

Research Division Note # 46 - September 30, 1993

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Census Reports 18% Increase in Nonprofit Dance Groups: 1982-1987

According to the most recent census, the 1987 Census of Service Industries the Census Bureau counted 285 dance groups whose total receipts and revenues were \$170,278,000 in 1987. The number of nonprofit (tax-exempt) organizations (188) was almost twice the number of taxable (for profit) organizations (97). In 1982 the numbers of taxable and nonprofit groups had been much closer: 159 and 142 respectively. In the period since 1982, the number of nonprofit groups had grown by 18%, and the number of taxable groups had fallen by 32% (also see Table A at the end of this note).

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Theater

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TABLE 1: Number of Dance Groups and Number of Performing Arts Organizations (1987 and 1982)

	<u>1987</u>	<u>1982</u>	<u>Percentage Change 1982-1987</u>
Nonprofit Dance Groups			
Number	188	159	18.2%
Revenues (\$1,000)	\$ 137,297	\$ 89,152	54.0%
All Nonprofit Performing Organizations			
Number	2,036	1,610	26.6%
Revenues (\$1,000)	\$1,780,521	\$1,098,099	62.1%
Taxable Dance Groups			
Number	97	142	31.7%
Receipts (\$1,000)	\$ 32,981	\$ 27,125	21.6%
All Taxable Performing Organizations			
Number	7,233	6,712	7.8%
Receipts (\$1,000)	\$4,904,224	\$3,301,101	48.6%

Dance groups form a small part of the performing arts community: about 10% of the number of nonprofit organizations and only about 1% of taxable organizations. Their respective shares of the revenues and receipts are even less. The next paragraph

addresses taxable dance organizations; the rest of this note refers to nonprofit groups.

The Census Bureau divides the dance groups into four categories: ballet, modern dance, folk/ethnic dance and other. The numbers of taxable companies in the first three categories are small: two each in ballet and modern dance and three in folk/ethnic dance, and, thus, no financial data was disclosed. Table A (at the end of the note) provides the figures for 1977, 1982, as well as 1987. The small numbers of companies in these categories has appeared in each of the censuses. The category for Other dance group, artist, presentation had a count of 23 groups in 1987, and the No designation given category had 67 groups (70% of the total number of dance groups). This category accounted for 73% of the total revenues of taxable dance companies. The majority that did designate themselves are other dance presentations and artists. Their average revenues were less than the overall average for taxable dance companies (\$340,000). Taxable dance groups are on average about half the size of nonprofit groups (\$730,300).

The numbers of nonprofit dance groups and their revenues in the four dance categories are:

TABLE 2: Nonprofit Dance Groups (1987)

	Number	Average Revenues (\$1,000)	Total Revenues (\$1,000)
Ballet company	78	\$1,135.1	\$ 88,538
Modern dance company	33	526.8	17,384
Folk/ethnic dance company	6	133.0	798
Other dance group, artist, presentation	5	297.2	1,486
No designation given	66	440.8	29,091
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All nonprofit dance groups	188	\$ 730.3	\$ 137,297

All organizations sent a Census questionnaire are asked to designate the appropriate category for the organization. It is important to note that 66 nonprofit dance groups (35%) did not provide a designation. These dance groups actually belong to one of the four categories. Therefore, the data on these detailed categories is somewhat incomplete and understates the actual numbers. (Also see the **Caveats...** section at the end of this note for more potential undercount of organizations.)

Ballet companies are the largest in number (78) and in average size of total revenues (\$1,135,100). They account for 41% of all nonprofit dance groups and almost 65% of all revenues. Modern dance companies were the next largest in number (33) and average size (\$526,800). The other two categories are small in number and in average revenues. Table A gives the number of dance

groups in each category, their total and average revenues for 1977, 1982, 1987. The number of ballet companies has increased from 39 in 1977 to 58 in 1982 to 78 in 1987. No revenue figures were provided in 1977. In 1982 the average revenues of a ballet company were \$1,033,100. If the 1987 average revenue figure of \$1,135,100 is adjusted for inflation, the adjusted figure becomes \$966,900; thus there was a real decline in the average revenues of a ballet company between 1982 and 1987. Modern dance companies have fallen in number (39 companies in 1977, 34 companies in 1982, and 33 companies in 1987). However the average total revenues increased from 1982 when they were \$266,600 to \$526,800 in 1987 or \$448,722 adjusted for inflation in 1987 (a 68% increase).¹

Aggregate Financial Statistics for Nonprofit Dance Groups

Due to the fact that the Census Bureau holds the identification of individual organizations in confidence (thus preventing the construction of control groups of specific organizations from two or more censuses), it is impossible to draw conclusions about the "total" statistics from one census to another. However, averages can be calculated to find a "typical" organization. Then these averages can be compared from one census to another. To focus on the change, the figures below provide the percentage changes from 1977 to 1982 and from 1982 to 1987. This table was prepared by calculating averages, adjusting for inflation, and calculating the percentage change between years.

The figures show that the total revenue for an average dance group declined from 1977 to 1982 by 26.7%, but made up some of the drop by then increasing 10.9% from 1982 to 1987. Average admission receipts overall were down significantly for dance groups; sales of merchandise were down between 1977 and 1982 but rebounded by 1987 and were up by almost 300%. Services to the industry were up almost 400% between 1972 and 1982 and then dropped off 67% between 1982 and 1987, thus showing smaller overall growth. The large decrease in Arts Endowment and other government funding that occurred between 1977 and 1982 was offset partially by an increase between 1982 and

¹ Another source of income about nonprofit dance groups comes from the dance service organization, Dance/USA. (see Westat, Inc. A Sourcebook of Arts Statistics: 1989. A Report submitted to the National Endowment for the Arts, Washington, DC, April, 1990. Page 347.) Because service organizations usually gather statistics only on their members, data on numbers of organizations would not be expected to match. However, average revenues (income) or expenses might be similar. They are not in this case.

	Dance/USA Data: 1987	Census categories closest to Dance/USA data: 1987*
Number of Dance Companies	49	111
Total revenues/income (\$1,000)	not given	\$105,922.0
Average revenue/income (\$1,000)	-	\$ 954.3
Total Expenses (\$1,000)	\$134,000.0	\$107,073.0
Average Expenses (\$1,000)	\$2,734.7	\$ 964.6

* includes tax-exempt categories: ballet company, modern dance company

1987. Private giving from individuals was down over both periods; foundation giving was also down between 1977 and 1982 but slightly up in the 1982-1987 period; and business and industry giving and other non-government sources were up over both periods.

TABLE 3: Percentage Change in Revenue Items of All Nonprofit Dance Organizations (inflation adjusted averages)

	<u>1977-1982</u>	<u>1982-1987</u>
Admission receipts	-22.9%	-21.0%
Contract fees for entertainment	-14.5%	16.4%
Sale of merchandise	-30.2%	287.2%
Services to performing arts industry	397.6%	-67.4%
Other patron, contract fees	-37.4%	48.5%
Royalties, residual fees, subsidiary rights	(D)	(D)
Government contributions/grants:		
National Endowment for the Arts	-59.0%	31.7%
All other government sources	-56.6%	38.4%
Private Contributions/grants:		
Individuals	-24.5%	-11.2%
Foundations	-45.8%	12.3%
Business and industry	14.7%	45.5%
All other non-government sources	158.4%	9.1%
Other revenues	(D)	(D)
TOTAL REVENUES	-26.7%	10.9%

(D) means the data were withheld to avoid disclosure of individual organizations. The data, however are included in the totals.

Figures A and B below present pie charts of the percentages of total revenues from various income sources for nonprofit dance groups in 1982 and 1987. Admission receipts (ticket sales) had an overall decrease as a proportion of total revenue. In 1977, admission receipts had been 34% of the total; they increased to 36% of total revenue in 1982 and fell in 1987 to 26% of the total revenue. The big proportional increase was in other revenue (sales of merchandise, such as t-shirts and concessions [which almost tripled], contract fees, royalties, etc.) which doubled to 16% of the total revenue. The proportion from earned income (admission receipts, performance fees, and other) for dance groups saw almost no change: from 60% in 1982 to 59% in 1987. Private support fell slightly as a percentage of the total. Support from the national Endowment for the Arts had fallen by more than half from 1977 to 1982 when it was just over 2%; in 1987 it rose slightly to just below 3%. Additionally, state and local giving showed an increase in the percent of the total budget in 1987, bringing total support income to just over 40%.

Distribution of Revenues by Source Nonprofit Dance Groups: 1982

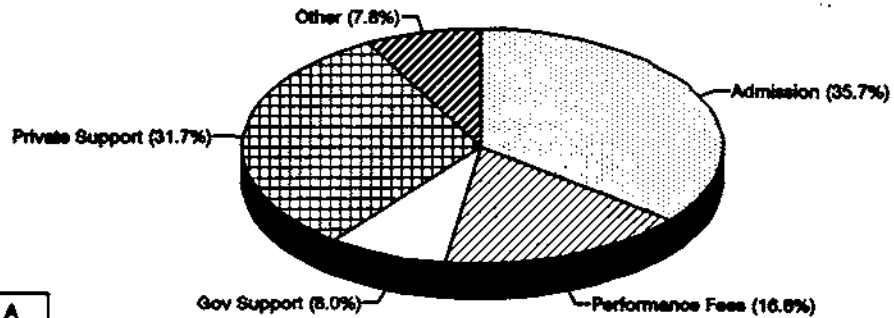


Figure A

Distribution of Revenues by Source Nonprofit Dance Groups: 1987

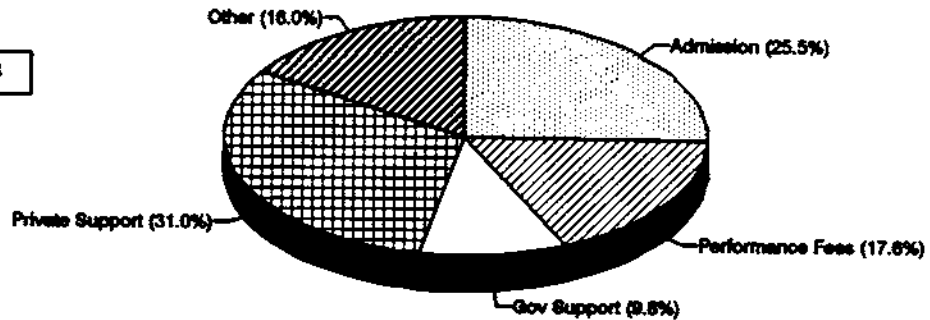


Figure B

Financial statistics similar to those above on nonprofit dance organizations overall are available for the more detailed categories of ballet and modern dance. However, since a number of organizations did not designate themselves, the data at this level reflects only the organizations that are counted in the designated category. Table B (at the end of this note) presents these statistics for ballet and modern dance companies. The top half gives the total amounts of each revenue source and some other statistics: the number of establishments in each category and the percent of total revenues accounted for. Other statistics include total expenses, percentage of revenues to expenses (a figure over 100% implies a surplus), and a percentage of contributions and grants (both government and private) to total revenues. The bottom half gives averages for the revenue sources.

The table below shows the income sources as a percent of total revenues. In 1987 nonprofit ballet companies registered a deficit, but it was a smaller percentage than in 1982. The average size of a ballet company was \$1.135 million. Revenue from admission receipts was 33% of total income while 13% came from contract fees for performances. Over 30% of total receipts came from private support and 7.4% came from government (2.1% from the Arts Endowment). Total contributions and

grants were up slightly from 37% in 1982 to 38% in 1987. Compared to 1982, admission receipts fell as a proportion of total income; Arts Endowment support and individual giving fell marginally. Contract fees and individual, foundation, and business giving all rose slightly. There was a large proportional rise in other revenues from 3% in 1982 to over 11% in 1987.

TABLE 4: Income Sources as Percent of Total Revenues for Nonprofit Dance Organizations: 1987

	Ballet Company	Modern Dance Company
Admission receipts	32.7%	8.9%
Contract fees for entertainment	12.8%	38.8%
Sale of merchandise	0.5%	(D)
Services to performing arts industry	0.2%	(D)
Other patron, contract fees	3.9%	(D)
Royalties, residual fees, subsidiary rights	(D)	(D)
Government contributions/grants:		
National Endowment for the Arts	2.1%	7.8%
All other government	5.3%	9.0%
Private contributions/grants:		
Individuals	10.9%	7.7%
Foundations	9.2%	9.7%
Business and industry	8.8%	5.9%
All other non-government sources	2.4%	(D)
Other revenues	11.2%	2.4%
TOTAL REVENUES (%)	100.0%	100.0%
(\$ 1000's)	\$ 88,538	\$ 17,384
Number of dance groups	78	33

(D) means the data were withheld to avoid disclosure of individual organizations. The data, however are included in the totals.

Modern dance companies present a different picture. The average total revenue for a modern dance company is a little over half a million dollars (\$526,800); as a group, these companies ran a small surplus. Only 9% of the total revenue came from admission receipts in 1987; this was down from 13% in 1982. Contract performance fees accounted for just under 40% of total revenue, the only performing art where this type of fee was greater than admission receipts (ticket sales). Government support was 17% and private support was 23%. The National Endowment for the Arts contributed 8% of the income to this category of dance. Compared to 1982, admission receipts were down significantly (about 1/3 or four percentage points). All other sources where data was disclosed were up except other government giving. All private giving categories rose as a proportion of total income.

Caveats and Notes about methodology: An Economic Census is conducted by the U.S. Bureau of the Census every five years. The reference years are the second and seventh year of the decade. The National Endowment for the Arts commissioned the Census Bureau to produce special tables of previously unpublished data collected in these censuses.

The universe of organizations that receive questionnaires is obtained from two sources: (1) filers of FICA reports (payroll tax report sent to the Social Security Administration and (2) filers of IRS business income tax or informational reports (Form 990). The counts of numbers of organizations and their receipts/revenues in the tables and the analysis probably understate somewhat the actual levels of activity that occurred for two reasons. First, very small dance organizations are likely not to be included, because they have no personnel who are "employees" and do not file Form 990's if their gross receipts are under \$25,000. Secondly, some dance companies are operated as subsidiaries of organizations that are in a different industry (such as colleges, universities, and art centers). These subsidiary dance groups would not be part of the Economic Census universe of performing arts organizations, but may be counted as part of the universe of higher education, or entertainment facilities.

Because the Census Bureau releases only aggregated information, thus making it impossible to construct control groups of the same organizations from one census to the next, direct comparisons from one census to the next should be made with caution. It is a common experience of ongoing periodic surveys that the survey process, especially the development of the universe, improves with each survey. This probably results in more organizations being included each time. So an increase may be due in part to better coverage. Also, over time, more organizations may have become FICA report or Form 990 filers. It is not possible to sort out the relative importance of the various factors for increases in numbers; therefore, characterizations of "growth" should be used cautiously.

The difference between "receipts" (used for taxable/for-profit establishments) and "revenues" (used for tax-exempt/not-for-profit establishments) is that revenues include contributed (or unearned) income such as grants and contributions from individuals, corporations, and governments. These monies can be accounted for by the organization over a period of years, making comparisons with data from funders difficult.

For further analysis, to compare real growth in total revenues, receipts, or expenses between the 1977, 1982 and 1987 censuses, the monetary figures of 1977 and 1987 can be adjusted using the GNP Implicit Price Deflator (1982 = 100). Figures for 1987 can be deflated by dividing them by 1.174, and those for 1977 can be inflated by dividing them by .674.

For more details on the economic censuses and discussion about other arts organizations, see **ARTS ORGANIZATIONS AND THE 1987 CENSUS OF SERVICE INDUSTRIES**. A copy of this report is available from:

Research Division
National Endowment for the Arts
1100 Pennsylvania Avenue, NW
Washington, DC 20506

Phone: 202-682-5432
FAX: 202-682-5528

TABLE A: NUMBER OF NONPROFIT DANCE GROUPS AND THEIR REVENUES (\$1,000) BY YEAR

Type of Organization	1977			1982			1987		
	Number of Establishmnts	Total Revenues	Average Revenues	Number of Establishmnts	Total Revenues	Average Revenues	Number of Establishmnts	Total Revenues	Average Revenues
Dance Groups and Artists	98	**	**	159	\$80,152	\$560.7	188	\$137,297	\$730.3
Ballet Company	39			58	\$59,919	\$1,033.1	78	\$88,538	\$1,135.1
Modern Dance Company	22			34	\$9,066	\$266.6	33	\$17,384	\$526.8
Folk/Ethnic Dance Company	4			10	(D)	(D)	8	\$798	\$133.0
Other Dance Group, Artist, Presentation	4			5	(D)	(D)	5	\$1,486	\$297.2
Dance Not Self-Designated*	29			52	\$17,850	\$339.4	66	\$29,091	\$440.8

NUMBER OF TAXABLE DANCE GROUPS AND THEIR RECEIPTS (\$1,000) BY YEAR

Type of Organization	1977			1982			1987		
	Number of Establishmnts	Total Receipts	Average Receipts	Number of Establishmnts	Total Receipts	Average Receipts	Number of Establishmnts	Total Receipts	Average Receipts
Dance Groups and Artists	425	\$5,410	\$12.7	142	\$27,125	\$191.0	97	\$32,981	\$340.0
Ballet Company	5	\$189	\$37.8	4	(D)	(D)	2	(D)	(D)
Modern Dance Company	1	(D)	(D)	2	(D)	(D)	2	(D)	(D)
Folk/Ethnic Dance Company	9	\$944	\$104.9	4	\$423	\$105.8	3	(D)	(D)
Other Dance Group, Artist, Presentation	15	\$4,277	\$285.1	23	(D)	(D)	23	\$6,141	\$267.0
Dance Not Self-Designated*	385	(D)	(D)	109	\$17,408	\$159.7	67	\$23,981	\$357.9

* Organizations in this group did not provide the specific classification.

** Revenues in 1977 were unavailable for this level of breakout.

(D) means that data are withheld to avoid disclosure of individual organizational data. The data, however, are included in the totals.

TABLE B: FINANCIAL STATISTICS AND INCOME SOURCES OF NONPROFIT DANCE CATEGORIES: 1987

<--- TOTAL AMOUNTS (\$1,000) --->

Type of Receipt/Revenue	Ballet Company	Modern Dance Company
Admission receipts	\$26,784	\$1,539
Contract fees for entertainment	\$11,283	\$6,745
Sale of Merchandise	\$425	(D)
Services to performing arts industry	\$186	(D)
Other patron, contract fees	\$3,404	(D)
Royalties, residual fees, subsidiary rights	(D)	(D)
Government contributions/grants		
National Endowment for the Arts	\$1,815	\$1,349
All other government sources	\$4,676	\$1,558
Private contributions/grants		
Individuals	\$9,601	\$1,346
Foundations	\$8,078	\$1,689
Business and industry	\$7,756	\$1,018
All other non-government sources	\$2,092	(D)
Other receipts/revenues	\$9,819	\$423
TOTAL CALCULATED REVENUES	\$87,919	\$15,667
Number of Establishments	78	33
Percent of total revenues reported*	99.3%	100.0%
TOTAL REVENUES (all Establishments)	\$88,538	\$17,384
TOTAL EXPENSES	\$89,937	\$17,136
Revenues/Expenses (%)	98.4%	101.4%
Contributions & Grants/Revenues (%)	38.4%	40.0%

<--- AVERAGE AMOUNTS (\$1,000) --->

Type of Receipt/Revenue	Ballet Company	Modern Dance Company
Admission receipts	\$371.6	\$46.6
Contract fees for entertainment	\$145.7	\$204.4
Sale of Merchandise	\$5.5	(D)
Services to performing arts industry	\$2.4	(D)
Other patron, contract fees	\$43.9	(D)
Royalties, residual fees, subsidiary rights	(D)	(D)
Government contributions/grants		
National Endowment for the Arts	\$23.4	\$40.9
All other government sources	\$60.4	\$47.2
Private contributions/grants		
Individuals	\$124.0	\$40.8
Foundations	\$104.3	\$51.2
Business and industry	\$100.1	\$30.8
All other non-government sources	\$27.0	(D)
Other receipts/revenues	\$126.8	\$12.8
TOTAL RECEIPTS/REVENUES	\$1,135.1	\$526.8

* includes figures that are in (D), "not disclosed amounts"

(D) means that data are withheld to avoid disclosure of individual organizational data. The data, however, are included in the totals.