

EARNINGS

Total earned income for the 37 Sample theatres grew by almost 11 percent during 1984 and paid for nearly two-thirds of the season's expenses. The season was notable for five-year highs in total attendance and subscription figures, in addition to a record number of productions and performances for both mainstage and ancillary offerings, which include children's plays, second stage productions and staged readings. The expansion of productivity during the past two seasons has helped to offset the dismal effects of the 1981-82 season, when the number of productions and performances were reduced as managements sought to cut the spiraling growth in expenses following a prolonged period of high inflation and growing deficits.

The growth in 1984 earnings is due primarily to increased box office revenues resulting from a dramatic increase in the subscription audience, as well as from a moderate increase in ticket prices.

BOX OFFICE

An extraordinarily strong demand for subscription tickets, as well as good business at the single-ticket window, provided more than three-quarters of all 1984 earnings for these theatres. Total box office receipts grew almost 11 percent, and these earnings paid for nearly half the season's expenses.

Subscription sales have remained the single most important source of income for these theatres, exceeding single ticket sales substantially each year through the five-year period. The remarkable growth of more than 30 percent in the total number of individuals purchasing advance season tickets for the year's offerings produced a 15.5 percent increase in subscription income.

The established goal of developing and serving ever-broader audiences through maintenance of moderate ticket-pricing policies was reaffirmed by these theatres during the 1984 season, as the increase in the cost of subscription tickets was the lowest in five years. The average cost of a prime subscription seat rose to \$15.10, up 9 percent over 1983's \$13.85 top. The average low-cost subscription seat went for \$6.15, an increase of 5 percent

from 1983's \$5.85. By comparison, during both the 1982 and 1983 seasons, subscription prices increased between 15 and 25 percent each year, as managements struggled to fill the widening gap between income and expenses.

The growth in subscription income during 1984 is largely the result of a dynamic expansion in the mainstage subscriber base. Intensified marketing efforts—particularly the use of highly organized telemarketing campaigns to supplement traditional direct-mail efforts—produced an unprecedented increase in the number of committed season ticket holders. The resulting average subscriber base of 17,341 per theatre represents a marked increase from the average of 13,169 just a year earlier. Slightly more than 53 percent of all available seats were occupied by subscribers in 1984—a notable increase from 1983's subscriber capacity of 51 percent.

For the first time in five years, single-ticket revenues grew at a considerably slower rate than did subscription income. The 4 percent increase in single-ticket revenues during 1984 is a striking departure from the three previous seasons when single-ticket price increases ranged from 16 to 24 percent each year. Non-discounted single tickets ran from an average \$8.70 low to an \$18.15 high in 1984, an increase of 8 and 11 percent respectively, from 1983's \$8.05 to \$16.35 average spread. Mainstage paid capacity held even at an extraordinarily high 78 percent in 1984. The current annual average of 278 mainstage performances and an additional 72 ancillary resident performances per theatre represents an ambitious level of programming. These theatres, unlike many performing arts organizations producing limited seasons, are working at optimum levels, rehearsing and presenting an average of 10 performances each week during seasons which average 37 weeks of resident performance activity. When touring and booked-in events are added, these theatres, for the most part, are serving audiences year-round.

TOURING

Only five years ago, considerable time and money were spent serving audiences away from the theatres' home communities—in cities and towns where the work of these touring theatres was often the audience's only live exposure to theatre.

In 1984, only 20 of the 37 Sample theatres engaged in any sort of touring activity, and for those that did, growth in income in this category failed even to keep pace with inflation. The less than 3 percent increase in touring revenues in 1984 follows similar slight gains in the past seasons. However, both touring activity and the revenues which support it remain well below levels seen in 1980, when 25 of these theatres went on tour.

The total number of performances on tour during 1984 increased by a little more than 4 percent, but the number of productions on tour was identical to the 1983 count. The amount of touring activity remains far below the five-year high seen in 1980, and the audience served through touring represents a decrease of 34 percent from 1980.

Over the past four seasons, as direct financial support from the public and private agencies traditionally supporting touring productions has declined, theatres have become less willing to invest their limited funds in serving audiences away from their own communities. During the 1984 season, a considerably larger portion of the associated costs were therefore borne by the sponsors and by the audiences through ticket sales.

EARNED INCOME

In thousand \$	1980	1981	1982	1983	1984
Box Office	29,572	34,442	40,279	48,489	53,617
Touring	2,509	3,165	2,222	2,307	2,369
Booked-in Events	2,076	3,600	2,623	2,231	1,665
Educational Programs	1,743	1,794	1,886	2,303	2,545
Interest & Dividends	1,326	1,648	2,088	1,828	1,690
Endowment Income	430	526	880	939	900
Royalty Income	621	741	534	333	406
Concession/Advertising	1,526	1,829	1,850	2,172	2,698
All Other	895	1,446	2,865	2,088	3,507
Total	40,698	49,191	55,227	62,690	69,397