

# SPECIAL REPORT

Professional Companies category grant has grown from \$23,684 in 1981 to \$38,005 in 1984, the number of recipient companies has fallen by over 37 percent, from a high of 304 in 1981 to 191 in 1984. These figures clearly reflect a shift in priorities both in the allocation of funds and in the scope and composition of the grantee pool.

Challenge grants, which are intended to increase other forms of giving through a matching requirement, are generally awarded to help eliminate accumulated deficits, build cash reserves, and initiate or expand endowment drives and capital building projects. The program is highly competitive; the number of recipients is small, while the individual grant amounts are high. Few theatres reaped any benefit from the augmented funds in 1984, as the increase in federal support was due entirely to \$700,000 received by only two of the Sample theatres.

While Sample Group expenses are 71 percent greater today than they were five years ago, federal funds have increased only 30 percent. Private foundation funding is the only other major source of contributed income that has failed to match the growth of these theatres. Although the federal funding picture for the Sample theatres has become increasingly gloomy, it is a good deal brighter for these 37 theatres—among the nation's largest and most firmly established theatre institutions—than for most of the remainder of the field. Since 1980, Sample theatres have received an average of over 52 percent of all funds available through the Theatre Pro-

gram's Professional Companies category. Obviously, the remainder of the field has fared much worse.

The decline in federal support to the Sample theatres in both 1982 and 1983 followed similar reductions in the Theatre Program's budget during both those years. The 1984 budget for the National Endowment for the Arts was increased more than 12 percent from \$143.9 million to \$162 million, as widespread advocacy efforts produced strong congressional support, which defeated attempts by the Reagan Administration to effect additional cuts in federal arts funds. Consequently, the Theatre Program allocation grew to \$10.6 million. While this figure was a considerable improvement over 1983's \$8.3 million (excluding forward funding adjustments), it still remains below the fiscal 1981 level of \$10.8 million.

Any positive impact on the Sample theatres anticipated as a result of the Theatre Program's increased 1984 allocation failed to materialize during the 1984 season, as NEA funds are most often awarded to support the following season. The effects of the 1984 Theatre Program increase—much of which was directed toward new initiatives, rather than augmented company support—will therefore not be seen clearly until next year's Survey. In particular, the Theatre Program's first round of Ongoing Ensemble grants, which provided \$1.3 million to help eight theatres develop or strengthen an ensemble approach to their work, was made after the conclusion of the current survey period.

## COMPARISON: CONTRIBUTED INCOME

