

SPECIAL REPORT

EXPENSES

Total operating expenses for the 37 Sample theatres increased over 12 percent during the 1984 season, well ahead of the inflation rate of 3.1 percent for the corresponding period, representing real growth and expansion. However, the growth in total income failed to keep pace with the increase in expenses, resulting in a substantial collective deficit for the third year in a row.

Taken together, all salaries, fees and fringe benefits, along with authors' royalties and commissions, accounted for more than 60 percent of total 1984 expenses, an expression of the traditionally labor-intensive nature of the theatre.

Total salaries, fees and fringe benefits increased nearly 14 percent while the total number of individuals employed in the workforce remained constant at the 1983 level. The 1984 increase in personnel expenses is clearly a result of increased compensation.

Artistic salaries have remained the largest single budget item for these theatres over the past five years — one-fourth of all expenses. Total artistic salaries (including acting, directing, design and stage management personnel as well as literary staffs and production managers) increased by more than 11 percent in 1984.

Although total expenditures for artistic salaries have increased by more than 62 percent since 1980, as a portion of the season's total expenses their share has declined by just over one percent, a reflection of costs having increased more rapidly in other areas. By comparison, salary costs for production/technical personnel have grown 78.5 percent and administrative salary costs have grown 82.5 percent over the past five years.

The number of actor work-weeks rose by nearly 5 percent in 1984, including an encouraging increase of 10 percent in the number of actors contracted for the full season, rather than for individual productions. In recent years, mounting financial pressures had severely threatened the continuation of the resident company concept as most theatres sought to contain mushrooming expenses through greater use of jobbed-in actors and the mounting of small-cast plays. The 1984 figures represent progress toward reversing this trend, with the total number of actors employed for the full season at a five-year high. Nevertheless, much growth would still be required before companies could have a complete cadre of artists necessary to rehearse and present large-cast plays from the repertoire on a regular basis.

The growing number of new positions for full-time literary managers, production managers and associate artistic directors, as well as the continued trend of employing more directors, set, costume and lighting designers on a per-production, rather than seasonal, basis has increased the total number of non-acting artistic personnel by more than 21 percent.

During 1984, total technical and production salaries increased more than any other compensation category. The nearly 22 percent rise is a real gain for these employees, considering the simultaneous 3 percent decrease in the total number of technical and production personnel employed.

The total technical and production workforce for the Sample theatres has increased 17 percent over the five years — a reflection of both increased production activity and the expanded technical requirements of new or expanded facilities occupied by 6 Sample theatres since 1980. The 1984 salary gains redress the disproportionately low growth seen in the previous season, when technical and production salaries lagged far behind increases registered in the artistic and administrative categories.

During 1984, total salaries for administrative staffs, which include business managers, public relations and marketing departments, box office and house management personnel, fund-raising and audience development staffs, and a growing number of data processing managers, increased by 12 percent.

The growing dependence on earnings and fund-raising, and the larger administrative staffs required to nurture growth in income, is reflected in the 30 percent increase in the number of administrative employees over the past five years. However, administrative staffs responsible for box office, marketing and fund-raising, as well as a host of other management activities, grew by only 4 percent in 1984, the smallest increase in the five-year period. The much slower growth in the number of administrative employees during the 1984 season indicates that structures for the generation and administration of new and increased sources of earnings and contributions have

TOTAL EXPENSES

In thousand \$	1980	1981	1982	1983	1984
Salaries:					
Artistic	16,479	18,489	21,482	24,047	26,717
Administrative	11,049	13,127	15,833	17,992	20,169
Technical	9,153	11,577	13,028	13,442	16,346
Total Salaries	36,681	43,193	50,343	55,481	63,232
Authors' Royalties	1,406	1,617	1,972	3,113	2,878
Non-personnel Expenses					
	25,572	32,351	34,058	38,550	42,905
Total	63,659	77,161	86,373	97,144	109,015

PERCENT CHANGE IN EXPENSES

In percentages	80-81	81-82	82-83	83-84
Salaries:				
Artistic	12.2	16.2	11.9	11.1
Administrative	18.8	20.6	13.6	12.1
Technical	26.5	12.5	3.2	21.6
Total Salaries	17.8	16.6	10.2	14.0
Authors' Royalties	15.0	21.9	57.9	-7.5
Non-personnel Expenses				
	26.7	5.0	13.2	11.3
Total Expenses	21.2	11.9	12.5	12.2