



Research Division Note #21 - February 27, 1987

8,322 PERFORMING ARTS ORGANIZATIONS (EXCLUDING MOTION PICTURES)
REPORT 1982 RECEIPTS/REVENUES OF \$4,399,200,000

The 1982 Census of Service Industries (a part of the five-year Economic Census), conducted by the U.S. Bureau of the Census, counted 1,610 nonprofit (tax-exempt) performing arts organizations with combined receipts/revenues of \$1,098,099,000. The 1982 Census also found 6,712 for-profit (taxable) performing arts organizations with combined receipts/revenues of \$3,301,101,000. These amounts exclude motion pictures. The 1982 and 1977 Census counts of numbers of nonprofit and for-profit performing arts organizations and their receipts/revenues (\$ current) are:

	1982		1977	
	Tax-exempt	Taxable	Tax-exempt	Taxable
Totals	1,610 \$1,098,099,000	6,712 \$3,301,101,000	1,228 \$ *	6,721 \$1,768,204,000
Producers of live theatrical productions	715 \$ 370,059,000	873 \$ 750,487,000	508 \$ 154,972,000	750 \$ 304,100,000
Dance groups	159 \$ 89,152,000	142 \$ 27,125,000	98 \$ 50,793,000	425 \$ 20,660,000
Classical music organizations	423 \$ 477,209,000	61 \$ 17,911,000	331 \$ 232,124,000	87 \$ 10,302,000
All other live performing arts organizations	313 \$ 161,679,000	5,636 \$2,505,578,000	291 \$ *	5,459 \$1,058,627,000

*receipts/revenues not available

Producers of live theatrical productions include: resident theater; stock theater; Broadway productions and road shows including similar productions outside N.Y.C.; off-Broadway productions including H.A.T., B.A.T., off-Loop, and similar productions; off-off-Broadway productions including similar productions outside N.Y.C.; children's theater; dinner theater; community theater; and a diverse misc. theater activity group.

Dance groups include: ballet; modern dance, folk/ethnic dance; and misc. dance presentation groups such as tap, ballroom, etc.

Classical music organizations include: opera; symphony orchestra; and chamber music organizations including chamber orchestras.

All other live performing arts organizations include: dance or stage orchestras; jazz music groups; folk, popular, rock, soul, country and western, rhythm and blues, etc. presentations; and such theatrical activities as vaudeville, ice shows, and mixed types of live entertainment (except sports).

Future Research Division Notes will examine fine details and report on subcategories such as: resident theaters (LORT), symphony orchestras, opera companies, ballet companies, modern dance companies, and others of special interest to the Arts Endowment. Also to be covered in future Notes are the state by state locations of performing arts organizations and the respective receipts/revenues. The table on page 1 of this Note presents only the findings for the aggregates. The information that follows in this Note is further restricted to the nonprofit sector (tax-exempt).

The period between the economic censuses of 1977 and 1982 was a time of great financial stress for the U.S. and the data should be considered in the light of these difficulties. The period covered started in 1978 and 1979, the years of the 'double digit inflation,' and ended in 1982 when a major recession was in progress. This major recession had its start (peak) in July of 1981 and its lowest point (trough) in November of 1982. The data collected for 1982 indicate that each category of nonprofit performing arts organizations increased in numbers, but for reasons explained in the Caveat section, these changes cannot be attributed solely to growth. Total receipts/revenues of nonprofit performing arts organizations, after an inflation adjustment, increased for the average live theater producer and classical music organization but decreased for the average dance group (see table on page 3).

Direct comparisons of 'change' cannot be made between 1977 and 1982. The Bureau of the Census holds the identification of individual organizations in confidence so it is not possible to construct control groups. However, it is possible to make certain comparative observations about the proportions of the components of receipts/revenues in 1977 and 1982, and to calculate averages (central tendency) as a method for describing change for the 'typical' organization.

When nonprofit producers of live theatrical productions are considered in aggregate, 62 percent of total receipts/revenues in 1982 came from admissions receipts compared with 66 percent in 1977. Most other shifts in the proportion of income sources were small. The proportion of aggregate support from the National Endowment for the Arts slipped from 3 percent in 1977 to 2 percent in 1982.

For the aggregate of nonprofit dance groups, the proportions of the components of income in 1977 and in 1982 were fairly similar. Admission receipts were 36 percent of all income in 1982 compared with 34 percent in 1977. Contract fees for providing performances were 17 percent in 1982 compared with 14 percent in 1977. Support from the National Endowment for the Arts slipped from 4 percent in 1977 to 2 percent in 1982, and support from all other government sources slipped from 9 percent in 1977 to 6 percent in 1982. Private contributions continued at the same proportion from individuals at 13 percent but declined from foundations from 13 percent in 1977 to 10 percent in 1982. Business/industry contributions, on the other hand, increased from 4 percent in 1977 to 6 percent in 1982.

For the classical music organizations, the changes in proportions of aggregate income sources from 1977 to 1982 were fairly small. Admission receipts accounted for 37 percent of income in 1977 compared to 38 percent in 1982. National Endowment for the Arts support declined from 5 percent in 1977 to 3 percent in 1982. Support from all other government sources remained at the same 7 percent proportion of receipts/revenues.

When averages are calculated to find the 'typical' organization in each of the three groups, some fairly substantial changes show up from 1977 to 1982. The method used was to calculate the average for each receipt/revenues line of the three performing arts categories by dividing the total for each income line by the number of organizations. This was done for both 1977 and 1982. In a next step, the 1977 average data were adjusted for inflation (1982=100). The inflation adjusted 1977 data were then compared to 1982. The results of these calculations are presented in the following table summarizing 1977-1982 percentage changes in the average organization's components of receipts/revenues. It shows that the average nonprofit producer of theater increased total receipts/revenues by 14.2 percent. For the average nonprofit dance group, total receipts/revenues declined by 26.7 percent, and in the average classical music organization, total receipts/revenues increased by 8.3 percent.

The following table shows 'change' of each receipts/revenues (inflation adjusted) line item from 1977 to 1982 for the average ('typical') nonprofit organization.

	Average Nonprofit Theater Producer	Average Nonprofit Dance Group	Average Nonprofit Classical Music Organization
Total Receipts/Revenues	14.2%	-26.7%	8.3%
Admission receipts	6.2	-22.9	12.4
Contract fees for entertainment	102.4	-14.5	-21.9
Sale of merchandise	60.7	-30.2	4.2
Services to performing arts industry	33.2	397.6	174.5
Other patron, contract fees	75.1	-37.4	1.1
Royalties, Res. fees, subs. rights	-85.0	(D)	-25.2
Government contributions/grants			
National Endowment for the Arts	-3.2	-59.0	-26.4
All other government sources	1.1	-56.6	6.1
Private contributions/grants			
Individuals	37.7	-24.5	0.5
Foundations	-9.1	-45.8	-12.0
Business/industry	101.9	14.7	80.4
All other non-government sources	-17.5	158.4	-32.6
Other revenues	78.3	(D)	57.3

(D) Data has been withheld to avoid disclosure for an individual dance group. The data is included in the calculation for the total receipts/revenues.

Admissions receipts in real terms (inflation adjusted) increased for the average theater and the average classical music organization but decreased for the average dance group. The combined effect in all three categories was an increase of 4.7 percent for the overall average change in admissions receipts.

The results for contributions show that the average organizations' real (inflation adjusted) support from the National Endowment for the Arts decreased in each of the three categories. Government sources other than the National Endowment for the Arts increased support in the case of the average theater and the average classical music organization but decreased for the average dance group.

Private contributions and grants increased or decreased differently for the average organization in the three categories of performing arts organizations. Only business/industry support increased in real terms for all three categories of performing arts organizations. (A cautionary note: The table on page 3 includes a few very large percentage changes. These are always because the base for the changes were small. In other words, the few very large changes are found in the small income components where small increases or decreases in absolute amounts calculate out to be large percentage changes.)

CAVEATS: The universe of organizations that receive questionnaires in the five-year economic census is obtained through the use of two sources. One source is filers of FICA reports, the other is filers of income tax forms (both for-profit and not-for-profit organizations). Performing arts organizations that do not submit either an FICA report or an IRS income tax report are not likely to receive a census questionnaire. Furthermore, many performing arts organizations operate as subsidiaries of larger organizations that may not be primarily in the performing arts, such as a museum or a university. In such cases, the larger organization is the one that receives the census questionnaire and its response will be classified in terms of its primary activity which may not be performing arts. For such reasons, the counts of numbers of organizations and their receipts/revenues presented in this Note are likely to understate the levels of activity that occurred in 1977 and 1982.

The data reported in the Note shows some substantial increases in numbers of nonprofit organizations from 1977 to 1982. These increases may be attributed to several causes, such as: growth in numbers of organizations, improvements in reporting, and apparent enlargement of the universe because greater numbers of organizations filed FICA reports and income tax reports. It is not possible to sort out the relative importance of these several factors and therefore the increases of numbers of nonprofit organizations shown in this Note should not be characterized as 'growth'.

For more details on the system of collecting this information and for illustrations of the questionnaires, see Horowitz, Harold, "The Arts in the National Income and Product Accounts," The Economics of Cultural Industries, Vol 1, Proceedings of the Third International Conference on Cultural Economics and Planning, April 25-28, 1984; University of Akron, 1984. A copy of this article is available on request from the Research Division.