 50 years, Theatre Communications Group (TCG), the national organization for the American theatre, has existed to strengthen, nurture and promote the professional not-for-profit American theatre. TCG's constituency has grown from a handful of groundbreaking theatres to nearly 700 member theatres and affiliate organizations and more than 12,000 individuals nationwide. TCG offers its members networking and knowledge-building opportunities through conferences, events, research and communications; awards grants, approximately $2 million per year, to theatre companies and individual artists; advocates on the federal level; and serves as the U.S. Center of the International Theatre Institute, connecting its constituents to the global theatre community. TCG is North America's largest independent trade publisher of dramatic literature, with 12 Pulitzer Prizes for Best Play on the TCG booklist. It also publishes the award-winning AMERICAN THEATRE magazine and ARTSEARCH®, the essential source for a career in the arts. In all of its endeavors, TCG seeks to increase the organizational efficiency of its member theatres, cultivate and celebrate the artistic talent and achievements of the field and promote a larger public understanding of, and appreciation for, the theatre.

tcg Theatre Communications Group

2011 PROFILED THEATRES

The following theatres participated in TCG Fiscal Survey 2011. 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 (2)

ARIZONA
Actors Theatre of Phoenix (3), Childsplay, Inc. (3)

ARKANSAS
Arkansas Repertory Theatre (4), TheatreSquared (1)

CALIFORNIA
American Conservatory Theater (6), Berkeley Repertory Theatre (6), Bootleg Theater (1), ***Center Theatre Group (6)***, The Chance Theater (1), Cornerstone Theater Company (3), ***The Geffen Playhouse (6)***, Golden Thread Productions (1), **La Jolla Playhouse (6),** ***Laguna Playhouse (5),*** **Marin Shakespeare Company (2)**, Marin Theatre Company (3), North Coast Repertory Theatre (3), ***The Old Globe (6), PCPA Theaterfest (4),*** **San Diego Repertory Theatre (4),** San Jose Repertory Theatre (5), ***Shakespeare Santa Cruz (3), South Coast Repertory (6)***, The Theatre @ Boston Court (2), ***TheatreWorks (5)***, Watts Village Theater Company (1), The Z Space Studio (3)

COLORADO
Colorado Springs Fine Arts Center Theatre Company (3), Creede Repertory Theatre (3), ***Curious Theatre Company (3), Denver Center Theatre Company (6)***

CONNECTICUT
Connecticut Repertory Theatre (3), Hartford Stage (5), Long Wharf Theatre (5), Westport Country Playhouse (5), Yale Repertory Theatre (5)

D.C.
Arena Stage (6), **Folger Theatre (3),** ***Shakespeare Theatre Company (6), The Studio Theatre (5),*** **Woolly Mammoth Theatre Company (4)**

DELAWARE
Resident Ensemble Players (4)

FLORIDA
American Stage Theatre Company (3), Asolo Repertory Theatre (5), Eckerd Theater Company (1), Florida Repertory Theatre (3), ***Florida Studio Theatre (4)***, GableStage (2), Palm Beach Dramaworks (3), **Stageworks Theatre (1)**

GEORGIA
Actor's Express (2), ***Alliance Theatre (6)***, Aurora Theatre (3), ***Dad's Garage Theatre Company (2)***

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

ILLINOIS
Chicago Shakespeare Theater (6), Congo Square Theatre (1), ***Court Theatre (4)***, Goodman Theatre (6), **Lookingglass Theatre Company (5)**, ***Northlight Theatre (4)***, Remy Bumppo Theatre Company (2), ***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 (5)

MAINE
Portland Stage Company (3)

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

MASSACHUSETTS
American Repertory Theatre (6), **Barrington Stage Company (3)**, ***Huntington Theatre Company (6)***, **The Lyric Stage Company of Boston (3), Merrimack Repertory Theatre (3),** ***New Repertory Theatre (3), Shakespeare & Company (4)***, SpeakEasy Stage Company (3), Williamstown Theatre Festival (4)

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

MISSOURI
The Coterie Theatre (3), Kansas City Repertory Theatre (5), The Repertory Theatre of St. Louis (5), ***Unicorn Theatre (2)***

MISSISSIPPI
New Stage Theatre (3)

NEBRASKA
Omaha Theater Company (3)

NEW JERSEY
Crossroads Theatre Company (1), **George Street Playhouse (4)**, ***McCarter Theatre Center (6)***, Paper Mill Playhouse (6), Passage Theatre Company (1), **The Shakespeare Theatre of New Jersey (4)**, Two River Theater Company (4)

NEW YORK
Adirondack Theatre Festival (1), ***Atlantic Theater Company (5)***, Castillo Theatre (2), Clubbed Thumb (1), 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), Labyrinth Theater Company (3), **Lark Play Development Center (3),** ***Mabou Mines (1), Manhattan Theatre Club (6)***, Ma-Yi Theater Company (2), Merry-Go-Round Playhouse (4), **New Dramatists, Inc. (3)**, The Play Company (2), Repertorio Español (3), **The Public Theater (6),** ***Roundabout Theatre Company (6),*** **Signature Theatre Company (5),** ***SITI Company (2), Syracuse Stage (5), Theatre for a New Audience (4),*** **Vital Theatre Company (3),** ***The Wooster Group (3)***

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

OHIO
The Cleveland Play House (5), Cleveland Public Theatre (3), Great Lakes Theater Festival (4), The Human Race Theatre Company (3), Near West Theatre (2)

OREGON
Artists Repertory Theatre (4), 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), **The Pennsylvania Shakespeare Festival (3)**, The People's Light & Theatre Company (5), Philadelphia Theatre Company (5), ***Pittsburgh Public Theater (5), The Wilma Theater (4)***

RHODE ISLAND
Gamm Theatre (3), ***Trinity Repertory Company (5)***

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

TENNESSEE
Clarence Brown Theatre at the University of TN (3), Tennessee Repertory Theatre (3)

TEXAS
Alley Theatre (6), Amphibian Stage Productions (1), The Catastrophic Theatre (1), ***Dallas Children's Theater (4)***, **Dallas Theater Center (5)**, Main Street Theater (3), **WaterTower Theatre (3),** ***ZACH Theatre (4)***

VERMONT
Northern Stage (3)

VIRGINIA
Firehouse Theatre Project (1), ***Roadside Theater (2)***, Signature Theatre (5), Virginia Stage Company (3)

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

WISCONSIN
American Players Theatre (4), Milwaukee Repertory Theater (5)