



Research Division Note #26, August 25, 1987

AGGREGATE FINANCIAL MEASURES OF NONPROFIT THEATER, DANCE, AND
CLASSICAL MUSIC ORGANIZATIONS IN 1982

This Note reviews aggregate financial conditions of nonprofit theater, dance, and classical music organizations in 1982. Selected fields from these three groups are also examined. Only nonprofit organizations are included in this Note, in contrast to the preceding Notes #21, 23, 24, and 25 which covered for-profit as well as nonprofit organizations.

The source of data presented in this Note is the Census of Service Industries conducted by the Bureau of the Census every five years. The last Census used 1982 as its reference year. This was a year of deep recession. So the aggregate financial conditions of nonprofit performing arts organizations described in this Note are from a period of adverse economic conditions.

According to these data, the 1982 experience in obtaining sufficient revenues to meet expenses varied widely. The revenue/expense ratio (percentage of expenses covered by revenues) for 423 classical music organizations averaged 96 percent; there was a balance between revenues and expenses for 159 dance organizations; and a three percent surplus, on the average, was realized by 715 theater organizations. The variation for selected nonprofit theater fields was: resident theaters (LORT)--99 percent; stock theaters--105 percent; Off-Broadway theaters--96 percent; Off-Off-Broadway theaters--93 percent; children's theaters--106 percent; and community theaters--100 percent. For ballet companies the revenue/expense ratio was 97 percent, and for modern dance companies it was 92 percent. In the classical music fields, symphony orchestras obtained 99 percent of expenses; opera companies obtained 86 percent; and chamber music groups' ratio was a balanced 100 percent.

The extent to which government and private sector contributions and grants assisted nonprofit performing arts organizations in their revenue/expense balance varied substantially. For all 715 theaters, contributions and grants represented 21 percent of expenses; but for selected theater fields the corresponding figure was: 23 percent for resident theaters (LORT); 45 percent for Off-Off-Broadway theaters; and 24 percent for children's theaters. For the 159 dance organizations, the average share of contributions and grants in meeting expenses was 36 percent; nearly the same as the 37 percent for ballet companies. For all 423 classical music organizations, the share of contributions and grants in meeting expenses was 38 percent, and it varied from 33 percent for symphony orchestras to 26 percent for opera companies and to 42 percent for chamber music groups. In the case of opera companies which obtained revenues that, on the average, only met 86 percent of their expenses, the contributions and grants received fell far short of balancing the revenue/expense ratio.

The sources of revenues varied substantially for the different performing arts fields reviewed in this Note. Stock theaters, on the average, obtained 76 percent of their revenues from admission receipts, while modern dance companies received 13 percent of their revenues from admission receipts but 31 percent from contract fees for performances. The three data tables accompanying this Note show many differences between fields in the revenue source lines. There are also similarities in patterns. For example, the range of support from the National Endowment for the Arts varies from two percent to nine percent, but 'all other government sources' are generally equal to or greater than the Endowment's share and range from two percent to 12 percent. For most fields, the largest share of private contributions and grants came from individuals. The proportion of support from individuals ranges as high as 17 percent for chamber music groups and as low as two percent for modern dance. Other differences are highlighted in the following paragraphs describing the individual fields.

NONPROFIT PRODUCERS OF LIVE THEATRICAL PRODUCTIONS

The 1982 Census of Service Industries received information from 715 nonprofit theater organizations with aggregate revenues of over \$370,000,000. For this broad group, revenues were three percent greater than expenses. Contributions and grants (both government and private) met 21 percent of expenses. The National Endowment for the Arts provided two percent while 'all other government sources' provided four percent; individuals contributed six percent; foundations contributed four percent; business and industry contributed four percent; and all other non-government sources (e.g., United Arts Campaigns, etc.) contributed one percent. By far the largest share of revenues (62 percent) came from admission receipts. There is some variation in these data for selected theater fields as shown in the accompanying Table 1 and highlighted in the following paragraphs.

Resident Theaters (LORT contracts) - This nonprofit field of 74 organizations did not quite break even (99 percent) in terms of revenue/expense in 1982. The proportion of revenues from the National Endowment for the Arts was four percent, about twice as much as for the whole group of theaters. The funds received from 'all other government sources' was also four percent, the same as the average for the whole group of theater organizations. Admission receipts provided 51 percent of revenues. Contributions and grants (government and private) covered 23 percent of expenses.

Stock Theaters - The nonprofit stock theater field of 37 organizations reported greater revenues than expenses by five percent. The proportion of this field's revenues from the National Endowment for the Arts was less than 0.3 percent. Stock theaters received a greater share of revenues from admission receipts (76 percent) than any other performing arts field considered in this Note (including theater, dance, and classical music).

Off-Broadway Theaters - This nonprofit group of 21 theater producers reported aggregate revenues of just under \$10 million. Admission receipts provided 45 percent of revenues, the National Endowment for the Arts provided three percent, and 'all other government sources' provided seven percent of the revenues. Private contributions from business and industry were the largest source of contributed revenue representing 10 percent of all income. This 10

percent proportion from business and industry is greater than for any other field described in this Note. Overall, Off-Broadway theaters fell short of balancing revenues and expenses by about four percent.

Off-Off-Broadway Theaters - This nonprofit theater field is larger in numbers (37) than the preceding Off-Broadway field, but substantially smaller in terms of average revenues. Government and private contributions and grants are a greater proportion of its revenues (45%) than in any other field described in this Note. Thirty percent of revenues came from admission receipts and four percent came from contract fees for performances. Government support provided 21 percent of its revenues, the largest proportion of income from government of all performing arts fields considered in this Note. The government support breaks down into nine percent from the National Endowment for the Arts and 12 percent from 'all other government sources.' The field also received substantial support from individuals and from foundations, with 10 percent of revenues coming from each of these two sources. Overall, the balance between revenue and expense was 93 percent, indicating a deficit for the average Off-Off-Broadway theater of about seven percent.

Children's Theaters - This group of 71 nonprofit organizations received 31 percent of revenues from admissions receipts and 14 percent from contract fees for performances; eight percent of its revenues came from government contributions and grants, of which the National Endowment for the Arts provided two percent while six percent was received from 'all other government sources.' This field had revenues which were six percent greater than expenses for a ratio of 106 percent, exceeding all other fields considered in this Note.

Community Theaters - This nonprofit field of 184 organizations had aggregate revenues of \$25,805,000. Forty-nine percent of these revenues were received from admission receipts. As in the case of stock theaters, little support was received from the National Endowment for the Arts (0.4 percent). However, four percent of its revenues came from 'all other government sources.' Overall, this field had revenues and expenses in balance in 1982.

NONPROFIT DANCE GROUPS

The 1982 Census of Service Industries received information from 159 nonprofit dance organizations with aggregate revenues of over \$89,000,000. For this broad group, revenues matched expenses. Contributions and grants (both government and private) covered 36 percent of expenses. The National Endowment for the Arts provided two percent of the revenues, while 'all other government sources' provided six percent. Individuals contributed 13 percent, foundations contributed 10 percent, business and industry contributed six percent, and all other non-government sources (e.g. United Arts Campaigns, etc.) contributed two percent. Corresponding data is presented in the accompanying Table 2 for ballet companies and for modern dance companies. The data for these two fields of dance differs in many ways from the aggregate of all dance organizations. The following paragraphs highlight these differences.

Ballet Companies - This field of 58 nonprofit organizations did not break even (97 percent) in terms of revenue/expense in 1982. Forty percent of revenues came from admission receipts and 11 percent came from contract fees for

performances. The National Endowment for the Arts provided three percent of revenues, while 'all other government sources' provided five percent. The largest source of contributed income (14%) was from individuals. In total, contributions and grants covered 37 percent of revenues.

Modern Dance Companies - The 34 nonprofit organizations in this field that reported to the Census had aggregate revenues of just over \$9 million, less than one-sixth of the amount reported by ballet companies. Of these revenues, 13 percent were derived from admission receipts, while 31 percent were from contract fees for performances. Modern dance is the only field covered in this Note that had greater revenues from performance contract fees than from admissions receipts. Disclosure criteria precludes the reporting of support from the National Endowment for the Arts, however, support from 'all other government sources' was eight percent of revenues. The balance of revenue to expense for this field was 92 percent, indicating a deficit of about eight percent.

NONPROFIT CLASSICAL MUSIC ORGANIZATIONS

The 1982 reports to the Census from 423 classical music organizations indicate aggregate revenues of close to a half-billion dollars (\$477,209,000). For this broad group of organizations, revenues fell short of meeting expenses by about four percent. Contributions and grants (both government and private) covered 38 percent of expenses. The National Endowment for the Arts provided three percent of the revenues while 'all other government sources' provided seven percent. Individuals contributed 15 percent, foundations contributed six percent, business and industry contributed seven percent, and all other non-government sources (e.g., United Arts Campaigns, etc.) contributed three percent of revenues. There is considerable variation in these data for the three selected classical music fields as shown in the accompanying Table 3 and the following paragraphs.

Symphony Orchestras - The aggregate revenues reported by 212 symphony orchestras were \$276,842,000. The entire field did not quite break even (99 percent) in terms of revenue/expense in 1982. The proportion of revenues from the National Endowment for the Arts was three percent, while 'all other government sources' provided six percent. Individuals contributed 13 percent, foundations contributed four percent, business and industry contributed six percent, and all other non-government sources (e.g., United Arts Campaigns, etc.) contributed two percent of revenues. The total of contributions and grants (government and private) covered 33 percent of expenses.

Opera Companies - The aggregate revenues reported by 65 opera companies was \$128,927,000. Unfortunately, the opera companies reporting total revenues only supplied detailed information for two-thirds of the sources. For this reason, the discussion and comparison of the details of this field's revenues is not as reliable as for the other fields discussed in this Note. The incomplete revenue source data from the actual responses (unexpanded) show 28 percent was received from admission receipts, two percent from the National Endowment for the Arts, three percent from 'all other government sources,' 12 percent from individual contributions, six percent from foundations, and five percent from business and industry. The total revenues met 86 percent of expenses, indicating a deficit of about 14 percent.

Chamber Music Groups - Chamber music groups are smaller in numbers and in aggregate revenues than the preceding two classical music fields. The 47 organizations reporting to the 1982 Census indicated aggregate revenues of about \$11,500,000. Their revenues were in balance with expenses. The largest sources of revenues in this field were admissions receipts (24%) and individual contributions (17%). The large proportion of revenues contributed by individuals was greater than for all other fields covered in this Note. Total contributions and grants (government and private) met 42 percent of expenses. The National Endowment for the Arts support provided three percent, 'all other government sources' gave three percent, foundation support provided eight percent, business and industry provided seven percent, and all other non-government sources of contributions and grants (e.g., United Arts Campaigns, etc.) provided five percent of revenues.

Caveats: Four preceding Notes (#21, 23, 24, and 25) also present data about performing arts organizations from the 1982 Census of Service Industries. Much background information and many caveats which apply as well to this Note are contained in the earlier ones. Readers are urged to obtain copies of these Notes for a fuller explanation of the data being used.

Readers without immediate access to the preceding Notes should be aware that the universe of organizations receiving questionnaires in the five-year Census of Service Industries is obtained through the use of two sources. One source is filers of FICA reports (social security retirement deposits), the other is filers of income tax forms (IRS Form 990 for nonprofit organizations). Non-profit performing arts organizations that do not submit either an FICA report or an IRS 990 Form are not likely to be included in the Census. Furthermore, many performing arts organizations operate as subsidiaries of organizations such as: state or local government; colleges or universities; museums; and many other kinds of large organizations. In such cases, the larger organization is the one that may receive the Census questionnaire and its response will be classified in terms of its primary activity, which usually will not be performing arts. For such reasons, the counts of numbers of organizations and their revenues presented in this Note understate the levels of activity that occurred in 1982.

In the three tables accompanying this Note, the summary columns for the total of nonprofit theater organizations, dance organizations, and classical music organizations present figures which have been expanded by the Bureau of the Census to compensate for lack of full details about sources of revenues in the reports of some organizations. On the other hand, the data for the selected fields show the actual reported data for sources of revenue. Because of the incompleteness of detail, the revenue sources shown for the selected fields do not add up to the full total of reported revenues. The extent of incomplete detail is shown for each field as the last figure in the table column. Generally, the completeness of reporting was very high for the detailed sources of revenue. The greatest gap of detail came from opera companies which only reported 66 percent of their total revenues in their responses about detail of sources.

On the expense side, only the total is available for the performing arts organizations. Questions were not asked about details of expenses in the 1982 Census.

When comparing the revenues from contributions and grants shown in this Note with data available from funders, remember that contributions and grants may not be posted as revenues by the receiving organization in the same year that they are recorded by the giver. The differences are caused by several factors. The first is that the year in which a gift or grant is recorded by a supporter may not be the same as the fiscal year the organization uses in reporting receipts to the Census. A second difficulty is that organizations often draw down a contribution or grant over a period of several years. For example, a grant awarded (obligated) by the National Endowment for the Arts in FY 1982 may not be drawn down (expended) as income by the receiving organization until a year or several years later.

TABLE 1. AGGREGATE FINANCIAL MEASURES OF NONPROFIT (TAX-EXEMPT) THEATER ORGANIZATIONS, 1982 (page 1 of 2)

	THEATER ORGANIZATIONS (715)		RESIDENT (LORT) (74)		STOCK (37)	
Total Revenues	\$370,059,000	(100%)	\$ 95,172,000	(100%)	\$ 25,108,000	(100%)
Admission receipts	228,640,000	(62%)	48,924,000	(51%)	19,070,000	(76%)
Contract fees for performances	14,414,000	(4%)	2,229,000	(2%)	(0)	(0)
Sale of merchandise	6,453,000	(2%)	1,683,000	(2%)	1,222,000	(5%)
Services to performing arts industry	2,468,000	*	223,000	*	122,000	*
Other patron, contract fees	22,241,000	(6%)	4,966,000	(5%)	457,000	(2%)
Royalties, res. fees, sub. rights	1,048,000	*	195,000	*	-	-
Government contributions & grants						
National Endowment for the Arts	8,741,000	(2%)	3,782,000	(4%)	71,000	*
All other government sources	16,230,000	(4%)	3,946,000	(4%)	510,000	(2%)
Private contributions & grants						
Individuals	20,589,000	(6%)	7,726,000	(8%)	797,000	(3%)
Foundations	13,524,000	(4%)	4,473,000	(5%)	969,000	(4%)
Business & industry	14,224,000	(4%)	5,745,000	(6%)	289,000	(1%)
All other non-government sources	3,111,000	(1%)	1,852,000	(2%)	(0)	(0)
Other revenues	18,376,000	(5%)	3,904,000	(4%)	1,449,000	(6%)
Total Expenses	357,106,000	(100%)	95,863,000	(100%)	23,953,000	(100%)
Revenues/Expenses (%)	103%		99%		105%	
Contributions & Grants/Expenses (%)	21%		23%		(0)	
Revenues of Organizations Reporting Detail of Sources/Total Revenues (%)	100% (expanded)		94%		98%	

FOOTNOTES:

- * Less than 0.5%
- (0) Data has been withheld to avoid disclosure for individual organizations. This data is included in the column total for the Total Revenues.
- Zero

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TABLE 1. AGGREGATE FINANCIAL MEASURES OF NONPROFIT (TAX-EXEMPT) THEATER ORGANIZATIONS, 1982 (page 2 of 2)

	-----SELECTED THEATER FIELDS-----							
	Off-Broadway (21)		Off-Off-Broadway (37)		Children's (71)		Community (184)	
Total Revenues	\$ 9,711,000	(100%)	\$ 5,935,000	(100%)	\$11,582,000	(100%)	\$25,805,000	(100%)
Admission receipts	4,359,000	(45%)	1,780,000	(30%)	3,605,000	(31%)	12,554,000	(49%)
Contract fees for performances	105,000	(1%)	210,000	(4%)	1,628,000	(14%)	656,000	(3%)
Sale of merchandise	109,000	(1%)	22,000	*	35,000	*	484,000	(2%)
Services to performing arts industry	(0)	(0)	139,000	(2%)	120,000	(1%)	208,000	(1%)
Other patron, contract fees	90,000	(1%)	149,000	(3%)	810,000	(7%)	1,627,000	(6%)
Royalties, res. fees, sub. rights	(0)	(0)	21,000	*	-	-	(0)	(0)
Government contributions & grants								
National Endowment for the Arts	274,000	(3%)	544,000	(9%)	288,000	(2%)	93,000	*
All other government sources	652,000	(7%)	731,000	(12%)	692,000	(6%)	951,000	(4%)
Private contributions & grants								
Individuals	576,000	(6%)	601,000	(10%)	555,000	(5%)	1,294,000	(5%)
Foundations	712,000	(7%)	573,000	(10%)	360,000	(3%)	572,000	(2%)
Business & industry	943,000	(10%)	447,000	(8%)	586,000	(5%)	759,000	(3%)
All other non-government sources	(0)	(0)	-	-	194,000	(2%)	(0)	(0)
Other revenues	324,000	(3%)	103,000	(2%)	956,000	(8%)	1,690,000	(7%)
Total Expenses	10,118,000	(100%)	6,395,000	(100%)	10,974,000	(100%)	25,727,000	(100%)
Revenues/Expenses (%)	96%		93%		106%		100%	
Contributions & Grants/Expenses (%)	(0)		45%		24%		(0)	
Revenues of Organizations Reporting Detail of Sources/Total Revenues (%)	85%		90%		85%		82%	

FOOTNOTES:

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- Zero

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TABLE 2. AGGREGATE FINANCIAL MEASURES OF NONPROFIT (TAX-EXEMPT) DANCE GROUPS, 1982

	DANCE ORGANIZATIONS (159)		-----SELECTED DANCE GROUPS-----			
			Ballet Companies (58)		Modern Dance Companies (34)	
Total Revenues	\$89,152,000	(100%)	\$59,919,000	(100%)	\$ 9,066,000	(100%)
Admission receipts	31,864,000	(36%)	23,767,000	(40%)	1,178,000	(13%)
Contract fees for performances	14,969,000	(17%)	6,381,000	(11%)	2,835,000	(31%)
Sale of merchandise	467,000	(1%)	291,000	*	22,000	*
Services to performing arts industry	989,000	(1%)	(D)	(0)	758,000	(8%)
Other patron, contract fees	3,316,000	(4%)	1,862,000	(3%)	342,000	(4%)
Royalties, res. fees, sub. rights	(D)	(0)	(D)	(0)	-	-
Government contributions & grants						
National Endowment for the Arts	2,208,000	(2%)	1,540,000	(3%)	(D)	(0)
All other government sources	4,938,000	(6%)	2,853,000	(5%)	750,000	(8%)
Private contributions & grants						
Individuals	11,940,000	(13%)	8,559,000	(14%)	164,000	(2%)
Foundations	8,915,000	(10%)	4,915,000	(8%)	236,000	(3%)
Business & industry	5,669,000	(6%)	4,025,000	(7%)	155,000	(2%)
All other non-government sources	1,696,000	(2%)	1,395,000	(2%)	(D)	(0)
Other revenues	(D)	(0)	1,556,000	(3%)	(D)	(0)
Total Expenses	89,495,000	(100%)	60,324,000	(100%)	9,900,000	(100%)
Revenues/Expenses (%)	100%		97%		92%	
Contributions & Grants/Expenses (%)	36%		37%		(D)	
Revenues of Organizations Reporting Detail of Sources/Total Revenues (%)	100% (expanded)		95%		75%	

FOOTNOTES:

* Less than 0.5%

(D) Data has been withheld to avoid disclosure for individual organizations.

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- Zero

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TABLE 3. AGGREGATE FINANCIAL MEASURES OF NONPROFIT (TAX-EXEMPT) CLASSICAL MUSIC ORGANIZATIONS, 1982

	CLASSICAL MUSIC ORGANIZATIONS (423)		-----SELECTED CLASSICAL MUSIC FIELDS-----					
			Symphony Orchestras (212)	Opera Companies (65)		Chamber Music Groups (47)		
Total Revenues	\$477,209,000	(100%)	\$276,842,000	(100%)	\$128,927,000	(100%)	\$ 11,497,000	(100%)
Admission receipts	183,269,000	(38%)	100,979,000	(36%)	35,894,000	(28%)	2,799,000	(24%)
Contract fees for performances	23,597,000	(5%)	15,397,000	(6%)	2,460,000	(2%)	1,112,000	(7%)
Sale of merchandise	2,954,000	(1%)	1,061,000	*	1,209,000	(1%)	285,000	(2%)
Services to performing arts industry	4,819,000	(1%)	2,646,000	(1%)	(0)	(0)	(0)	(0)
Other patron, contract fees	12,060,000	(3%)	8,087,000	(3%)	1,342,000	(1%)	143,000	(1%)
Royalties, res. fees, sub. rights	6,201,000	(1%)	4,108,000	(1%)	(0)	(0)	(0)	(0)
Government contributions & grants								
National Endowment for the Arts	14,987,000	(3%)	8,025,000	(3%)	2,971,000	(2%)	306,000	(3%)
All other government sources	31,663,000	(7%)	17,813,000	(6%)	3,986,000	(3%)	342,000	(3%)
Private contributions & grants								
Individuals	70,434,000	(15%)	36,339,000	(13%)	15,020,000	(12%)	1,939,000	(17%)
Foundations	27,891,000	(6%)	12,003,000	(4%)	7,413,000	(6%)	884,000	(8%)
Business & industry	32,058,000	(7%)	17,522,000	(6%)	6,339,000	(5%)	833,000	(7%)
All other non-government sources	12,047,000	(3%)	5,604,000	(2%)	2,899,000	(2%)	528,000	(5%)
Other revenues	55,229,000	(12%)	38,000,000	(14%)	5,149,000	(4%)	549,000	(5%)
Total Expenses	494,782,000	(100%)	280,456,000	(100%)	149,995,000	(100%)	11,499,000	(100%)
Revenues/Expenses (%)	96%		99%		86%		100%	
Contributions & Grants/Expenses (%)	38%		33%		26%		42%	
Revenues of Organizations Reporting Detail of Sources/Total Revenues (%)	100% (expanded)		97%		66%		86%	

FOOTNOTES:

* Less than 0.5%

(0) Data has been withheld to avoid disclosure for individual organizations.

This data is included in the column total for the Total Revenues.

- Zero

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