

SAMPLE GROUP

37 THEATRES OVER 5 YEARS

An analysis of trends in theatre finances and productivity is valid only when conducted with data from a constant group of theatres over a specific arc of time. For this report, 37 of the theatres participating in the TCG Survey for each of the past five seasons were selected as the basis for a detailed discussion of income, expenses and productivity trends. The 1984 Sample Group was chosen to reflect geographic, financial and aesthetic diversity.

In 1984, the budgets of these 37 theatres ranged from \$1.0 million to \$7.5 million. Together they constitute nearly two-thirds of all professional theatres this size in the TCG constituency and nearly half the financial activity of all 230 theatres participating in the 1984 survey.

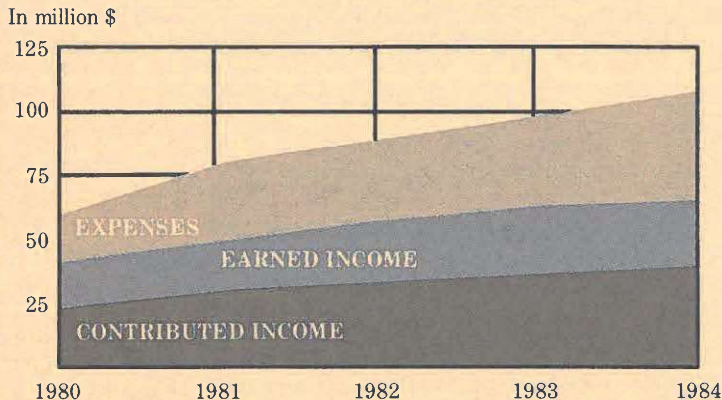
Survey Universe figures are intended to provide a general overview of the combined activity of all 230 theatres during the past year, while the Sample Group statistics provide viable year-to-year comparisons to examine trends over the period between 1980 and 1984. In addition to dollar totals and annual percent changes in all major income and expense categories, the Sample Group information includes compounded growth rates. This standard analytical technique calculates the average annual economic growth as if there were no inflation. This approach yields a more accurate picture of the field's development over the five years, and the comparison of current dollars to constant, or non-inflated, dollars provides a realistic measure of gains made during this time.

Total earnings have paid for nearly two-thirds of all operating expenses—the highest earnings ratio in any of the nonprofit performing arts—throughout the five

years. At the same time, the other one-third of the costs, known as the "earnings gap," has remained to be filled by grants and contributions.

Contributions have not been able to close the growing gap between expenses and earnings for the past three years, resulting in a substantial collective deficit for these theatres. While inflation has fallen sharply from the double-digit levels seen during the 1980 season, a radical shift in philanthropic support from both public and private sources over the five years has failed to assure stability.

COMPARISON: EXPENSES TO EARNED AND CONTRIBUTED INCOME



Percent Change	80-81	81-82	82-83	83-84
Expenses	21.2	11.9	12.5	12.2
Earned Income	20.9	12.3	13.5	10.7
Contributed Income	15.5	8.5	10.2	13.2