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National Center for Arts Research: Volume Two Report

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The Report

Welcome to the second NCAR Report, in which we share evidence-based insights into the health of US arts and cultural organizations. There is no one-size-fits-all performance measure or objective for such a diverse field, only answers to relevant questions that provide an array of useful measures and vantage points. Some anomalies also point to additional questions to explore. **We care about numbers, not for their own sake, but because we believe that healthier arts and cultural organizations will have more resources to invest in artistic and cultural offerings and in community engagement.**

All feedback, questions and comments are welcome, so please let us hear from you!

We organize the report into five broad sections.

1. Modeling the Arts & Culture Ecosystem — Page 3

We conceptualize the arts and culture ecosystem as a set of interdependent relationships among individual artists, arts organizations, their communities and audiences, and the cultural policies that influence the production and consumption of arts and culture. This section documents our data sources and details both how we organize arts & culture organizations into 11 arts sectors and how we organize them by size. We also provide details on how we created the spatial model that mathematically models the distances between arts & cultural organizations and their communities and audiences.

2. Reporting on Average Performance — Page 11

For each of the 26 indices, we report and provide highlights on the 2012 results for: 1) the average for all arts and cultural organizations, 2) the average by arts and cultural sector, and 3) the average by organizational size (i.e., total operating budget). In each case we report the index average (a ratio) as well as the average for its component parts: the numerator and denominator of the index (each a general number). We then report the index average by geographic market cluster and provide some additional traits of these clusters. For those who want to see what averages were in prior years, we provide the index averages for 2008 through 2011.

3. What Drives Performance — Page 84

We don't want to only report on 'what performance was,' we want to dig deeper to see what drives performance on every measure. Combining organizational data with our spatial model, we examine a host of predictors of performance for the numerators and denominators used in the indices. These predictors include the organizational activities, practices and decisions that impact performance. But arts and cultural organizations don't operate in a vacuum, they operate in communities. So, we use the spatial model to explore community and cultural policy factors that positively or negatively impact performance.

4. Identifying High Performance and Key Intangible Performance Indicators (KIPIs) — Page 136

The same models that examine what Arts & Culture Ecosystem factors predict performance also produce Key Intangible Performance Indicators (KIPIs) that estimate the intellectual capital – i.e., unobservable managerial and artistic expertise – that drives organizational performance on each index.

5. Where We Go From Here Page 146

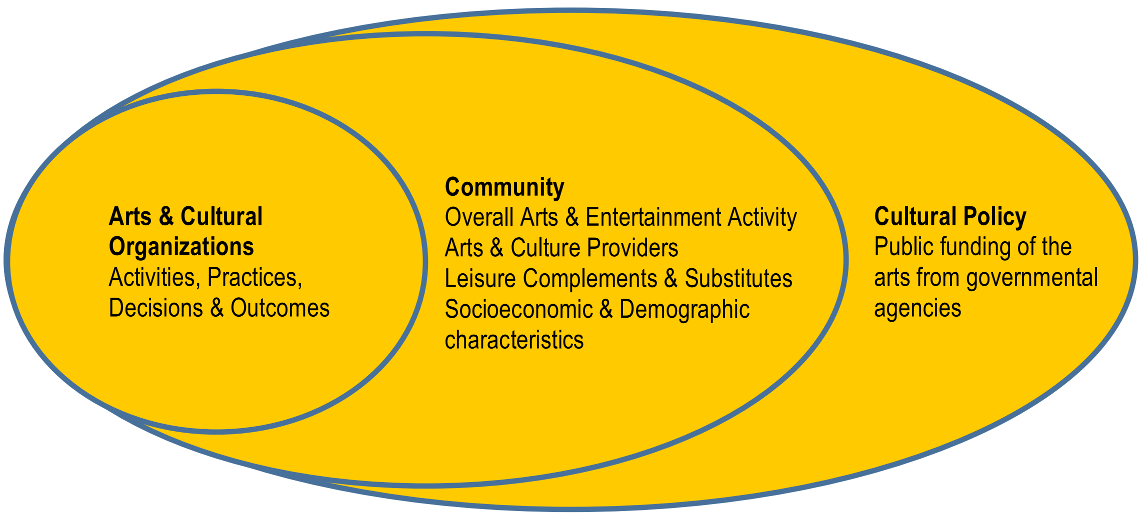
Going forward, we will integrate new data as they become available, continue to refine our analytic techniques, and examine the additional indices that you are most interested in. We also are working with IBM to bring you an online dashboard that will provide you with your organization's individual KIPI scores.

Modeling the Arts & Culture Ecosystem

To advance our mission and answer important questions about the health of arts and cultural organizations, we are building a database that allows us to create a data-driven model of the US arts ecosystem. This will be an ongoing effort that will evolve over time. In this section, we describe our efforts to date along with initial results.

The Arts & Culture Ecosystem features a complex and interdependent set of relationships among: 1) arts organizations; 2) their communities, reflecting the people who live there, the artists and arts and cultural organizations, and local complementary or substitute businesses and organizations; and 3) the cultural policies that influence the production and consumption of arts and culture (see Figure 1).

Figure 1: Modeling the Arts & Culture Ecosystem



To understand what drives the performance of individual arts organizations that reside in distinct communities around the country, we attempt to model all of these different factors. Doing so requires collecting, integrating, and aggregating data from a variety of sources. At present, our data collection covers fiscal years 2007-2012 and our models and results focus on performance in 2008-2012, with data from 2007 acting as a baseline.

Arts and Cultural Organization Data

We have arts and cultural organization data from three distinct sources:

- The National Center for Charitable Statistics (NCCS)
- The Cultural Data Project (CDP)
- Theatre Communications Group (TCG)

By cross-referencing these distinct data sources, we have identified 55,449 unique arts and cultural organizations that reported activity during fiscal years 2007-2012. These 55,449 organizations form our Organizational Index database, which includes addresses, longitudes, latitudes, and overlapping organization identification numbers when an organization appears in multiple datasets. We went line-item by line-item in the organizational surveys to match responses to the same question asked in multiple surveys, determining whether the survey question was asking for identical information or whether it would be possible to create exact equivalents with the information available.

As discussed in the section on spatial modeling, the longitudes and latitudes allow us to model the geographic proximity of arts and cultural organizations to each other, to other complementary or substitute business activities (e.g., hotels and restaurants), and to potential audiences that live within the organization's trading radius.

The organizational data sources vary in terms of population coverage and in terms of data completeness. Data from the National Center for Charitable Statistics (NCCS), which collects and disseminates data from IRS 990 tax form filings, provides the most complete coverage. The number of arts and cultural organizations filing IRS form 990s varies each year, ranging from a low of 38,861 in 2007 to 42,550 in 2011. CDP provides the most complete data, collecting more than 1200 data points for individual arts organizations on an annual basis. CDP's current coverage is 13 states and the District of Columbia. From 2007-2012, the CDP data represent approximately 30,000 individual records for some 15,000 organizations. Some organizations respond to the CDP survey only once; perhaps some of these organizations no longer exist. Other organizations have responded 2-3 years, reflecting the roll-out of CDP's services over time. And we have detailed CDP data for many organizations for 4-6 years.

We use the organizational data for two purposes.

1. To model Arts & Cultural Organizations' activities, practices, decisions, and outcomes, as depicted in Figure 1. Only the CDP and TCG data are comprehensive enough for this purpose. Because TCG data are limited to a single arts sector, our Arts Ecology modeling efforts tend to focus on CDP-covered markets.
2. To model total arts and cultural activity at the Community level, as depicted in Figure 1. Some measures appear in all three data sources. When that occurs, our default is to use the CDP measure if it exists. If not, we then use the TCG measure. Finally, we use the IRS measure. We combine four measures of total arts and cultural activity in the Community, specifically Total Assets, Total Expenses, Total Contributed Revenue and Total Program Revenue. We also incorporate a measure of the number of organizations in each arts and culture sector.

The resulting company database features more than 230,000 unique records for the five-year (2008-2012) period -- more than 46,000 organizations per year. We modeled the Arts and Culture Ecosystems nearly 300 metropolitan and micropolitan statistical areas. In 2012, these markets represented 69% of the US population. Our coverage will increase with time, and the findings presented in this report should be interpreted within the context of our current reach and coverage.

Community Data

As noted above, we used Arts and Cultural Organization data to model total arts activity in the Community. We also collected Census Bureau data to create a more complete model of the Arts Ecology at the Community level. These Census Bureau measures include:

- Arts-related estimates of the number of arts and entertainment organizations, number of employees at arts and entertainment organizations, and number of independent artists;
- Leisure complements & substitutes: e.g., number of hotels, restaurants, cinemas, and sports teams.
- Individual-level estimates: for example, total population, per capita income, the percentage of individuals with college degrees, and the percentage of individuals in the labor force;
- Household-level estimates: for example, percentage of households with income greater than $200,000;

We included data from the Internet Broadway database so that we can examine the effects of arts-related tourism in New York since it is such a large anomaly in the arts and culture ecosystem.

The Community data estimates were collected on an annual basis and geocoded by longitude and latitude at the census tract or zip-code level. These measures combined to create a Spatial Model with 215,000 records, representing data for roughly 40,000 zip codes over five years. We did this because arts organizations don't exist in a vacuum. Geocoding lets us match each organization to its local market and examine how much that market's characteristics affect the organization, and in what ways.

Cultural Policy Data

We model the effect of Cultural Policy using measures of grant-making activity from federal and state agencies, specifically:

- Using data from the National Endowment for the Arts and Institute of Museum and Library Services, we incorporate the number of grants and level of Federal funding for the Community.
- Using data from the National Association of State Arts Agencies, we incorporate the number of grants and level of State funding for the Community.

Building a Spatial Model: Arts and Cultural Organizations and a Sense of Place

A spatial model is a mathematical representation of a geographic marketplace, what is frequently referred to as a trade area in retail terminology. The basic idea is that most customer patronage is constrained by geographic distance; in other words, consumers prefer to limit travel distance when making purchases. By extension, most arts patronage occurs on a local basis, which implies that competition for nonprofit arts and cultural patronage also occurs mostly within a limited radius. At the same time, there should be some allowance for arts and cultural patronage and competition effects beyond the immediate trade area.

To mathematically model trade areas, we calculated geographic distances between every arts organization in our database and every zip code and census tract, using the centroid longitude and latitude. We then applied the following weighting model to reduce the importance of more distant zip codes and census tracts.

$$\frac{1}{1 + (d/10)^2}$$

Where *d* equals the distance in kilometers.

This weighting formula produces the following weights and spatially-adjusted market sizes, assuming 10,000 people and 100 competitors in census tracts located 1 kilometer, 10 kilometers, and 100 kilometers away from the focal organization.

Distance	Weight	Of 10,000 people, the number in the organization's trade area	Of 100 competitors, the number in the organization's trade area
1 kilometer (.6 miles)	≈ .99	9,901	99
10 kilometers (6.2 miles)	≈ .50	5000	50
100 kilometers (62 miles)	≈ .01	99	1
1000 kilometers (620 miles)	≈ .0001	1	.01

The implication is that demand and supply effects diminish as distance increases. We ignored effects for census tracts further than 1000 kilometers.

Table 2 (below) highlights two interesting features of the spatial model that are consistent with intuition. Rather than show the data for individual organizations in different markets, we have grouped organizations into 9 clusters of markets that are similar to each other. Five very large markets (including the combination of Washington-Arlington-Alexandria and Bethesda-Rockville) stand on their own.

Table 2: Spatially-Adjusted Markets

Market Cluster	Average Population	Spatially-Adjusted Population	Average # of Arts Organizations	Spatially-Adjusted # of Arts Organizations
New York	14,097,606	4,784,491	3396	2,100
Los Angeles	9,962,789	2,194,118	1688	456
Chicago	7,318,387	1,735,019	1450	533
San Francisco	1,565,174	1,155,466	907	682
Washington-Arlington-Alexandria & Bethesda, MD	2,930,171	1,302,547	715	508
Larger Markets (e.g., Anaheim, CA; Minneapolis, MN; Phoenix, AZ; Riverside, CA; San Diego, CA)	4,303,821	947,255	449	169
Medium-sized Markets (e.g., Boston, MA; Columbus, OH; Philadelphia, PA)	2,275,394	857,131	361	210
Small Markets (e.g., Albany, NY; Allentown, PA; Tucson, AZ)	1,058,852	505,470	155	98
Very Small Markets (e.g., Akron, OH; Ann Arbor, MI; Santa Cruz, CA)	259,933	206,193	37	41

First, spatially-adjusted population and competition are relatively higher in markets featuring greater density and relatively lower in markets featuring less density. For example, our spatial model estimates that the trade area for the typical organization in New York features a population of 4.8 million people (34% of the population listed for the New York MSA in the 2012 census) and 2,100 competing nonprofit arts organizations (62% of the total number in our database). The trade area for the typical organization in Los Angeles, on the other hand, features a population of 2.2 million people (22% of the population) and 456 competing nonprofit arts organizations (27% of the total). The percentages reflect the fact that, in Los Angeles, the population and arts organizations are more or less equally dispersed geographically and that the arts organizations in New York are more concentrated in Manhattan than the population, which spills out into the surrounding boroughs. In San Francisco, the trade area for the typical organization features a population of 1.6 million people (74% of the total) and 682 competing organizations (75% of the total). San Francisco's population is concentrated and arts and cultural organizations exist throughout that concentrated area.

Second, when smaller, lower-density markets are located next to larger, higher-density markets, the spatially-adjusted population and competition numbers can be larger than the local numbers. In other words, the size of the trade area for a small market can exceed the size of its local market. This is true for customers but even more so for competition. Arts patrons and managers in smaller markets recognize the competition from arts organizations in nearby, larger markets. This is evident in the numbers for the very small markets like Akron, OH (40 miles from Cleveland), Ann Arbor, MI (40 miles from Detroit), and Santa Cruz, CA (30 miles from San Jose and 70 miles from San Francisco). The trade area for the typical organization in these markets features a population of 206,193 people (79% of the average population) and 41 competing nonprofit arts organizations (111% of the average number in the immediate market) because their trade area picks up the neighboring big city.

It is important to remember that this table is a gross simplification of the spatial database, which features nearly 200 spatialized measures for every arts organization in over 40,000 zip codes each year, from 2008-2012.

Organizing Organizations into Arts & Culture Sectors

We examined the data to see whether some arts and cultural disciplines hold similar enough characteristics to group them together into Sectors for purposes of our analysis. For example, should all museums be studied together or are there significant enough differences to warrant a separate look at art museums versus other museums (e.g., history, science, children's museums, etc.) in each analysis? Some sectors clustered but some stand out as unique enough to report on separately. The number of sectors and their clustering may change in future reports as we add data.

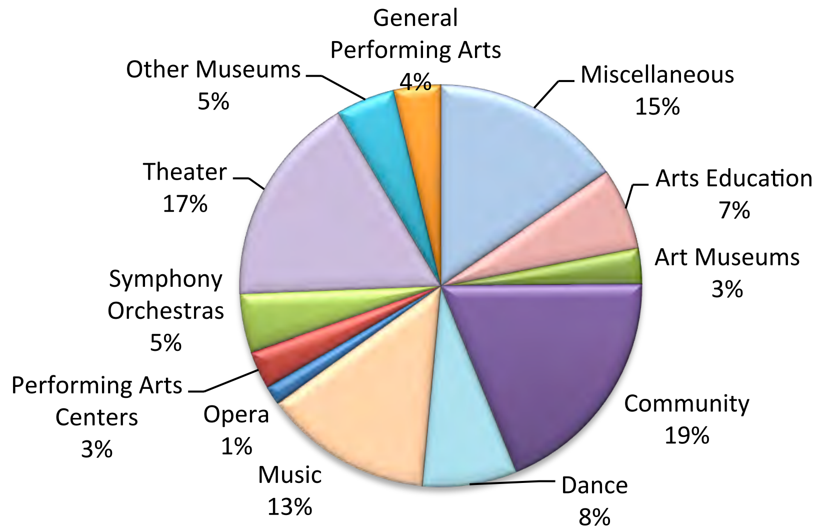
We do not assign organizations to arts disciplines, they assign themselves. Organizations self-identify according to the National Taxonomy of Exempt Entities (NTEE), which is a classification system to identify nonprofit organization types. The NCCS website gives an excellent summary description of what NTEEs are and how they came about: http://nccs.urban.org/classification/NTEE.cfm. Organizations report their NTEE when filing their IRS 990 and they report it as part of the CDP survey. If an organization has a parent organization, we opted for their arts discipline NTEE (e.g., performing arts center) rather than their parent organization's NTEE (e.g., university), if available. "Arts and Culture" is one of the NTEE's 10 major groups of tax-exempt organizations (the "A" category), and within Arts and Culture there are 10 subcategories that contain 30 additional subdivisions.

We came up with 11 distinct categories of arts and cultural sectors.
Arts Education: Arts Education/Schools (A25) and Performing Arts Schools (A6E)
Art Museums: Art Museums (A51)
Community: Arts, Cultural Organizations – Multipurpose (A20), Cultural & Ethnic Awareness (A23), Folk Arts (A24), Arts & Humanities Councils/Agencies (A26), Community Celebrations (A27), Visual Arts (A40)
Dance: Dance (A62) and Ballet (A63)
Music: Music (A68), Singing & Choral Groups (A6B), and Bands & Ensembles (A6C)
Opera: Opera (A6A)
Performing Arts Centers: Performing Arts Centers (A61)
Symphony Orchestra: Symphony Orchestras (A69)
Theater: Theater (A65)
Other Museums: Museums & Museum Activities (A50), Children's Museums (A52), History Museums (A54), Natural History & Natural Science Museums (A56), and Science & Technology Museums (A57)
General Performing Arts: Performing Arts (A60)

One additional category – Miscellaneous – captures all organizations that did not fit into one of the categories above. This sector includes everything from Film Festivals to Humanities, Historical, and Arts Service Organizations.

Here we show the average proportion that each arts and cultural sector represents in our data, spanning from 2008 through 2012:

The Make-up of Our 5 Years of Data by Sector



Organizational Size

Size matters. We would expect that small organizations face different pressures or challenges than medium-sized organizations, which in turn perform differently than large organizations.
Rather than prescribe arbitrary cut-off points for assigning organizations into small, medium, and large categories based on their total expenditures, we turned to the data to tell us the point in each sector at which performance outcomes differ depending on the organization's budget size – i.e., where the performance change point lies. To tease this information out of the data, we analyzed total in-person attendance, total program revenue, and unrestricted contributed revenue using all 5 years of data (2008-2012). It turns out that arts and cultural sectors have different change points. With the addition of new data and new organizations over time, these change points may shift in future reports. Here are the budget ranges of small, medium and large, defined for -- and by – organizations in each arts and cultural sector in our dataset (the number of arts organizations per sector are in parentheses):

The Make-up of Our 5 Years of Data: Arts and Cultural Sectors by Size

Arts Sector	Small	Medium	Large
Arts Education (1755)	$173,980 or less	$173,981-$890,864	$890,865 or more
Art Museums (767)	$982,015 or less	$982,016-$11,486,983	$11,486,984 or more
Community (5066)	$207,449 or less	$207,450-$1,296,200	$1,296,201 or more
Dance Companies (2036)	$174,985 or less	$174,986-$1,623,261	$1,623,262 or more
Music (3621)	$99,999 or less	$100,000-$526,995	$526,996 or more

Opera Companies (406)	$219,116 or less	$219,117-$3,704,090	$3,704,091 or more
Performing Arts Centers (816)	$784,155 or less	$784,156-$6,261,613	$6,261,614 or more
Symphony Orchestras (1267)	$295,777 or less	$295,778-$3,992,580	$3,992,581 or more
Theater (4567)	$219,116 or less	$219,117-$1,623,261	$1,623,262 or more
Other Museums (1264)	$626,160 or less	$626,161-$4,638,716	$4,638,717 or more
Other Performing Arts (1003)	$164,461 or less	$164,462-$1,623,261	$1,623,262 or more
Miscellaneous (4115)	$236,182 or less	$236,183-$1,623,261	$1,623,262 or more

Introducing Our Arts & Culture Performance Indices

Mission: To be the leading provider of evidence-based insights that enable arts and cultural leaders to overcome challenges and increase impact.

To generate insights essential to our mission, we started with questions. What are the important questions to ask about organizational health and impact? What general areas of an organization's activity should the questions address? Realistically, what areas can be examined with data? We identified the questions as well as the outcomes to examine in order to answer those questions. We refer to these outcomes as 'indices' since each reveals performance on one factor relative to performance on another.

Rather than re-create the wheel, we began with research into measures of health and impact already in use. We then turned to experts in a variety of areas. First, we turned to our thought partners: Nonprofit Finance Fund and TRG Arts. NFF's Rebecca Thomas was instrumental in helping us shape all questions and indices related to financial measures. We had help shaping community engagement questions and indices from our partners at TRG Arts, the late Rick Lester, Jill Robinson, Joanne Steller and colleagues. We sought the input of arts and cultural leaders from a variety of arts disciplines and organizational sizes. In total, ten people reviewed the indices and contributed their feedback and ideas, some through multiple iterations. They gave valued insights and suggestions about what is important to ask and examine from their experience running art museums, theatre companies, dance companies, symphony orchestras, opera companies and performing arts centers. Others we tapped have considerable cross-sector experience as arts consultants and helped us to see issues from a variety of vantage points (see Acknowledgements).

Once we decided what questions to ask, we determined what would be the necessary pieces of information to examine in order to answer the questions, and whether or not we had those pieces in hand. In total, we have identified 184 indices to examine over time, each of which provides insights into one of the questions. We have data to answer 128 of them, or 70% of the questions, and we know what data we need to work towards gathering in order to answer the rest.

These questions fall into 9 general areas that all involved agreed were important to address: Contributed Revenue, Earned Revenue, Expenses, Marketing Impact, Bottom Line, Balance Sheet, Community Engagement, Program Activity, and Staffing.

In this second report we take a deep dive on 26 of the 128 indices, presenting many as comparative measures (e.g., operating bottom line with and without depreciation). We re-examine the 8 indices from the inaugural report with updated data and we add new measures including one for the Staffing area, which was not addressed in the inaugural report. We will tackle new sets of questions and indices in future reports.

We heard from many people in the field following our inaugural report in Fall 2013 and their input has shaped this second volume. A number of the new indices are presented in response to calls for greater nuance on points of comparison for some measures. We went back to numerous advisors and friends in the field for their counsel on the measures, findings, and interpretation of findings, including Maxwell Anderson, Anne Bergeron, Naomi Grabel, Rebecca Thomas, and Jill Robinson and the TRG staff. Kate Levin, the inaugural NCAR Fellow, offered insights that were instrumental to many of the comparative analyses between indices provided in volume two.

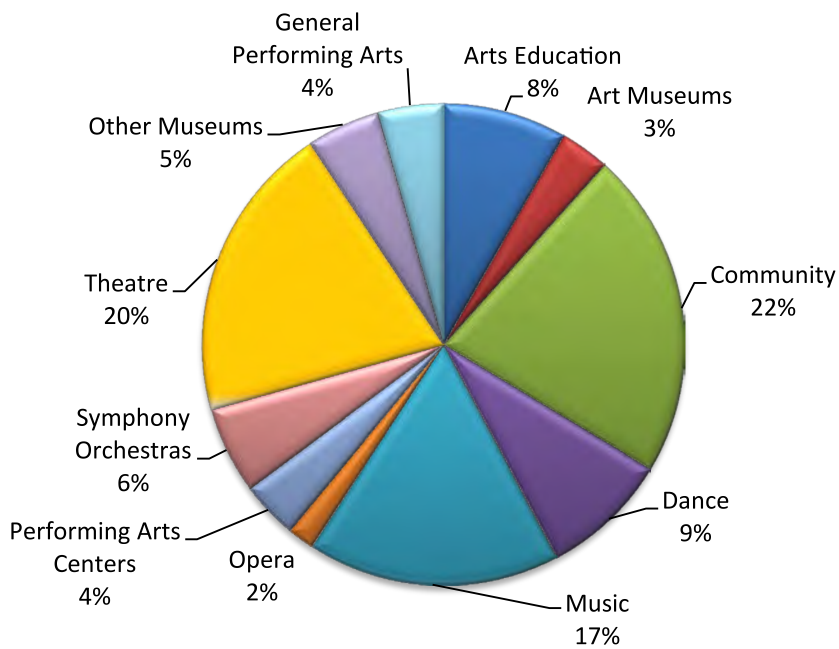
AVERAGES

For each of the indices, we report on the 2012 results for: 1) the average for all arts and cultural organizations, 2) the average by arts and cultural sector, 3) the average by organizational size (i.e., total operating budget). In each case we report the index average (a ratio) as well as the average for its component parts: the numerator and denominator of the index (each a general number). We then report the index average by geographic market cluster and provide some additional traits of these clusters.

We also offer the opportunity to see what the index was in prior years, for those interested. We do this with the caveat that we are only reporting on what the index was in prior years, not providing a trend analysis since the mix of organizations responding to the surveys changes over time. This being the case, we would not be able to say, for example, that shifts in an index over time were due to expense growth that exceeded inflation over the 5-year period since a big change in expenses may just be due to a large organization participating in 2012 and not the previous years. What we find particularly interesting – and highlight – is when the index reported in 2012 is very similar to that reported in previous years *regardless* of the shifting mix of organizations.

Here we show the representation of each arts and cultural sector in our 2012 data for the analyses of Averages; it is worth noting that the size of each pie slices changes very little from year to year. We acknowledge the diversity and magnitude of arts and cultural activity that extends beyond the more traditional sectors that we examine in this part of the report. We include them in our investigation of Drivers of Performance and Key Intangible Performance Indicators.

The Make-up of Our 2012 Data by Sector for the Analyses of Averages



Index Averages for All Arts & Cultural Organizations

Area		Index	2008	2009	2010	2011	2012
Contributed Revenue	1	**Total Contributed Revenue/Fundraising Expenses (incl. staff)**	**$ 9.15**	**$ 7.96**	**$ 8.30**	**$ 8.40**	**$ 7.82**
		Ave. Total Contributed Revenue/	$1,421,170	$1,060,324	$1,017,218	$1,952,669	$1,151,820
		Ave. Fundraising Expenses	$ 154,492	$ 132,178	$ 121,652	$ 124,680	$ 146,892
	2	**Unrestricted Contributed Revenue/Total Expenses (before depr.)**	**54%**	**54%**	**57%**	**55%**	**53%**
		Ave. Unrestricted Contributed Revenue/	$1,186,991	$1,049,043	$1,019,925	$1,004,646	$1,154,551
		Ave. Total Expenses (before depreciation)	$2,178,593	$1,916,652	$1,774,016	$1,828,285	$2,152,476
	3	**Unrest. Trustee Contributions/Total Expenses (before depr.)**	**4%**	**4%**	**5%**	**5%**	**4%**
		Ave. Unrestricted Trustee Contributions/	$ 92,394	$ 83,122	$ 82,404	$ 82,983	$ 87,438
		Ave. Total Expenses (before depr.)	$2,178,593	$1,916,652	$1,774,016	$1,828,285	$2,152,476
	4	**Unrest. Other Indiv. Contributions/Total Expenses (before depr.)**	**8%**	**7%**	**8%**	**7%**	**7%**
		Ave. Unrestricted Other Ind. Contributions/	$ 170,713	$ 134,359	$ 135,183	$ 133,756	$ 146,823
		Ave. Total Expenses (before depr.)	$2,178,593	$1,916,652	$1,774,016	$1,828,285	$2,152,476
	5	**Unrest. Corporate Contributions/Total Expenses (before depr.)**	**3%**	**2%**	**2%**	**2%**	**2%**
		Ave. Unrestricted Corporate Contributions/	$ 61,134	$ 44,976	$ 43,920	$ 45,049	$ 51,697
		Ave. Total Expenses (before depr.)	$2,178,593	$1,916,652	$1,774,016	$1,828,285	$2,152,476
	6	**Unrest. Foundation Support/Total Expenses (before depr.)**	**5%**	**5%**	**5%**	**5%**	**5%**
		Ave. Unrestricted Foundation Support/	$107,355	$86,857	$81,239	$89,250	$109,667
		Ave. Total Expenses (before depr.)	$2,178,593	$1,916,652	$1,774,016	$1,828,285	$2,152,476
	7	**Unrest. Total Government Support/Total Expenses (before depr.)**	**7%**	**8%**	**7%**	**7%**	**6%**
		Ave. Unrestricted Total Govt. Support/	$144,895	$144,870	$127,127	$121,658	$127,301
		Ave. Total Expenses (before depr.)	$2,178,593	$1,916,652	$1,774,016	$1,828,285	$2,152,476
Earned Revenue	1	**Unrest. Earned Revenue (less Capital Gains)/Total Expenses (before depr.)**	**49%**	**47%**	**48%**	**52%**	**48%**
		Ave. Unrest. Earned Revenue (less Capital Gains)/	$1,094,298	$ 930,477	$ 894,068	$ 987,598	$1,075,934
		Ave. Total Expenses (before depr.)	$2,178,593	$1,916,652	$1,774,016	$1,828,285	$2,152,476
	2	**Program revenue/Total In-person Attendance**	**$ 18.81**	**$ 18.42**	**$ 17.98**	**$ 18.75**	**$ 21.35**
		Ave. Program revenue/	$ 886,756	$ 772,523	$ 750,019	$ 782,829	$ 911,649
		Ave. In-person Attendance	45,805	40,756	40,539	40,429	41,232

Index Averages for All Arts & Cultural Organizations (continued)

Area		Index	2008	2009	2010	2011	2012
Expenses	1	**Total Direct Program Expenses/Total Operating Revenue**		**63%**	**59%**	**63%**	**66%**
		Ave. Direct Program Expenses/		$848,350	$899,870	$1,125,241	$1,338,405
		Ave. Operating Revenue		$1,332,990	$1,503,498	$1,784,700	$2,007,051
	2	**Program Personnel Expenses/Total Operating Revenue**		**42%**	**39%**	**41%**	**44%**
		Ave. Salaried and Non-salaried Artists & Program Personnel Expenses/		$601,816	$631,617	$777,987	$914,029
		Ave. Operating Revenue		$1,332,990	$1,503,498	$1,784,700	$2,007,051
	3	**Total Expenses (before depr.)/Total In-person Attendance**	**$48.58**	**$48.30**	**$45.22**	**$46.46**	**$53.35**
		Ave. Total Expenses (before depr.)	$2,178,593	$1,916,652	$1,774,016	$1,828,285	$2,152,476
		Ave. In-person Attendance	45,805	40,756	40,539	40,429	41,232
Marketing Impact	1	**Marketing Expenses (personnel & non-personnel)/Total In-person Attendance**	**$3.85**	**$3.74**	**$3.52**	**$3.69**	**$4.20**
		Ave. Marketing Expenses (incl. staff and non-staff costs)/	$174,443	$150,816	$141,223	$148,384	$172,785
		Ave. In-person Attendance	45,805	40,756	40,539	40,429	41,232
	2	**Marketing Expenses (non-personnel only)/Total In-person Attendance**	**$1.97**	**$1.84**	**$1.71**	**$1.83**	**$2.12**
		Ave. Marketing Expenses (non- staff only)/	$88,359	$73,023	$66,856	$71,903	$85,468
		Ave. In-person Attendance	45,805	40,756	40,539	40,429	41,232
	3	**Program Revenue/Marketing Expenses (personnel & non-personnel)**	**$4.89**	**$4.92**	**$5.11**	**$5.08**	**$5.08**
		Ave. Total Program Revenue/	$886,756	$772,523	$750,019	$782,829	$911,649
		Ave. Marketing Expenses (incl. staff and non-staff costs)	$174,443	$150,816	$141,223	$148,384	$172,785
	4	**Program Revenue/Marketing Expenses (non-personnel only)**	**$9.54**	**$10.00**	**$10.54**	**$10.26**	**$10.08**
		Ave. Total Program Revenue/	$886,756	$772,523	$750,019	$782,829	$911,649
		Ave. Marketing Expenses (non- staff only)	$88,359	$73,023	$66,856	$71,903	$85,468
Bottom Line	1	**(Total Unrest. Revenue (less capital gains)-Total Expenses (before depr.))/Total expenses (before depr.)**		**1%**	**5%**	**7%**	**2%**
		Ave. Unrest. Rev. (less capital gains) -Total Expenses (before depr.)/		$15,329	$78,358	$118,391	$40,750
		Ave. Total Expenses (BEFORE depr.)		$1,424,815	$1,482,338	$1,770,335	$2,105,612
	2	**(Total Operating Revenue - Total Expenses (BEFORE depr.))/Total Expenses (BEFORE depr.)**		**-6.4%**	**1.5%**	**0.9%**	**-4.7%**
		Ave. (Total Operating Revenue - Total Expenses (BEFORE depr.)/		$(91,825)	$21,161	$14,365	$(98,561)
		Ave. Total Expenses (BEFORE depr.)		1,424,815	1,482,338	1,770,335	$2,105,612
	3	**(Total Operating Revenue - Total Expenses (AFTER depr.))/Total Expenses (AFTER depr.)**		**-12.2%**	**-5.6%**	**-5.7%**	**-11.1%**
		Ave. (Total Operating Revenue - Total Expenses (AFTER depr.)/		$(185,295)	$(90,354)	$(108,043)	$(249,335)
		Ave. Total Expenses (AFTER depreciation)		$1,518,285	$1,593,852	$1,892,743	$2,256,385

Index Averages for All Arts & Cultural Organizations (continued)

Area		Index	2008	2009	2010	2011	2012
Balance Sheet	1	**Months of working capital**	**2.5**	**2.0**	**3.0**	**2.8**	**2.8**
		Working Capital/Total Expenses (before depr.)	*21%*	*17%*	*25%*	*23%*	*23%*
		Ave. (Unrest. Current Assets – Unrest. Current Liabilities)/	$645,070	$489,456	$671,718	$652,457	$749,016
		Ave. Total Expenses (before depr.)	$2,178,593	$2,880,086	$2,730,214	$2,789,117	$(3,218,200)
	2	**Months of available cash**	**18.9**	**14.9**	**16.7**	**17.7**	**17.4**
		Readily available cash and investments/Total Expenses (before depr.)	*157%*	*124%*	*139%*	*148%*	*145%*
		Ave. Unrest. & Temporarily Restricted cash, cash equivalents, investments, and line of credit/	$4,864,801	$3,565,212	$3,795,686	$4,125,425	$4,655,026
		Ave. Total Expenses (before depr.)	$3,093,946	$2,880,086	$2,730,214	$2,789,117	$3,218,200
Community Engagement	1	**Total Touch Points (in-person and virtual)/ Population**	**3.9%**	**4.3%**	**6.3%**	**11.6%**	**10.3%**
		Ave. Total Touch Points (in-person and virtual)/	60,830	64,129	87,888	183,922	136,213
		Ave. Population	1,566,003	1,480,030	1,397,649	1,579,194	1,320,926
	2	**Total Touch Points (in-person only)/ Population**	**2.4%**	**2.2%**	**2.4%**	**2.6%**	**2.9%**
		Ave. Total Touch Points (in-person only)/	46,110	40,774	40,284	40,419	41,524
		Ave. Population	1,888,598	1,818,778	1,701,311	1,560,770	1,436,534
Program Activity	1	**Total Operating Revenue/ Total Offerings**		**$25,685**	**$27,275**	**$30,768**	**$32,375**
		Ave. Operating Revenue/		$1,332,990	$1,503,498	$1,784,700	$2,007,051
		Ave. Total Offerings		53	56	59	63
	2	**Total Touch Points (in-person only)/Total Offerings**	**773**	**718**	**698**	**681**	**658**
		Ave. Total Touch Points (in-person only)/	46,110	40,774	40,284	40,419	41,524
		Ave. Total Offerings	61	58	59	61	64
Staffing	1	**Total In-person Attendance/Total Full-time Employees**	**3,897**	**3,925**	**4,189**	**4,164**	**3,828**
		Ave. Total In-person Attendance/	45,805	40,756	40,539	40,429	41,232
		Ave. Total Full-time Employees	12	10	9	9	11

Highlights

Contributed Revenue

Question 1: "What is the fundraising return on investment?"
Return on Fundraising Index: Total Contributed Revenue/Total Fundraising Expenses (including staff costs)

The average organization brought in nearly $8 in contributed support for every dollar spent on fundraising.

Want to see this index for other years? Fundraising expenses generated a similar level of total contributions over the years regardless of annual shifts in the mix of organizations.

Question 2: "To what extent do unrestricted contributions cover expenses?"
Unrestricted Contributions Index: Unrestricted Contributed Revenue/Total Expenses (before depreciation)

The average arts and cultural organization paid for just over half of its cash expenses with unrestricted contributed funds.

Want to see this index for other years? Unrestricted contributions covered a similar level of expenses over the years regardless of annual shifts in the mix of organizations.

Questions 3-7:
"To what extent do unrestricted contributions from each of these sources cover expenses?"
Trustee Contribution Index: Unrestricted Trustee Contributions/Total Expenses (before depreciation)
Individual Contribution Index: Unrestricted Individual Contributions/Total Expenses (before depreciation)
Corporate Contribution Index: Unrestricted Corporate Contributions/Total Expenses (before depreciation)
Foundation Support Index: Unrestricted Foundation Support/Total Expenses (before depreciation)
Government Support Index: Unrestricted Total Government Support/Total Expenses (before depreciation)

In total, unrestricted cash contributions from these sources support roughly 24% of the average organization's expenses (before depreciation): trustees (4%), other individuals (7%), corporations (2%), foundations (5%), and government agencies (6%). The remainder of unrestricted contributed revenue comes from special events; parent organization support; in-kind contributions of materials, services and facilities; united arts funds and similar funding agencies; tribal contributions; and net assets released from temporary restriction because the conditions of the restriction were met in the current year.

Want to see these indices for other years? For each of the past 5 years, the average organization covered between 4%-5% of expenses with trustee contributions, 7%-8% with contributions from other individuals (non-trustees), 2%-3% with corporate support, 5% annually with foundation grants, and 6%-7% with government support.

Earned Revenue

Question 1: "What is the relationship of unrestricted earned revenue to expenses, not including either capital gains (realized and unrealized) or depreciation?
Total Earned Revenue Index: Unrestricted Earned Revenue (before capital gains)/Total Expenses (before depreciation)

Unrestricted earned revenue (aside from capital gains) supported 48% of expenses (before depreciation).

Want to see this index for other years? Over the past 5 years, earned revenue accounted for less than 50% of expenses in all years but 2011.

Question 2: “What is program revenue per attendee?”
Program Revenue per Attendee Index: Program revenue/Total in-person attendance

Arts and cultural organizations earned an average of $21.35 per person who participated in the organization’s program offerings.

Want to see this index for other years?

Expenses

Questions 1 and 2: “How much operating revenue is directly invested in programs, first considering all direct costs related to programs then only the cost of paying artists and program personnel?”
Investment in Program Index: Total Direct Program Expenses/Total Operating Revenue
Investment in Program Personnel Index: Salaried and Non-salaried Artists and Program Personnel (staff and contracted) Expenses/Total Operating Revenue

Investment in Program Index: Roughly two-thirds of operating revenue goes to payment to artists, program-related personnel, and non-personnel costs such as physical production materials, collections conservation and management, program-related equipment rentals and repairs, company management, housing/travel, etc.

Want to see this index for other years? Although the relationship between operating revenue and total direct program expenses has fluctuated somewhat over recent years with annual shifts in the mix of organizations, the spread between total direct program expenses and the amount of it going to payment of program personnel has remained steady.

Unrestricted operating revenue was a new CDP line item in 2011. Many organizations submitted updates to report it for prior years, but too few organizations provided the information for 2008 for us to include that year in our analyses.

Investment in Program Personnel Index: 45% of all operating revenue goes to payment of program-related personnel -- including artists, curators, artistic program coordinators, arts educators, collections and production staff, etc. – whether contracted or on staff. This is a subset of the bigger-picture look at operating revenue and total direct program expenses.

Want to see this index for other years? Although the relationship between operating revenue and program-related personnel has fluctuated somewhat over recent years with annual shifts in the mix of organizations, the spread between total direct program expenses and the amount of it going to payment of program personnel has remained steady.

Unrestricted operating revenue was a new CDP line item in 2011. Many organizations submitted updates to report it for prior years, but too few organizations provided the information for 2008 for us to include that year in our analyses.

Question 3: “How much is the total cost of serving each person (not including virtual attendance)?”
Attendee-expense Index: Total Expenses (before depr.)/Total In-person Attendance

Arts and cultural organizations spend $53.35 in total on programming, fundraising, and general administrative expenses for each person who physically attends.

Want to see this index for other years?

Marketing Impact

Questions 1-2: "How much total marketing investment does it take to bring in one person, first considering all marketing costs then only non-staff costs?"
Response to Marketing Efforts Index: Total Marketing Expenses (including staff and non-staff costs)/ Total In-person Attendance
Response to Direct Marketing Spend: Direct Marketing Expenses (non-staff costs only)/Total In-person Attendance

The average arts and cultural organization spends $4.20 on marketing to bring each attendee. Of this, $2.12 is spent on advertising, internet and website, printing, public relations, sales commission fees, etc.

Want to see this index for other years? The proportion of staff to non-staff marketing expenditures remained fairly stable over time despite fluctuations in the mix of organizations each year.

Questions 3-4: "How much program revenue do we earn from our total investment in marketing (including staff and non-staff costs) and from non-staff marketing costs alone?"
Return on Marketing Efforts Index: Total Program Revenue/ Total Marketing Expenses (including staff and non-staff costs)
Return on Direct Marketing Spend Index: Total Program Revenue/Direct Marketing Expenses (non-staff costs only)

Every dollar spent on marketing (including staff and non-staff costs) generates an average of $5.08 in program revenue, on average. When we consider only direct, non-staff marketing expenses such as advertising, internet and website, printing, public relations, sales commission fees, etc., the yield is an average of $10.08 in program revenue.

Want to see this index for other years? The return on total marketing expenses and direct (non-staff) marketing expenses have been remarkably stable over time, regardless of the mix of organizations annually.

Bottom Line

There are multiple ways to calculate bottom line performance. Here we compare three approaches, which give us slightly different information.

Question 1: "What is the bottom line, taking all unrestricted revenue into account except for capital gains, regardless of whether the revenue was for operating or capital purposes?"
Unrestricted surplus (deficit): (Total Unrestricted Revenue (before capital gains) – Total Expenses (before depreciation)/Total Expenses (before depreciation)

The average unrestricted surplus was 2% of total expenses (before depreciation). Unrestricted surplus (deficit) is the bottom line figure that appears in most financial audits, although we run it here without depreciation or capital gains. It may contain unrestricted gifts for capital purposes (e.g., funds for a facility project, cash reserve or organizational expansion effort) so it often presents a more positive view of revenue, and therefore the bottom line, than when considering operating revenue alone.

We present two additional calculations of bottom line. Nonprofit Finance Fund suggests that operating revenue and capital are often conflated in audited financial statements, as is the case in the examination of unrestricted surplus (deficit). This practice, while compliant with generally accepted accounting principles, can mask actual operating performance by making an organization look more profitable than it actually is. These items often hide the dynamics of an organization's true operations and can lead to misinformed planning and decision-making if not properly understood and considered separately.

Questions 2-3: "Is the organization breaking even or better, considering operating activity only, calculated first before depreciation then after depreciation?"
Operating Bottom Line (before depr.) Index: (Total Operating Revenue - Total Expenses (before depreciation))/Total Expenses (before depreciation)
Operating Bottom Line (after depr.) Index: (Total Operating Revenue - Total Expenses (after depreciation))/Total Expenses (after depreciation)

With the Operating Bottom Line (before depreciation) Index, we exclude all non-operating revenues and measure unrestricted operating revenue less total expenses before depreciation. Unrestricted operating revenue includes draws on temporarily and permanently restricted investments as well as unrestricted investments designated by the board for operating purposes.

We stay with the same start to the numerator – unrestricted operating revenue – but we base our bottom line figure on expenses after depreciation in the Operating Bottom Line (after depreciation) Index. Including depreciation produces a lower figure. Running regular deficits after depreciation can be indicative that an organization is not saving funds for critical fixed asset improvements or replacements that come with the regular wear and tear on their facilities.

The average organization had an operating bottom line of -4.7% in 2012 before depreciation, dropping 6.4 points to -11.1% once we account for depreciation.

Want to see these indices for other years? Unrestricted operating revenue was a new CDP line item in 2011. Many organizations submitted updates to report it for prior years, but too few organizations provided the information for 2008 for us to include that year in our analyses. The average unrestricted surplus (deficit) was positive each of the past 5 years while the average operating surplus after depreciation was negative every year, demonstrating the big impact that capital funds, facilities, and equipment can have on an organization's finances.

Balance Sheet

Question 1: "How many months of working capital does the organization have?"
Months of Working Capital Index: [(Unrestricted Current Assets – Unrestricted Current Liabilities)/Total Expenses (before depreciation)]*12

Working capital is the cash available for day-to-day operations of an organization. It covers predictable periods when cash outflows exceed cash inflows due to seasonal or cyclical volatility. If working capital is negative, it affects an organization's ability to pay short term creditors in a timely way. The average organization had 2.8 months of working capital in the most recent year.

There are different figures that can be included in working capital calculations. Here we include the unrestricted investments and marketable securities that organizations reported as unrestricted current assets in the CDP survey but we exclude any reported unrestricted, board-designated endowment funds in this category of assets. From this, we subtract unrestricted current liabilities. Also, we focus on expenses before depreciation since depreciation is a non-cash item.

Not every organization completes the balance sheet section of the surveys. Most organizations that have a parent organization, for example, do not report balance sheet items since their assets are not accounted for separately from the parent organization's assets.

Want to see this index for other years? The average organization had 2-3 months of working capital in each of the past 5 years.

Question 2: "What is the relationship between the organization's access to readily available cash and investments and its annual budget?
Months of Available Cash Index: [Unrestricted & Temporarily Restricted Cash, Cash Equivalents, Investments, and Line of Credit Limit/Total Expenses (before depreciation)]/*12

Arts and cultural organizations have available an average of 17.4 months of cash, assets readily convertible to cash, or access to cash. Months of cash and investments (excluding permanently restricted) is a measure of how long an organization could operate solely with existing available reserves at current expense levels.

Want to see this index for other years? The average organization had roughly 15-19 months of cash, near-cash, and access to cash in each of the past 5 years.

Community Engagement

Questions 1-2: "What is the reach of our community engagement, first looking at in-person and virtual participation then at in-person engagement only?"
Total Engagement Index: Total Touch Points (in-person and virtual)/Population
In-person Engagement Index: Total Touch Points (in-person only)/Population

Whereas total in-person attendance focuses strictly on the number of people who attend or participate in programmatic offerings in person, the community engagement measure – what we refer to as 'total touch points' -- throws a wider net to capture all stakeholder interaction with the organization. It includes everything from volunteers to artists to donors to audiences. We use spatially-adjusted total population as a point of comparison to see how many people engage with the organization and its programs compared with the population of the organization's local community.

If we include audiences for online or digitally-transmitted programming, the average arts and cultural organization engaged the equivalent of 10.3% of its local population. If we include in the mix only audiences who attended programming in-person, the community engagement average is 2.9% of the organization's local population.

In future reports we will unpack 'touch points' into its component parts and report out on them separately.

Want to see these indices for other years? There has been tremendous change in total touch points over each of the past 5 years as more and more organizations report online and digitally-transmitted programming. The community engagement figure considering touch points for in-person engagement only has been remarkably stable over time -- 2.2% to 2.9% each year – despite the change in the mix of organizations that participate year-to-year.

Program Activity

Question 1: "What is the amount of total unrestricted operating revenue generated per program offering?"
Revenue per offering index: Total Operating Revenue/Total Offerings

Operating revenue generated per offering was $32,375 for the average arts and cultural organization.

Want to see this index for other years? The operating revenue per offering increased each year. We provide this information with the caveat that it is not necessarily indicative of a trend since it may be driven simply by the change in the annual mix of organizations responding to the surveys.

Unrestricted operating revenue was a new CDP line item in 2011. Many organizations submitted updates to report it for prior years, but too few organizations provided the information for 2008 for us to include that year in our analyses. For this index we include only reported touch points for those organizations that report operating revenue.

Question 2: "How many people are engaged per offering (not including virtual activity)?"
People per offering index: In-person Touch Points/Total Offerings

Arts and cultural organizations engaged an average of 658 people per offering.

Want to see this index for other years? Since 2009, the annual reported number of in-person touch points has remained remarkably similar. As the reported number of offerings shifts over time, so does the average number of people engaged per offering.

Staffing

Question 1: "How many people attend in-person per full-time employee?"
Visitor-to-staff index: Total in-person attendance/Total full-time employees

An average of 3,828 people attend for each full-time employee.

Want to see this index for other years? Annually, there is little variation in the number of people who attend an organization's offerings relative to its number of full-time staff members. The average reported in-person attendance has remained very stable since 2009 despite changes in the mix of organizations that respond to the surveys. Naturally, this index goes up either as attendance rises or with fewer full-time employees.

Index Averages for Arts & Cultural Organizations by Sector

The nature of the offerings of every arts and cultural sector are unique, and that uniqueness translates to differences in their cost structures and how they finance their operations as well as their capital structure, staffing, set of stakeholder relationships, and program activity.

Arts Education organizations…

- Had the highest level of earned revenue relative to total expenses, and the highest levels of return on marketing, regardless of whether it was calculated considering all marketing costs or only non-staff marketing costs.
- Had the most positive bottom line, regardless of how it was calculated.

Art Museums…

- Had the highest level of in-person community engagement, and the lowest percentage of total expenses covered by corporate contributions and foundation support.
- Had the highest levels of months of available cash and months of working capital yet the lowest bottom line, regardless of how it was calculated.

Community Organizations…

- Had the highest level of unrestricted contributed revenue relative to total expenses, the highest return on fundraising, the second highest level of expenses covered by government support, and the highest level of working capital.
- Had the lowest program revenue per attendee, lowest total expenses relative to attendance, lowest operating revenue per offering, and lowest response to marketing, considering all marketing costs or only non-staff marketing expenses.

Dance Organizations…

- Had the highest level of trustee contributions relative to total expenses, along with Opera.
- Had many indices fall in the mid-range among sectors.
- Had a negative bottom line, regardless of how it was calculated, and the second lowest number of months of available capital.
- Engage 1% of the local community on average and offer very little digital programming.

Music Organizations…

- Had the lowest return on fundraising, yet the second highest level of unrestricted contributed revenue relative to total expenses. They have the highest level of total expenses covered by foundation support and second highest level of individual contributions supporting expenses.
- Had the second lowest expenses per attendee and the lowest levels of program revenue per marketing dollar spent, regardless of whether marketing staff costs were included in the calculation.
- Average one employee, so they have the highest visitor-to-staff index.

Opera Companies…

- Had the highest level of trustee contributions relative to total expenses (along with Dance), the highest level of individual contributions and the lowest level of government support relative to total expenses.
- Cover the lowest proportion of total expenses with earned revenue yet have the highest program revenue, total expenses, and marketing expense per attendee as well as the highest level of operating revenue per offering.
- Spend the second highest level of total operating revenue on total program expenses and the subset of expenses that go to paying artists and program personnel. They have the highest levels of virtual attendance at digitally-offered programs, so the highest levels of community engagement when virtual attendance is included.
- Had a negative bottom line, regardless of how it was calculated, and the second lowest level of working capital.

Performing Arts Centers…

- Cover the lowest proportion of total expenses with unrestricted contributed revenue and the second highest coverage of expenses with earned revenue.
- Had a positive bottom line until depreciation was included, and the second highest level of working capital.

Symphony Orchestras…

- Spend the highest level of total operating revenue on total program expenses and the subset of expenses that go to paying artists and program personnel. They have the second highest levels of virtual attendance at digitally-offered programs, so the highest levels of community engagement when virtual attendance is included.

- Cover the second lowest proportion of total expenses with earned revenue yet have the second highest program revenue, total expenses, and total marketing expense per attendee.
- Had a negative bottom line, regardless of how it was calculated.

Theater Companies…

- Had the third highest operating revenue and touch points per offering, behind opera and orchestras.
- Had an average positive unrestricted surplus but negative operating bottom line, with or without depreciation.
- Had most indices fall in the mid-range among sectors.

The average Other Museum…

- Had second lowest marketing expenses relative to in-person attendance, whether considering all costs or only non-staff marketing expenses.
- Had the second highest number of months of available cash and second highest level of in-person community engagement.

General Performing Arts Organizations…

- Had the highest level of unrestricted surplus and the lowest number of months of both working capital and available cash.
- Had most indices fall in the mid-range among sectors.

Performance Index Averages for All Arts & Cultural Organizations by Sector

Area	Index	Arts Education	Art Museums	Community	Dance	Music	Opera	PACs	Symphony Orchestras	Theater	Other Museums	General Performing Arts
Contributed Revenue	Total Contributed Revenue/ Fundraising Expenses (including staff)	$7.27	$8.68	$9.68	$7.12	$6.67	$7.39	$7.05	$6.90	$6.99	$8.63	$8.37
	Unrestricted Contributed Revenue/ Total Expenses (before depr.)	48%	54%	64%	48%	63%	60%	44%	48%	51%	62%	61%
	Unrestricted Trustee Contributions/ Total Expenses (before depr.)	3%	3%	3%	7%	6%	7%	4%	4%	4%	4%	4%
	Unrestricted Individual Contributions/ Total Expenses (before depr.)	6%	5%	5%	8%	13%	14%	7%	9%	9%	5%	5%
	Unrestricted Corporate Contributions/ Total Expenses (before depr.)	2%	1%	3%	2%	3%	2%	3%	2%	3%	3%	3%
	Unrestricted Foundation Support/ Total Expenses (before depr.)	7%	2%	7%	7%	10%	9%	6%	4%	8%	3%	6%
	Unrestricted Government Support/Total Expenses (before depr.)	4%	7%	11%	3%	4%	1%	3%	2%	4%	10%	15%
Earned Revenue	Total Earned Revenue/ Total Expenses (before depr.)	63%	43%	43%	50%	40%	38%	61%	40%	56%	41%	54%
	Program Revenue/Total In-person Attendance	$37.36	$24.86	$6.62	$36.25	$9.45	$53.02	$34.03	$37.67	$27.90	$13.78	$17.53
Expenses	Total Direct Program Expenses/ Operating Revenue	64%	72%	57%	70%	64%	73%	62%	78%	66%	62%	68%
	Salaried & Non-salaried Artists and Program Personnel Compensation/ Operating Revenue	50%	37%	35%	51%	41%	55%	43%	59%	46%	39%	45%
	Total Expenses (before depr.)/ Total In-person Attendance	$66.56	$74.17	$22.37	$78.94	$25.46	$146.39	$75.43	$96.69	$55.93	$40.44	$37.96
Marketing Impact	Marketing Expenses (including staff)/ Total In-person Attendance	$3.12	$2.87	$1.75	$7.81	$2.69	$12.93	$6.59	$8.68	$7.43	$2.17	$4.47
	Marketing Expenses (non-staff only)/Total In-person Attendance	$1.26	$1.14	$0.77	$4.32	$1.23	$6.35	$3.74	$3.80	$4.28	$1.00	$2.58
	Program Revenue/Marketing Expenses (including staff)	$11.98	$8.68	$3.79	$4.64	$3.51	$4.10	$5.17	$4.34	$3.75	$6.35	$3.92
	Program Revenue/Marketing Expenses (non-staff only)	$29.53	$21.81	$8.65	$8.39	$7.71	$8.35	$9.11	$9.92	$6.51	$13.74	$6.79
Bottom Line	Change in Unrest. Net Assets (excluding capital gains, before depr.)/Total Expenses (before depr.)	11.6%	-6.2%	7.6%	-2.8%	3.2%	-1.5%	3.7%	-2.2%	7.4%	1.4%	18.3%
	(Total Operating Revenue - Total Expenses (BEFORE depr.))/Total Expenses (BEFORE depr.)	5.5%	-15.2%	2.9%	-4.4%	-1.2%	-3.1%	1.7%	-6.3%	-1.6%	-7.7%	2.3%
	(Total Operating Revenue - Total Expenses (AFTER depr.))/Total Expenses (AFTER depr.)	0.5%	-23.3%	-2.2%	-7.7%	-2.8%	-6.1%	-6.6%	-7.6%	-6.1%	-18.1%	-0.7%
Balance Sheet	Months of working capital	2.1	5.2	5.2	0.8	1.9	0.2	4.0	0.7	0.8	2.9	(0.5)
	Months of readily available cash	11.1	39.4	12.5	5.0	7.0	10.3	12.5	13.2	5.5	19.2	2.3
Community Engagement	Total Touch Points (in-person & virtual participation)/Population	9%	19%	5%	1%	10%	60%	25%	48%	3%	27%	3%
	Total Touch Points (in-person only)/ Population	1%	15%	3%	1%	1%	3%	8%	4%	2%	10%	2%
Program Activity	Total Operating Revenue/ Total Offerings (in-person only)	$14,173	$60,304	$9,809	$26,666	$12,935	$188,501	$51,312	$83,874	$60,729	$38,454	$21,098
	Total Touch Points/Total Offerings (both in-person only)	187	996	464	345	546	1,287	706	1,274	1,148	1,107	591
Staffing	Total Physical Attendance/ Total Full-time Employees	2,421	2,777	9,096	2,692	10,728	2,657	3,573	3,032	2,812	4,123	5,932

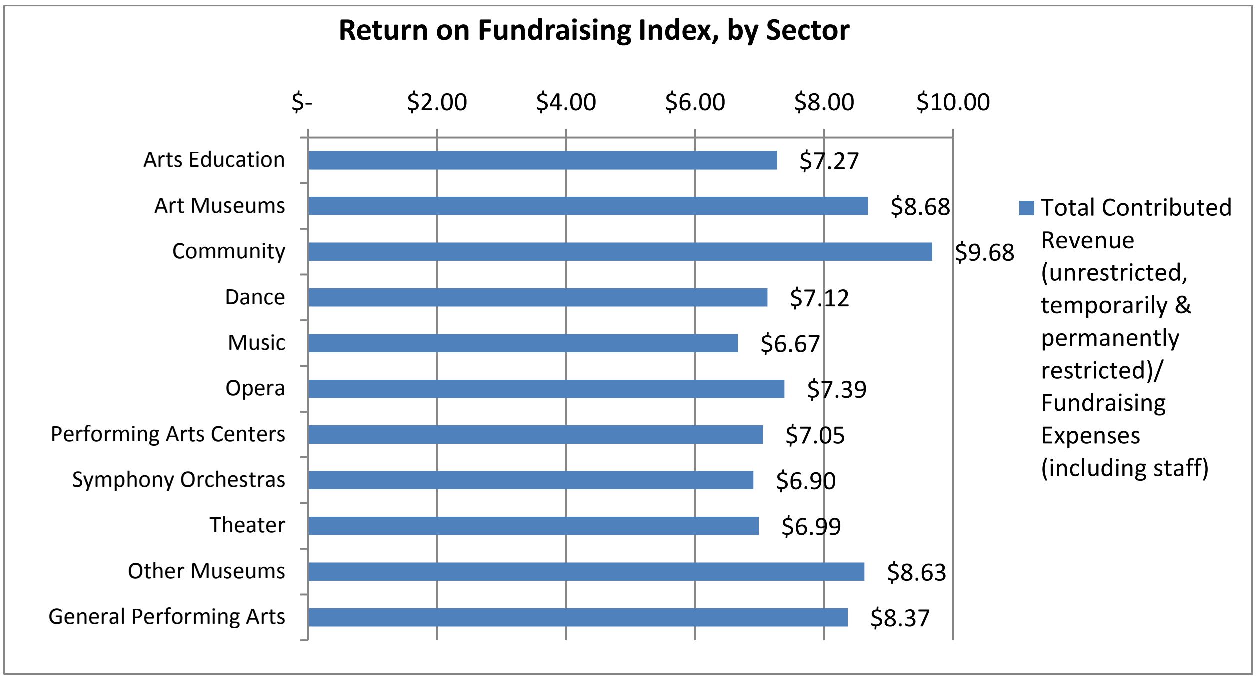
AREA: Contributed Revenue by Sector

Return on Fundraising Index

Question 1: “What is the fundraising return on investment?”
Total Contributed Revenue/Total Fundraising Expenses (including staff costs)

[Highlights]: Community organizations (e.g., Multipurpose, Cultural & Ethnic Awareness, Folk Arts, Arts Community Celebrations, etc.) generate the highest return on every dollar spent on fundraising, followed by art museums, other museums, and general performing arts organizations. The range of Return on Fundraising is remarkably similar across sectors even though average Total Contributed Revenue and average Fundraising Expenses – the numerator and denominator -- vary considerably.

Want to see this index for other years? For most sectors this index has been stable over time, varying no more than $1.25 over the past 5 years. It fluctuated more for art museums, opera companies, and performing arts centers, potentially due to outlier organizations that participate some years but not others.



Return on Fundraising Index by Sector and Year

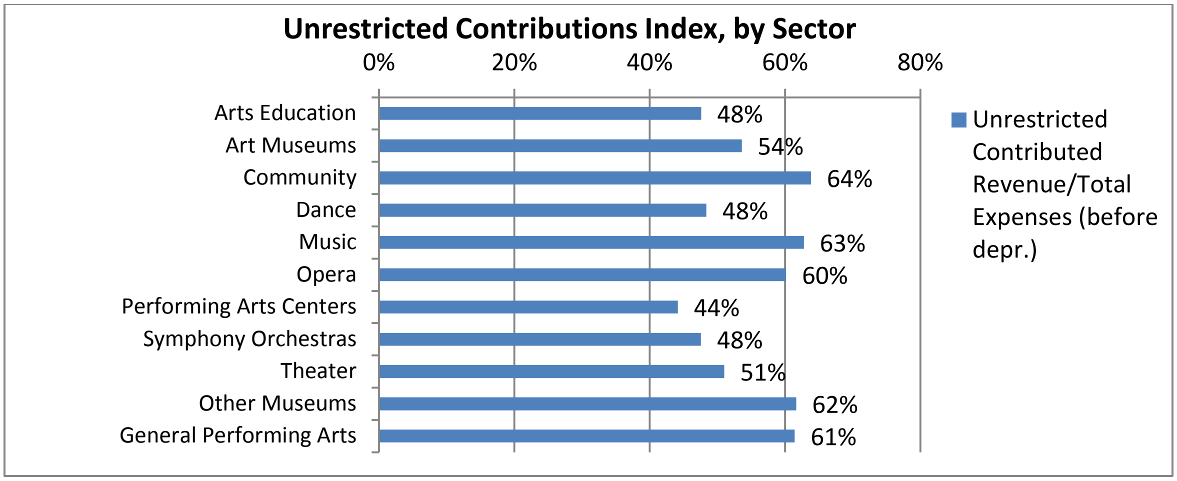
A&C Sector	2008	2009	2010	2011	2012
Arts Education	**$ 8.48**	**$ 8.15**	**$ 8.07**	**$ 8.11**	**$ 7.27**
Ave. Total Contributed Rev./	$ 953,552	$ 802,754	$ 728,281	$ 695,079	$ 641,984
Ave. Fundraising Expenses (incl. staff)	$ 110,542	$ 97,984	$ 89,599	$ 85,322	$ 88,012
Art Museums	**$ 12.76**	**$ 7.85**	**$ 8.78**	**$ 9.86**	**$ 8.68**
Ave. Total Contributed Rev./	$ 10,202,904	$ 5,526,398	$ 6,336,217	$ 6,511,777	$ 6,869,936
Ave. Fundraising Expenses (incl. staff)	$ 799,586	$ 704,054	$ 721,387	$ 660,628	$ 791,358
Community	**$ 10.67**	**$ 10.32**	**$ 9.88**	**$ 9.39**	**$ 9.68**
Ave. Total Contributed Rev./	$ 626,144	$ 589,722	$ 485,128	$ 480,557	$ 581,980
Ave. Fundraising Expenses (incl. staff)	$ 58,540	$ 56,618	$ 48,594	$ 50,545	$ 59,840
Dance	**$ 8.28**	**$ 7.18**	**$ 6.68**	**$ 7.37**	**$ 7.12**
Ave. Total Contributed Rev./	$ 623,118	$ 464,656	$ 404,424	$ 463,189	$ 565,867
Ave. Fundraising Expenses (incl. staff)	$ 74,835	$ 63,994	$ 59,672	$ 61,746	$ 78,950
Music	**$ 7.43**	**$ 7.34**	**$ 6.42**	**$ 7.24**	**$ 6.67**
Ave. Total Contributed Rev./	$ 286,402	$ 239,974	$ 187,839	$ 229,374	$ 180,869
Ave. Fundraising Expenses (incl. staff)	$ 38,004	$ 32,340	$ 29,074	$ 31,488	$ 27,087
Opera	**$ 9.27**	**$ 6.88**	**$ 9.04**	**$ 9.84**	**$ 7.39**
Ave. Total Contributed Rev./	$ 4,784,084	$ 3,381,168	$ 3,799,884	$ 4,161,717	$ 2,931,989
Ave. Fundraising Expenses (incl. staff)	$ 515,867	$ 480,658	$ 420,521	$ 423,097	$ 396,932
Performing Arts Centers	**$ 10.15**	**$ 13.06**	**$ 10.34**	**$ 8.42**	**$ 7.05**
Ave. Total Contributed Rev./	$ 3,126,812	$ 3,062,842	$ 2,728,483	$ 2,635,456	$ 2,997,046
Ave. Fundraising Expenses (incl. staff)	$ 307,998	$ 234,610	$ 263,899	$ 313,087	$ 424,976
Symphony Orchestras	**$ 6.39**	**$ 6.21**	**$ 6.90**	**$ 6.98**	**$ 6.90**
Ave. Total Contributed Rev./	$ 1,985,605	$ 1,484,003	$ 1,585,460	$ 1,628,952	$ 1,926,971
Ave. Fundraising Expenses (incl. staff)	$ 310,944	$ 239,039	$ 229,774	$ 233,261	$ 279,075
Theater	**$ 6.82**	**$ 6.85**	**$ 6.90**	**$ 7.17**	**$ 6.99**
Ave. Total Contributed Rev./	$ 797,641	$ 674,548	$ 610,094	$ 684,155	$ 886,862
Ave. Fundraising Expenses (incl. staff)	$ 116,870	$ 98,146	$ 88,098	$ 95,079	$ 126,529
Other Museums	**$ 8.96**	**$ 7.70**	**$ 8.84**	**$ 8.56**	**$ 8.63**
Ave. Total Contributed Rev./	$ 3,729,932	$ 2,892,980	$ 3,095,978	$ 3,453,615	$ 3,553,298
Ave. Fundraising Expenses (incl. staff)	$ 416,383	$ 210,365	$ 347,990	$ 402,163	$ 409,632
General Performing Arts	**$ 8.41**	**$ 7.62**	**$ 7.20**	**$ 7.71**	**$ 8.37**
Ave. Total Contributed Rev./	$ 692,053	$ 495,458	$ 469,059	$ 504,078	$ 673,358
Ave. Fundraising Expenses (incl. staff)	$ 81,834	$ 63,759	$ 64,048	$ 65,099	$ 80,474

Unrestricted Contributions Index

Question: "To what extent do unrestricted contributions cover expenses?"
Unrestricted Contributed Revenue/Total Expenses (before depreciation)

[Highlights]: Performing Arts Centers cover the lowest level of expenses with unrestricted contributed revenue. For community, music, opera, 'other' museums, and general performing arts organizations, $3 of every $5 in expenses is supported with unrestricted revenue. Average Unrestricted Contributed Revenue and average Total Expenses vary considerably across sectors.

Want to see this index for other years? Either the community or other museum sector had the highest unrestricted contributions index annually, while either the performing arts center or symphony orchestra sector had the lowest index annually. Large annual fluctuations within sectors can reflect some organizations' unrestricted capital campaign gifts, the effects of a down economy, or the shifting mix of organizations that participate annually in the surveys.



Unrestricted Contributions Index by Sector and Year

A&C Sector	2008	2009	2010	2011	2012
Arts Education	**57%**	**45%**	**48%**	**53%**	**48%**
Ave. Unrest. Contributed Rev./	$ 846,995	$ 637,837	$ 633,058	$ 674,771	$ 620,975
Ave. Total Expenses (before depr.)	$ 1,468,592	$ 1,415,056	$ 1,312,560	$ 1,263,584	$ 1,295,979
Art Museums	**58%**	**49%**	**61%**	**59%**	**54%**
Ave. Unrest. Contributed Rev./	$ 7,202,661	$ 5,191,570	$ 6,757,068	$ 6,396,382	$ 7,492,594
Ave. Total Expenses (before depr.)	$ 12,331,835	$ 10,552,052	$ 11,051,538	$ 10,850,182	$ 13,978,759
Community	**65%**	**75%**	**67%**	**63%**	**64%**
Ave. Unrest. Contributed Rev./	$ 561,611	$ 596,427	$ 463,411	$ 457,952	$ 567,079
Ave. Total Expenses (before depr.)	$ 866,238	$ 791,116	$ 681,210	$ 714,732	$ 882,984
Dance	**47%**	**52%**	**52%**	**51%**	**48%**
Ave. Unrest. Contributed Rev./	$ 491,374	$ 484,703	$ 454,409	$ 492,365	$ 541,616
Ave. Total Expenses (before depr.)	$ 1,034,752	$ 931,140	$ 861,248	$ 945,581	$ 1,112,511
Music	**57%**	**58%**	**62%**	**60%**	**63%**
Ave. Unrest. Contributed Rev./	$ 231,312	$ 211,375	$ 195,459	$ 203,706	$ 174,281
Ave. Total Expenses (before depr.)	$ 399,882	$ 359,596	$ 313,969	$ 338,005	$ 277,203
Opera	**46%**	**47%**	**54%**	**54%**	**60%**
Ave. Unrest. Contributed Rev./	$ 3,848,995	$ 3,651,700	$ 3,916,272	$ 3,879,170	$ 2,785,527
Ave. Total Expenses (before depr.)	$ 8,312,805	$ 7,598,628	$ 7,319,300	$ 7,182,062	$ 4,631,327
Performing Arts Centers	**45%**	**67%**	**58%**	**37%**	**44%**
Ave. Unrest. Contributed Rev./	$ 2,610,591	$ 3,217,570	$ 2,989,475	$ 2,155,656	$ 3,087,101
Ave. Total Expenses (before depr.)	$ 5,769,648	$ 4,796,646	$ 5,188,658	$ 5,803,790	$ 6,991,997
Symphony Orchestras	**46%**	**39%**	**47%**	**51%**	**48%**
Ave. Unrest. Contributed Rev./	$ 1,828,388	$ 1,324,613	$ 1,441,671	$ 1,560,656	$ 1,798,961
Ave. Total Expenses (before depr.)	$ 3,942,061	$ 3,377,371	$ 3,047,281	$ 3,047,762	$ 3,781,407
Theater	**47%**	**48%**	**47%**	**51%**	**51%**
Ave. Unrest. Contributed Rev./	$ 736,803	$ 670,535	$ 591,720	$ 692,941	$ 881,102
Ave. Total Expenses (before depr.)	$ 1,553,395	$ 1,382,220	$ 1,251,864	$ 1,353,101	$ 1,721,857
Other Museums	**66%**	**66%**	**68%**	**64%**	**62%**
Ave. Unrest. Contributed Rev./	$ 3,413,605	$ 3,112,247	$ 3,014,320	$ 3,225,840	$ 3,514,677
Ave. Total Expenses (before depr.)	$ 5,160,347	$ 4,712,776	$ 4,425,168	$ 5,030,809	$ 5,669,028
General Performing Arts	**49%**	**50%**	**50%**	**52%**	**61%**
Ave. Unrest. Contributed Rev./	$ 564,815	$ 519,898	$ 454,557	$ 468,490	$ 662,457
Ave. Total Expenses (before depr.)	$ 1,150,050	$ 1,011,278	$ 895,382	$ 894,256	$ 1,078,506

Contributed Revenue by Source Indices

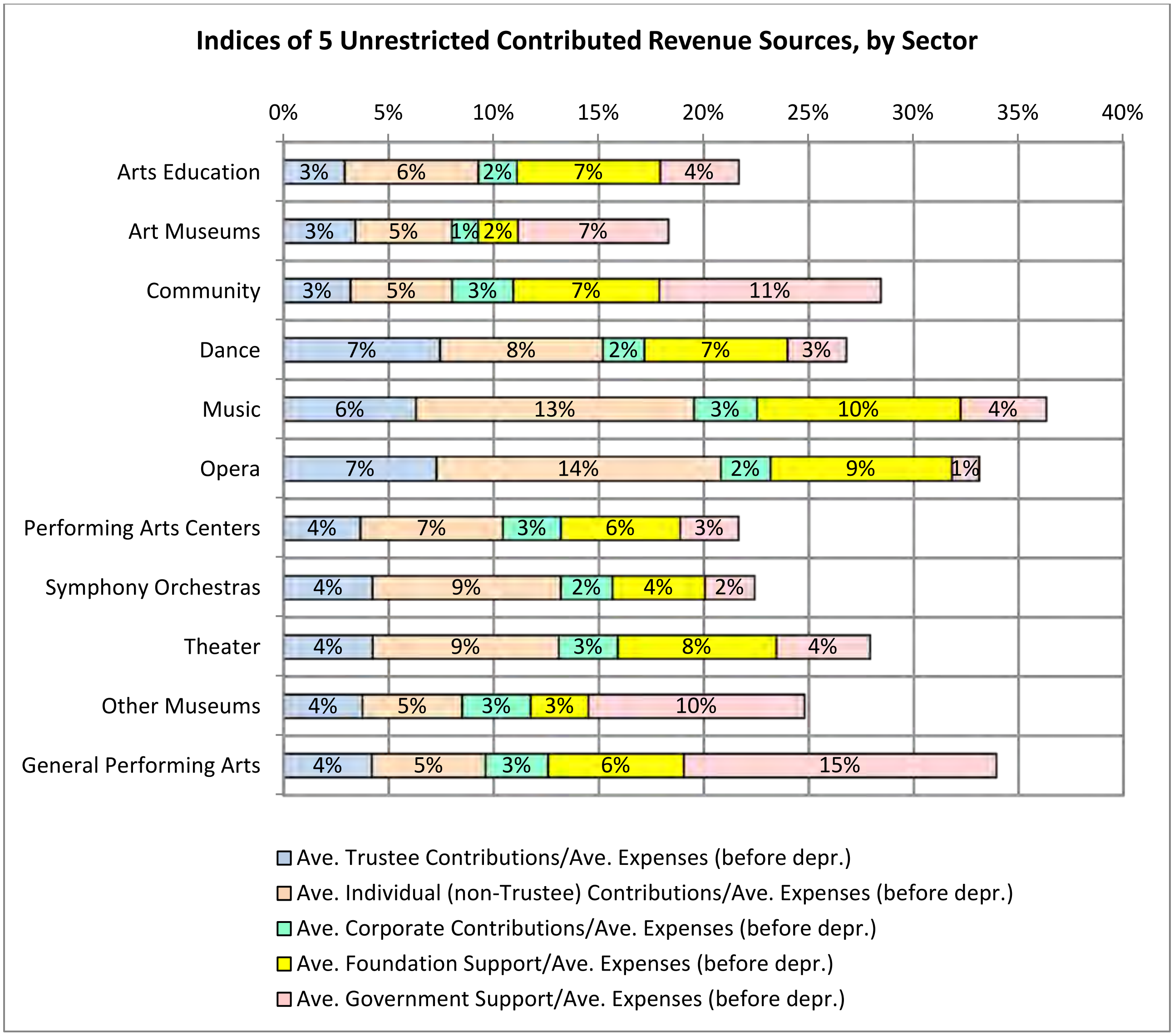
Question: "To what extent do unrestricted contributions from each of these sources cover expenses?"

Trustee Contribution Index: Trustee Contributions /Total Expenses (before depreciation)
Individual Contribution Index: Individual (non-trustee) Contributions/Total Expenses (before depreciation)
Corporate Contribution Index: Corporate Contributions/Total Expenses (before depreciation)
Foundation Support Index: Foundation Support/Total Expenses (before depreciation)
Government Support Index: Government Support/Total Expenses (before depreciation)

[Highlights]: The figures provided for these 5 important unrestricted contributed revenue sources show only the gifts made in the current year for use in the current year. The composition of revenue from the 5 sources diverges considerably across arts and cultural sectors, and the overall level of total expenses (before depreciation) supported by these five sources is different from sector to sector, ranging from 18% to 36%. Trustee contributions support an average of 3% to 4% of expenses for all but the dance, music, and opera sectors. Corporate support maxes out at an average of 3% of total expenses for all sectors. Music and opera have higher individual (non-trustee) contribution and foundation support indices than other sectors. The higher government support index for general performing arts organizations in 2012 is skewed by one organization's exceptional activity.

The remainder of unrestricted contributed revenue comes from special events; parent organization support; in-kind contributions of materials, services and facilities; united arts funds and similar funding agencies; tribal contributions; and net assets released from temporary restriction (NARTR) because the conditions of the restriction were met in the current year. Our data on in-kind contributions and NARTR are lump sum figures. In reality, the resources reflected in these two line items come from the same 5 sources we examine above. As a result, our figures under-represent the bigger picture of support from trustees, individuals, corporations, foundations, and government that includes gifts made this year for use this year, gifts made in a prior year for use this year, and gifts of materials, services and facilities.

Want to see this index for other years? The higher government support index for General Performing Arts in 2012 and Performing Arts Centers in 2009 and 2010 are primarily due to one organization's exceptional activity.


Indices of 5 Unrestricted Contributed Revenue Sources, by Sector
0%
5%
10%
15%
20%
25%
30%
35%
40%
Arts Education
3%
6%
2%
7%
4%
Art Museums
3%
5%
1%
2%
7%
Community
3%
5%
3%
7%
11%
Dance
7%
8%
2%
7%
3%
Music
6%
13%
3%
10%
4%
Opera
7%
14%
2%
9%
1%
Performing Arts Centers
4%
7%
3%
6%
3%
Symphony Orchestras
4%
9%
2%
4%
2%
Theater
4%
9%
3%
8%
4%
Other Museums
4%
5%
3%
3%
10%
General Performing Arts
4%
5%
3%
6%
15%
Ave. Trustee Contributions/Ave. Expenses (before depr.)
Ave. Individual (non-Trustee) Contributions/Ave. Expenses (before depr.)
Ave. Corporate Contributions/Ave. Expenses (before depr.)
Ave. Foundation Support/Ave. Expenses (before depr.)
Ave. Government Support/Ave. Expenses (before depr.)

Contributed Revenue by Source Indices by Sector and Year

A&C Sector	2008	2008 Index	2009	2008 Index	2010	2010 Index	2011	2011 Index	2012	2012 Index
Arts Education										
Ave. Trustee Contributions/	$ 67,818	**5%**	$ 47,063	**3%**	$ 44,753	**3%**	$ 51,551	**4%**	$ 37,681	**3%**
Ave. Individual (non-Trustee) Contributions/	$ 136,150	**9%**	$ 95,348	**7%**	$ 73,362	**6%**	$ 91,247	**7%**	$ 82,390	**6%**
Ave. Corporate Contributions/	$ 25,276	**2%**	$ 22,113	**2%**	$ 19,613	**1%**	$ 23,688	**2%**	$ 23,852	**2%**
Ave. Foundation Support/	$ 127,846	**9%**	$ 95,760	**7%**	$ 98,793	**8%**	$ 94,206	**7%**	$ 88,360	**7%**
Ave. Total Government Support/	$ 51,883	**4%**	$ 42,496	**3%**	$ 50,889	**4%**	$ 66,733	**5%**	$ 48,544	**4%**
Ave. Total Expenses (before depr.)	$ 1,468,592		$ 1,415,056		$ 1,312,560		$ 1,263,584		$ 1,295,979	
Art Museums										
Ave. Trustee Contributions/	$ 438,989	**4%**	$ 402,381	**4%**	$ 409,302	**4%**	$ 440,477	**4%**	$ 476,662	**3%**
Ave. Individual (non-Trustee) Contributions/	$ 694,096	**6%**	$ 555,698	**5%**	$ 598,508	**5%**	$ 498,716	**5%**	$ 643,261	**5%**
Ave. Corporate Contributions/	$ 236,087	**2%**	$ 130,261	**1%**	$ 157,388	**1%**	$ 150,806	**1%**	$ 173,825	**1%**
Ave. Foundation Support/	$ 227,745	**2%**	$ 167,433	**2%**	$ 207,959	**2%**	$ 249,500	**2%**	$ 265,137	**2%**
Ave. Total Government Support/	$ 931,153	**8%**	$ 850,442	**8%**	$ 730,942	**7%**	$ 900,394	**8%**	$ 1,001,825	**7%**
Ave. Total Expenses (before depr.)	$ 12,331,835		$ 10,552,052		$ 11,051,538		$ 10,850,182		$ 13,978,759	
Community										
Ave. Trustee Contributions/	$ 25,272	**3%**	$ 23,674	**3%**	$ 20,420	**3%**	$ 26,480	**4%**	$ 28,068	**3%**
Ave. Individual (non-Trustee) Contributions/	$ 45,566	**5%**	$ 36,800	**5%**	$ 32,641	**5%**	$ 35,938	**5%**	$ 42,729	**5%**
Ave. Corporate Contributions/	$ 24,819	**3%**	$ 20,865	**3%**	$ 18,805	**3%**	$ 18,887	**3%**	$ 25,695	**3%**
Ave. Foundation Support/	$ 73,624	**9%**	$ 59,147	**7%**	$ 54,579	**8%**	$ 51,911	**7%**	$ 61,398	**7%**
Ave. Total Government Support/	$ 105,227	**12%**	$ 95,778	**12%**	$ 80,396	**12%**	$ 85,694	**12%**	$ 93,142	**11%**
Ave. Total Expenses (before depr.)	$ 866,238		$ 791,116		$ 681,210		$ 714,732		$ 882,984	
Dance										
Ave. Trustee Contributions/	$ 53,566	**5%**	$ 58,106	**6%**	$ 54,978	**6%**	$ 65,872	**7%**	$ 82,788	**7%**
Ave. Individual (non-Trustee) Contributions/	$ 90,614	**9%**	$ 83,148	**9%**	$ 61,340	**7%**	$ 67,797	**7%**	$ 86,237	**8%**
Ave. Corporate Contributions/	$ 33,089	**3%**	$ 30,823	**3%**	$ 28,107	**3%**	$ 31,076	**3%**	$ 22,032	**2%**
Ave. Foundation Support/	$ 63,211	**6%**	$ 57,754	**6%**	$ 53,080	**6%**	$ 66,971	**7%**	$ 75,774	**7%**
Ave. Total Government Support/	$ 41,531	**4%**	$ 38,991	**4%**	$ 32,838	**4%**	$ 29,358	**3%**	$ 31,221	**3%**
Ave. Total Expenses (before depr.)	$ 1,034,752		$ 931,140		$ 861,248		$ 945,581		$ 1,112,511	
Music										
Ave. Trustee Contributions/	$ 21,708	**5%**	$ 19,989	**6%**	$ 20,403	**7%**	$ 18,258	**5%**	$ 17,464	**6%**
Ave. Individual (non-Trustee) Contributions/	$ 44,570	**11%**	$ 37,476	**10%**	$ 36,061	**11%**	$ 38,715	**11%**	$ 36,675	**13%**
Ave. Corporate Contributions/	$ 15,097	**4%**	$ 14,207	**4%**	$ 12,173	**4%**	$ 15,894	**5%**	$ 8,318	**3%**
Ave. Foundation Support/	$ 32,876	**8%**	$ 30,931	**9%**	$ 25,882	**8%**	$ 30,272	**9%**	$ 26,882	**10%**
Ave. Total Government Support/	$ 20,988	**5%**	$ 18,931	**5%**	$ 16,633	**5%**	$ 14,593	**4%**	$ 11,351	**4%**
Ave. Total Expenses (before depr.)	$ 399,882		$ 359,596		$ 313,969		$ 338,005		$ 277,203	

Contributed Revenue by Source Indices by Sector and Year (continued)

A&C Sector	2008	2008 Index	2009	2008 Index	2010	2010 Index	2011	2011 Index	2012	2012 Index
Opera										
Ave. Trustee Contributions/	$ 569,760	**7%**	$ 486,318	**6%**	$ 587,654	**8%**	$ 652,736	**9%**	$ 336,917	**7%**
Ave. Individual (non-Trustee) Contributions/	$ 1,386,012	**17%**	$ 1,070,240	**14%**	$ 1,297,168	**18%**	$ 992,219	**14%**	$ 626,892	**14%**
Ave. Corporate Contributions/	$ 139,290	**2%**	$ 105,057	**1%**	$ 118,867	**2%**	$ 100,372	**1%**	$ 109,521	**2%**
Ave. Foundation Support/	$ 249,758	**3%**	$ 310,470	**4%**	$ 258,999	**4%**	$ 308,620	**4%**	$ 400,358	**9%**
Ave. Total Government Support/	$ 82,050	**1%**	$ 98,256	**1%**	$ 89,134	**1%**	$ 72,996	**1%**	$ 60,300	**1%**
Ave. Total Expenses (before depr.)	$ 8,312,805		$ 7,598,628		$ 7,319,300		$ 7,182,062		$ 4,631,327	
Performing Arts Centers										
Ave. Trustee Contributions/	$ 178,475	**3%**	$ 105,186	**2%**	$ 162,983	**3%**	$ 212,692	**4%**	$ 255,337	**4%**
Ave. Individual (non-Trustee) Contributions/	$ 236,668	**4%**	$ 196,946	**4%**	$ 299,982	**6%**	$ 362,843	**6%**	$ 474,547	**7%**
Ave. Corporate Contributions/	$ 103,215	**2%**	$ 80,055	**2%**	$ 121,574	**2%**	$ 129,028	**2%**	$ 192,631	**3%**
Ave. Foundation Support/	$ 368,813	**6%**	$ 125,525	**3%**	$ 168,046	**3%**	$ 295,172	**5%**	$ 397,325	**6%**
Ave. Total Government Support/	$ 314,807	**5%**	$ 802,433	**17%**	$ 728,263	**14%**	$ 285,771	**5%**	$ 193,947	**3%**
Ave. Total Expenses (before depr.)	$ 5,769,648		$ 4,796,646		$ 5,188,658		$ 5,803,790		$ 6,991,997	
Symphony Orchestras										
Ave. Trustee Contributions/	$ 141,884	**4%**	$ 130,175	**4%**	$ 124,983	**4%**	$ 163,188	**5%**	$ 159,887	**4%**
Ave. Individual (non-Trustee) Contributions/	$ 454,416	**12%**	$ 356,835	**11%**	$ 396,698	**13%**	$ 343,709	**11%**	$ 338,807	**9%**
Ave. Corporate Contributions/	$ 161,862	**4%**	$ 110,004	**3%**	$ 94,151	**3%**	$ 89,788	**3%**	$ 93,099	**2%**
Ave. Foundation Support/	$ 160,198	**4%**	$ 127,798	**4%**	$ 126,466	**4%**	$ 131,734	**4%**	$ 166,550	**4%**
Ave. Total Government Support/	$ 141,293	**4%**	$ 106,003	**3%**	$ 85,594	**3%**	$ 76,995	**3%**	$ 89,297	**2%**
Ave. Total Expenses (before depr.)	$ 3,942,061		$ 3,377,371		$ 3,047,281		$ 3,047,762		$ 3,781,407	
Theater										
Ave. Trustee Contributions/	$ 69,555	**4%**	$ 55,461	**4%**	$ 52,432	**4%**	$ 56,174	**4%**	$ 72,980	**4%**
Ave. Individual (non-Trustee) Contributions/	$ 140,717	**9%**	$ 113,841	**8%**	$ 112,101	**9%**	$ 127,567	**9%**	$ 152,519	**9%**
Ave. Corporate Contributions/	$ 56,309	**4%**	$ 38,428	**3%**	$ 33,279	**3%**	$ 38,811	**3%**	$ 48,304	**3%**
Ave. Foundation Support/	$ 99,303	**6%**	$ 104,462	**8%**	$ 78,489	**6%**	$ 85,614	**6%**	$ 130,020	**8%**
Ave. Total Government Support/	$ 67,561	**4%**	$ 59,025	**4%**	$ 53,443	**4%**	$ 53,800	**4%**	$ 76,913	**4%**
Ave. Total Expenses (before depr.)	$ 1,553,395		$ 1,382,220		$ 1,251,864		$ 1,353,101		$ 1,721,857	

Contributed Revenue by Source Indices by Sector and Year (continued)

A&C Sector	2008	2008 Index	2009	2008 Index	2010	2010 Index	2011	2011 Index	2012	2012 Index
Other Museums										
Ave. Trustee Contributions/	$ 264,750	**5%**	$ 308,861	**7%**	$ 320,038	**7%**	$ 186,446	**4%**	$ 212,507	**4%**
Ave. Individual (non-Trustee) Contributions/	$ 267,256	**5%**	$ 193,650	**4%**	$ 198,933	**4%**	$ 238,189	**5%**	$ 269,136	**5%**
Ave. Corporate Contributions/	$ 175,229	**3%**	$ 142,353	**3%**	$ 155,465	**4%**	$ 154,108	**3%**	$ 184,983	**3%**
Ave. Foundation Support/	$ 192,590	**4%**	$ 145,706	**3%**	$ 167,359	**4%**	$ 143,696	**3%**	$ 155,710	**3%**
Ave. Total Government Support/	$ 640,490	**12%**	$ 544,110	**12%**	$ 492,589	**11%**	$ 605,829	**12%**	$ 583,101	**10%**
Ave. Total Expenses (before depr.)	$ 5,160,347		$ 4,712,776		$ 4,425,168		$ 5,030,809		$ 5,669,028	
General Performing Arts										
Ave. Trustee Contributions/	$ 31,533	**3%**	$ 26,498	**3%**	$ 24,371	**3%**	$ 27,138	**3%**	$ 45,209	**4%**
Ave. Individual (non-Trustee) Contributions/	$ 80,977	**7%**	$ 57,160	**6%**	$ 64,075	**7%**	$ 74,462	**8%**	$ 58,401	**5%**
Ave. Corporate Contributions/	$ 46,033	**4%**	$ 33,262	**3%**	$ 28,574	**3%**	$ 33,749	**4%**	$ 32,134	**3%**
Ave. Foundation Support/	$ 74,706	**6%**	$ 58,840	**6%**	$ 59,546	**7%**	$ 71,157	**8%**	$ 69,690	**6%**
Ave. Total Government Support/	$ 88,389	**8%**	$ 63,039	**6%**	$ 78,482	**9%**	$ 84,714	**9%**	$ 160,614	**15%**
Ave. Total Expenses (before depr.)	$ 1,150,050		$ 1,011,278		$ 895,382		$ 894,256		$ 1,078,506	

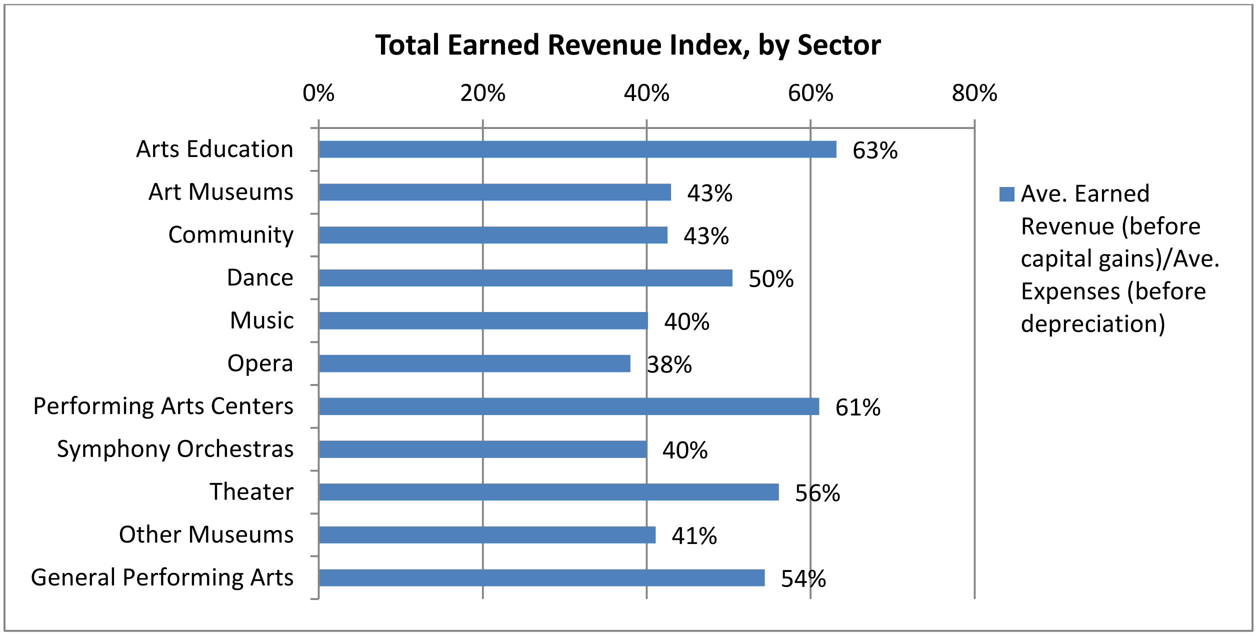
AREA: Earned Revenue by Sector

Total Earned Revenue Index

Question 1: "What is the relationship of total unrestricted earned revenue to expenses, not including either capital gains (realized and unrealized) or depreciation?
Total Earned Revenue (less capital gains)/Total Expenses (less depreciation)

[Highlights]: Arts education organizations earn the highest level of revenue relative to total expenses, largely through tuition for classes. Of the arts education organizations, 56% report earned revenue from education programs, which makes up the bulk of their total earned revenue. Average Earned Revenue (excluding capital gains) and average Total Expenses vary considerably across sectors.

Want to see this index for other years? In each of the 5 years, arts education organizations reported the highest average earned revenue relative to expenses. Dance, music, theatre, and general performing arts have had a very stable average total earned revenue index since 2009. It is somewhat striking how similar the art museum, community, music, symphony orchestra, and 'other' museum sectors are on this index.



Total Earned Revenue Index by Sector and Year

A&C Sector	2008	2009	2010	2011	2012
Arts Education	**58%**	**63%**	**62%**	**62%**	**63%**
Ave. Earned Rev. (before capital gains)/	$ 878,944	$ 945,245	$ 872,145	$ 837,266	$ 867,581
Ave. Total Expenses (before depr.)	$ 1,468,592	$ 1,415,056	$ 1,312,560	$ 1,263,584	$ 1,295,979
Art Museums	**45%**	**42%**	**45%**	**54%**	**43%**
Ave. Earned Rev. (before capital gains)/	$ 5,684,865	$ 4,740,943	$ 5,158,986	$ 6,046,400	$ 6,382,759
Ave. Total Expenses (before depr.)	$ 12,331,835	$ 10,552,052	$ 11,051,538	$ 10,850,182	$ 13,978,759
Community	**44%**	**38%**	**41%**	**43%**	**43%**
Ave. Total Expenses (before depr.)/	$ 398,553	$ 317,942	$ 307,211	$ 335,310	$ 405,978
Ave. Total Expenses (before depr.)	$ 866,238	$ 791,116	$ 681,210	$ 714,732	$ 882,984
Dance	**51%**	**51%**	**52%**	**52%**	**50%**
Ave. Earned Rev. (before capital gains)/	$ 536,607	$ 484,559	$ 456,800	$ 494,433	$ 570,464
Ave. Total Expenses (before depr.)	$ 1,034,752	$ 931,140	$ 861,248	$ 945,581	$ 1,112,511
Music	**44%**	**41%**	**42%**	**43%**	**40%**
Ave. Earned Rev. (before capital gains)/	$ 181,231	$ 151,072	$ 136,127	$ 149,422	$ 115,313
Ave. Total Expenses (before depr.)	$ 399,882	$ 359,596	$ 313,969	$ 338,005	$ 277,203
Opera	**44%**	**41%**	**44%**	**45%**	**38%**
Ave. Earned Rev. (before capital gains)/	$ 3,720,329	$ 3,261,642	$ 3,285,916	$ 3,318,363	$ 1,760,670
Ave. Total Expenses (before depr.)	$ 8,312,805	$ 7,598,628	$ 7,319,300	$ 7,182,062	$ 4,631,327
Performing Arts Centers	**56%**	**50%**	**55%**	**61%**	**61%**
Ave. Earned Rev. (before capital gains)/	$ 3,261,926	$ 2,447,382	$ 2,888,478	$ 3,582,708	$ 4,267,302
Ave. Total Expenses (before depr.)	$ 5,769,648	$ 4,796,646	$ 5,188,658	$ 5,803,790	$ 6,991,997
Symphony Orchestras	**49%**	**42%**	**44%**	**48%**	**40%**
Ave. Earned Rev. (before capital gains)/	$ 1,961,883	$ 1,459,507	$ 1,370,788	$ 1,490,912	$ 1,555,367
Ave. Total Expenses (before depr.)	$ 3,942,061	$ 3,377,371	$ 3,047,281	$ 3,047,762	$ 3,781,407
Theater	**57%**	**57%**	**58%**	**57%**	**56%**
Ave. Earned Rev. (before capital gains)/	$ 902,388	$ 797,058	$ 737,542	$ 787,511	$ 981,071
Ave. Total Expenses (before depr.)	$ 1,553,395	$ 1,382,220	$ 1,251,864	$ 1,353,101	$ 1,721,857
Other Museums	**42%**	**45%**	**41%**	**45%**	**41%**
Ave. Earned Rev. (before capital gains)/	$ 2,232,597	$ 2,179,663	$ 1,890,999	$ 2,309,863	$ 2,369,235
Ave. Total Expenses (before depr.)	$ 5,160,347	$ 4,712,776	$ 4,425,168	$ 5,030,809	$ 5,669,028
General Performing Arts	**60%**	**55%**	**54%**	**55%**	**54%**
Ave. Earned Rev. (before capital gains)/	$ 689,845	$ 580,513	$ 507,128	$ 507,650	$ 613,901
Ave. Total Expenses (before depr.)	$ 1,150,050	$ 1,011,278	$ 895,382	$ 894,256	$ 1,078,506

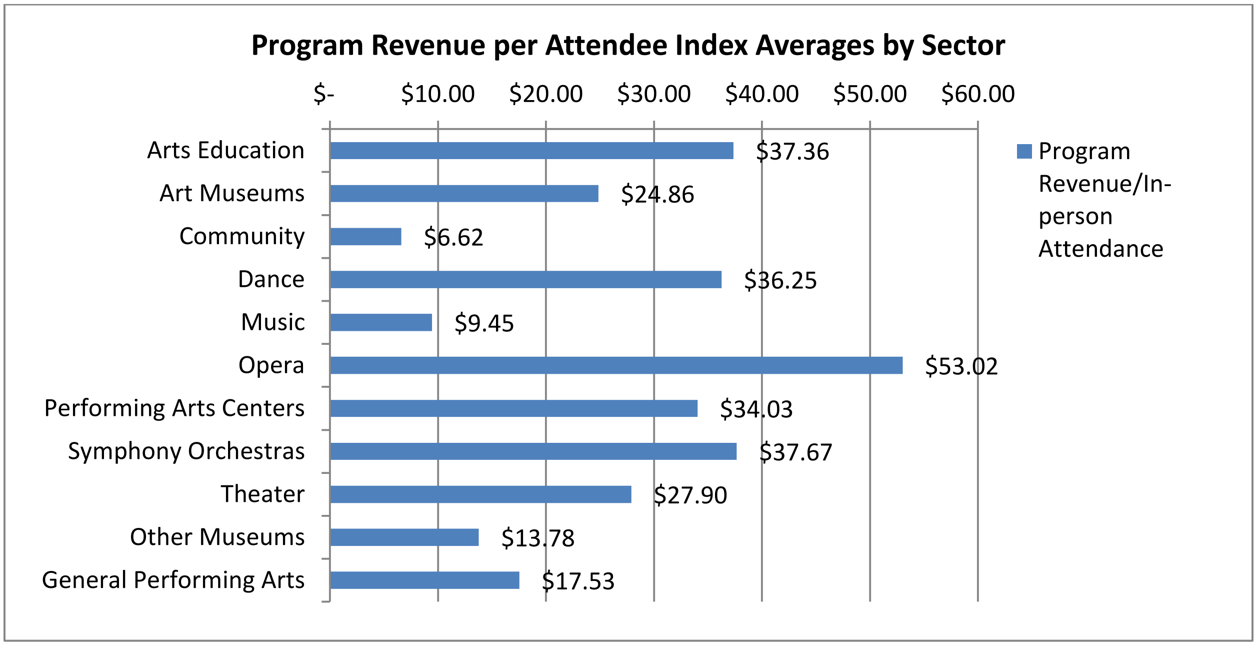
Program Revenue per Attendee Index

Question 2: "What is program revenue per attendee?"
Program Revenue/Total In-person Attendance

[Highlights]: There are significant differences in the program revenue per attendee between the various arts and cultural sectors. The most striking difference is between opera and community organizations. As with all indices, this one has no prescribed ideal point that all organizations should strive for. Different sectors have different operating models, a fact which these results reinforce.

Key differences emerge between art museums and other museums, as well as between symphony orchestras and other music-based organizations such as choruses, choirs, bands and ensembles. In 2012, opera companies covered the lowest average level of expenses with earned revenue and yet opera's average program revenue per attendee was the highest of all sectors.

Want to see this index for other years? Even if the index varies somewhat from year-to-year within each sector, the relative pattern of this earned revenue index across sectors is fairly stable over time. In other words, the sector-to-sector standing on this index is just about the same regardless of which year you examine.



Program Revenue per Attendee Index by Sector and Year

A&C Sector	2008	2009	2010	2011	2012
Arts Education	**$ 38.16**	**$ 38.66**	**$ 38.66**	**$ 34.07**	**$ 37.36**
Ave. Program Rev./	$ 798,912	$ 847,433	$ 811,342	$ 780,570	$ 791,024
Ave. In-Person Attendance	20,251	20,689	19,663	21,203	20,076
Art Museums	**$ 24.82**	**$ 22.50**	**$ 22.31**	**$ 22.89**	**$ 24.86**
Ave. Program Rev./	$ 3,998,157	$ 3,489,595	$ 4,004,295	$ 3,912,928	$ 4,934,727
Ave. In-Person Attendance	156,372	148,380	173,327	165,808	191,690
Community	**$ 5.27**	**$ 5.55**	**$ 5.05**	**$ 5.84**	**$ 6.62**
Ave. Program Rev./	$ 273,305	$ 246,774	$ 226,602	$ 243,866	$ 296,603
Ave. In-Person Attendance	48,874	42,088	41,657	38,565	41,318
Dance	**$ 29.79**	**$ 29.61**	**$ 28.57**	**$ 28.94**	**$ 36.25**
Ave. Program Rev./	$ 483,187	$ 442,706	$ 420,639	$ 450,231	$ 526,305
Ave. In-Person Attendance	16,262	15,022	14,982	15,665	14,567
Music	**$ 8.20**	**$ 8.99**	**$ 8.09**	**$ 7.30**	**$ 9.45**
Ave. Program Rev./	$ 144,160	$ 125,633	$ 113,778	$ 121,802	$ 108,042
Ave. In-Person Attendance	16,992	13,683	13,732	16,430	11,050
Opera	**$ 66.18**	**$ 71.34**	**$ 69.88**	**$ 87.76**	**$ 53.02**
Ave. Program Rev./	$ 3,230,804	$ 2,959,768	$ 2,941,130	$ 3,046,889	$ 1,677,205
Ave. In-Person Attendance	48,169	40,149	41,133	33,903	31,636
Performing Arts Centers	**$ 26.34**	**$ 25.87**	**$ 28.60**	**$ 29.48**	**$ 34.03**
Ave. Program Rev./	$ 2,381,619	$ 1,770,504	$ 2,105,917	$ 2,522,734	$ 3,200,309
Ave. In-Person Attendance	89,065	67,633	73,244	86,044	94,053
Symphony Orchestras	**$ 34.11**	**$ 33.70**	**$ 33.67**	**$ 33.99**	**$ 37.67**
Ave. Program Rev./	$ 1,696,138	$ 1,326,620	$ 1,241,640	$ 1,250,712	$ 1,532,000
Ave. In-Person Attendance	48,759	38,775	36,367	36,399	39,682
Theater	**$ 23.76**	**$ 23.77**	**$ 23.80**	**$ 24.75**	**$ 27.90**
Ave. Program Rev./	$ 793,732	$ 707,552	$ 655,463	$ 692,219	$ 875,898
Ave. In-Person Attendance	32,783	29,336	27,428	27,486	30,915
Other Museums	**$ 11.32**	**$ 11.95**	**$ 11.47**	**$ 12.33**	**$ 13.78**
Ave. Program Rev./	$ 1,773,704	$ 1,701,231	$ 1,595,811	$ 1,870,209	$ 1,988,901
Ave. In-Person Attendance	149,887	140,747	138,131	150,523	140,998
General Performing Arts	**$ 22.96**	**$ 14.83**	**$ 13.51**	**$ 15.72**	**$ 17.53**
Ave. Program Rev./	$ 620,836	$ 517,094	$ 442,439	$ 439,617	$ 521,150
Ave. In-Person Attendance	26,046	32,944	31,333	27,731	28,964

AREA: Expenses by Sector

Investment in Program and Investment in Program Personnel Indices

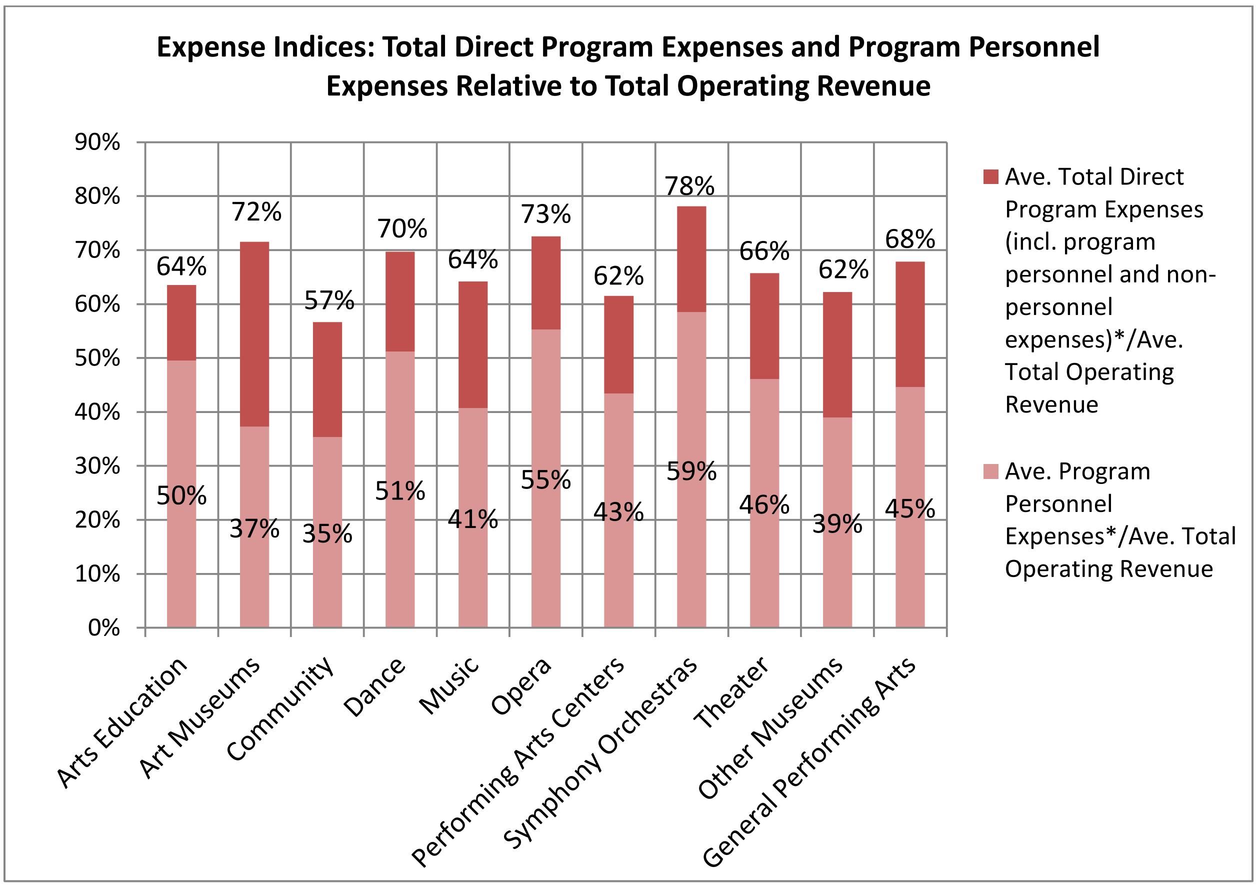
Questions 1 and 2: "How much operating revenue is directly invested in programs, first considering all direct costs related to programs then only the cost of paying artists and program personnel?"

Investment in Program Index: Total direct program expenses/Total operating revenue
Investment in Program Personnel Index: Salaried and non-salaried artists and program personnel (staff and contracted) expenses/Total operating revenue

[Highlights]: Symphony orchestras and opera companies are the most labor-intensive art forms, with 59% and 55% of total revenue going to payment of artists and program-related personnel. Subsequently, their investment in program expenses indices are also the highest at 78% and 73%. Art museums, which have the next highest relative investment in program expenses index at 72%, are less labor intensive, as reflected in the lower level of investment in program personnel relative to other sectors. Community organizations spend comparatively less of their operating budget than other sectors paying personnel and non-personnel direct program costs. Arts education organizations average the smallest spread between total direct program expenses and the subset of expenses going to pay personnel, indicating the lowest average level of funds spent on non-personnel program expenses.

Key differences emerge between expenses for symphony orchestras and opera companies and those of other music-based organizations such as choruses, choirs, bands and ensembles.

Want to see this index for other years? Theatre, music and dance were fairly consistent in both indices across years while the other sectors fluctuated with time. Unrestricted operating revenue was a new CDP line item in 2011. Many organizations submitted updates to report it for prior years, but too few organizations provided the information for 2008 for us to include that year in our analyses.



*Note: Non-personnel program expenses include physical production materials; collections conservation and management; program-related equipment rentals and repairs; production and exhibition housing/travel, etc. Program personnel expense includes payment to salaried and non-salaried artists, curators, artistic program coordinators, arts educators, collections and production staff.

Investment in Programming and Investment in Program Personnel Indices by Sector and Year

A&C Sector	2009	2009 Index	2010	2010 Index	2011	2011 Index	2012	2012 Index
Arts Education								
Ave. Total Direct Program Exps. (personnel & non-personnel)/	$ 652,505	**75%**	$ 731,148	**66%**	$ 901,240	**57%**	$ 913,771	**64%**
Ave. Artists & Program Personnel Exps./	*$ 515,109*	***55%***	*$ 565,749*	***49%***	*$ 714,849*	***43%***	*$ 732,496*	***50%***
Ave. Operating Revenue	$ 860,994		$ 1,097,484		$ 1,563,764		$ 1,432,617	
Art Museums								
Ave. Total Direct Program Exps. (personnel & non-personnel)/	$ 5,370,834	**66%**	$ 4,865,552	**49%**	$ 6,711,057	**62%**	$ 8,857,847	**72%**
Ave. Artists & Program Personnel Exps./	*$ 3,034,578*	***35%***	*$ 2,699,192*	***26%***	*$ 3,579,176*	***33%***	*$ 4,707,710*	***37%***
Ave. Operating Revenue	$ 8,117,011		$ 9,761,630		$ 10,763,644		$ 12,384,725	
Community								
Ave. Total Direct Program Exps. (personnel & non-personnel)/	$ 409,901	**55%**	$ 386,524	**56%**	$ 401,106	**55%**	$ 484,200	**57%**
Ave. Artists & Program Personnel Exps./	*$ 307,537*	***36%***	*$ 262,873*	***34%***	*$ 275,558*	***34%***	*$ 325,478*	***35%***
Ave. Operating Revenue	$ 741,272		$ 681,112		$ 725,027		$ 846,835	
Dance								
Ave. Total Direct Program Exps. (personnel & non-personnel)/	$ 293,074	**68%**	$ 370,922	**65%**	$ 636,435	**64%**	$ 736,475	**70%**
Ave. Artists & Program Personnel Exps./	*$ 183,999*	***41%***	*$ 238,010*	***41%***	*$ 469,115*	***47%***	*$ 553,859*	***51%***
Ave. Operating Revenue	$ 429,116		$ 569,596		$ 986,718		$ 1,049,137	
Music								
Ave. Total Direct Program Exps. (personnel & non-personnel)/	$ 168,740	**62%**	$ 153,463	**60%**	$ 184,728	**61%**	$ 172,635	**64%**
Ave. Artists & Program Personnel Exps./	*$ 115,211*	***39%***	*$ 100,269*	***38%***	*$ 120,355*	***39%***	*$ 111,820*	***41%***
Ave. Operating Revenue	$ 272,185		$ 255,383		$ 300,809		$ 269,027	
Opera								
Ave. Total Direct Program Exps. (personnel & non-personnel)/	$ 363,033	**62%**	$ 1,749,374	**72%**	$ 5,939,676	**75%**	$ 3,329,169	**73%**
Ave. Artists & Program Personnel Exps./	*$ 213,304*	***36%***	*$ 1,240,974*	***51%***	*$ 4,860,663*	***61%***	*$ 2,539,574*	***55%***
Ave. Operating Revenue	$ 585,645		$ 2,441,847		$ 7,963,117		$ 4,591,122	

Investment in Programming and Investment in Program Personnel Indices by Sector and Year (continued)

A&C Sector	2009	2009 Index	2010	2010 Index	2011	2011 Index	2012	2012 Index
Performing Arts Centers								
Ave. Total Direct Program Exps. (personnel & non-personnel)/	$ 1,133,597	**67%**	$ 2,915,537	**67%**	$ 3,169,276	**68%**	$ 4,601,369	**62%**
Ave. Artists & Program Personnel Exps./	*$ 976,788*	***56%***	*$ 2,132,548*	***48%***	*$ 1,791,830*	***38%***	*$ 3,274,589*	***43%***
Ave. Operating Revenue	$ 1,660,606		$ 4,245,164		$ 4,544,225		$ 7,416,086	
Symphony Orchestras								
Ave. Total Direct Program Exps. (personnel & non-personnel)/	$ 572,376	**72%**	$ 1,905,993	**72%**	$ 1,700,578	**66%**	$ 2,094,699	**78%**
Ave. Artists & Program Personnel Exps./	*$ 434,376*	***54%***	*$ 1,443,076*	***53%***	*$ 1,272,296*	***49%***	*$ 1,586,253*	***59%***
Ave. Operating Revenue	$ 797,119		$ 2,657,398		$ 2,581,431		$ 2,665,898	
Theater								
Ave. Total Direct Program Exps. (personnel & non-personnel)/	$ 1,158,415	**68%**	$ 743,160	**64%**	$ 941,365	**66%**	$ 1,157,825	**66%**
Ave. Artists & Program Personnel Exps./	*$ 880,258*	***49%***	*$ 555,483*	***46%***	*$ 675,861*	***46%***	*$ 828,169*	***46%***
Ave. Operating Revenue	$ 1,701,081		$ 1,158,958		$ 1,416,778		$ 1,761,151	
Other Museums								
Ave. Total Direct Program Exps. (personnel & non-personnel)/	$ 2,026,640	**50%**	$ 2,656,199	**53%**	$ 2,621,476	**54%**	$ 3,178,105	**62%**
Ave. Artists & Program Personnel Exps./	*$ 1,354,241*	***32%***	*$ 1,905,901*	***35%***	*$ 1,869,684*	***36%***	*$ 2,144,704*	***39%***
Ave. Operating Revenue	$ 3,885,532		$ 4,845,141		$ 4,844,931		$ 5,039,799	
General Performing Arts								
Ave. Total Direct Program Exps. (personnel & non-personnel)/	$ 379,991	**87%**	$ 357,024	**63%**	$ 615,987	**66%**	$ 715,567	**68%**
Ave. Artists & Program Personnel Exps./	*$ 261,280*	***54%***	*$ 259,618*	***43%***	*$ 472,891*	***48%***	*$ 495,492*	***45%***
Ave. Operating Revenue	$ 438,451		$ 564,355		$ 917,134		$ 1,054,746	

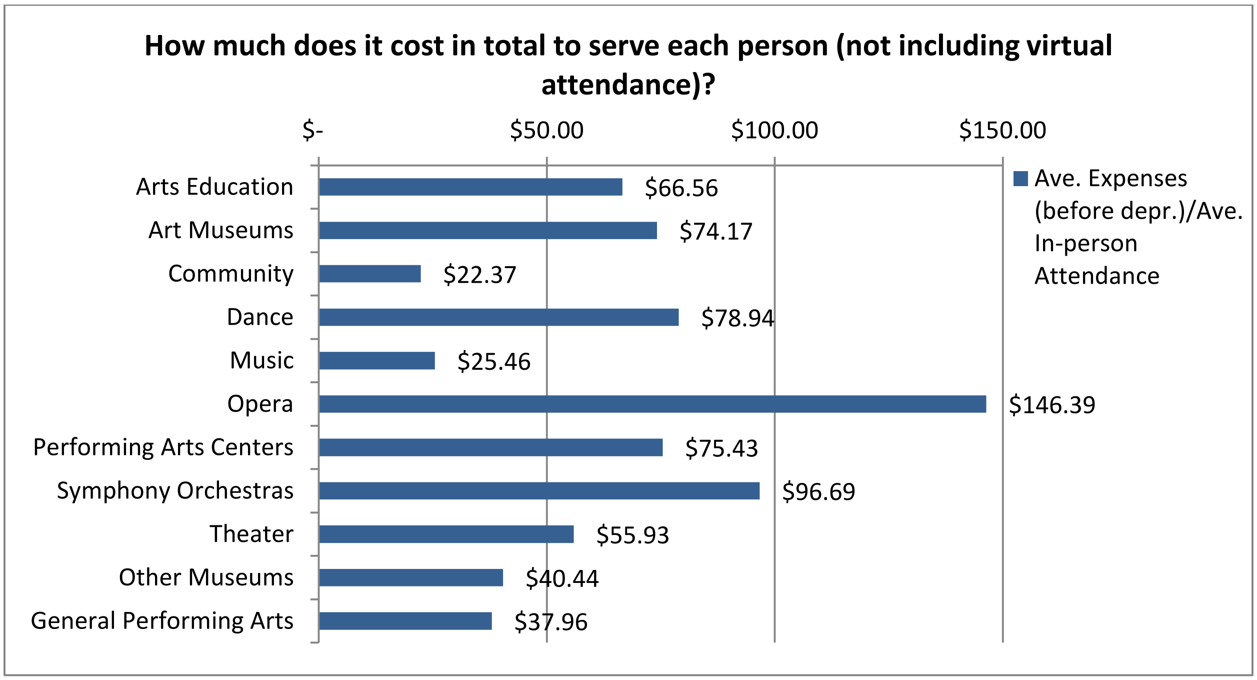
Attendee-Expense Index

Question: "How much is the total cost of serving each person (not including virtual attendance)?"
Total Expenses (before depr.)/Total In-person Attendance

[Highlights]: There are big differences between the arts and cultural sectors when taking the organization's total budget (before depreciation) and dividing it across the number of people who attend the organization's events in-person, reflecting the disparities in cost demands to provide the different art forms and offerings. As with all indices, this one has no prescribed ideal point that all organizations should strive for. Different sectors have different operating models, a fact which these results reinforce.

There are surprising similarities in the attendee-expense ratio for art museums, dance companies, and performing arts centers despite their considerable variation in both average Total Expenses and average In-person Attendance.

Want to see this index for other years? There were swings in this index for all sectors over the years.



Attendee-Expense Index by Sector and Year

A&C Sector	2008	2009	2010	2011	2012
Arts Education	**$ 75.42**	**$ 70.82**	**$ 68.77**	**$ 60.78**	**$ 66.56**
Ave. Expenses (before depr.)/	$ 1,468,592	$ 847,433	$ 811,342	$ 780,570	$ 791,024
Ave. In-Person Attendance	20,251	20,689	19,663	21,203	20,076
Art Museums	**$ 79.44**	**$ 72.43**	**$ 64.49**	**$ 66.62**	**$ 74.17**
Ave. Expenses (before depr.)/	$ 12,331,835	$ 3,489,595	$ 4,004,295	$ 3,912,928	$ 4,934,727
Ave. In-Person Attendance	156,372	148,380	173,327	165,808	191,690
Community	**$ 18.57**	**$ 19.80**	**$ 17.44**	**$ 19.49**	**$ 22.37**
Ave. Expenses (before depr.)/	$ 273,305	$ 246,774	$ 226,602	$ 243,866	$ 296,603
Ave. In-Person Attendance	48,874	42,088	41,657	38,565	41,318
Dance	**$ 64.86**	**$ 64.65**	**$ 60.01**	**$ 61.90**	**$ 78.94**
Ave. Expenses (before depr.)/	$ 483,187	$ 442,706	$ 420,639	$ 450,231	$ 526,305
Ave. In-Person Attendance	16,262	15,022	14,982	15,665	14,567
Music	**$ 23.70**	**$ 26.67**	**$ 23.28**	**$ 21.05**	**$ 25.46**
Ave. Expenses (before depr.)/	$ 144,160	$ 125,633	$ 113,778	$ 121,802	$ 108,042
Ave. In-Person Attendance	16,992	13,683	13,732	16,430	11,050
Opera	**$ 172.58**	**$ 191.30**	**$ 177.94**	**$ 211.84**	**$ 146.39**
Ave. Expenses (before depr.)/	$ 3,230,804	$ 2,959,768	$ 2,941,130	$ 3,046,889	$ 1,677,205
Ave. In-Person Attendance	48,169	40,149	41,133	33,903	31,636
Performing Arts Centers	**$ 65.27**	**$ 72.18**	**$ 72.37**	**$ 70.12**	**$ 75.43**
Ave. Expenses (before depr.)/	$ 2,381,619	$ 1,770,504	$ 2,105,917	$ 2,522,734	$ 3,200,309
Ave. In-Person Attendance	89,065	67,633	73,244	86,044	94,053
Symphony Orchestras	**$ 81.63**	**$ 88.40**	**$ 85.25**	**$ 85.23**	**$ 96.69**
Ave. Expenses (before depr.)/	$ 1,696,138	$ 1,326,620	$ 1,241,640	$ 1,250,712	$ 1,532,000
Ave. In-Person Attendance	48,759	38,775	36,367	36,399	39,682
Theater	**$ 48.09**	**$ 47.56**	**$ 46.49**	**$ 49.92**	**$ 55.93**
Ave. Expenses (before depr.)/	$ 793,732	$ 707,552	$ 655,463	$ 692,219	$ 875,898
Ave. In-Person Attendance	32,783	29,336	27,428	27,486	30,915
Other Museums	**$ 34.88**	**$ 34.59**	**$ 33.35**	**$ 33.93**	**$ 40.44**
Ave. Expenses (before depr.)/	$ 1,773,704	$ 1,701,231	$ 1,595,811	$ 1,870,209	$ 1,988,901
Ave. In-Person Attendance	149,887	140,747	138,131	150,523	140,998
General Performing Arts	**$ 44.69**	**$ 31.16**	**$ 29.19**	**$ 33.22**	**$ 37.96**
Ave. Expenses (before depr.)/	$ 620,836	$ 517,094	$ 442,439	$ 439,617	$ 521,150
Ave. In-Person Attendance	26,046	32,944	31,333	27,731	28,964

AREA: Marketing Impact by Sector

Response to Marketing Efforts and Response to Direct Marketing Spend Indices

Questions 1-2: "How much total marketing investment does it take to bring in one person, first considering all marketing costs then only non-staff costs?"

Response to Marketing Efforts Index: Total marketing expenses (including staff and non-staff costs)/ Total in-person attendance
Response to Direct Marketing Spend Index: Direct marketing expenses (non-staff costs only)/Total in-person attendance

[Highlights]: The average opera company invested seven times the marketing expenses to bring in one patron as did community organizations. Dance and theater companies tend to experience similar return on marketing investments, as do the arts education, art museum, music, and 'other' museum sectors.

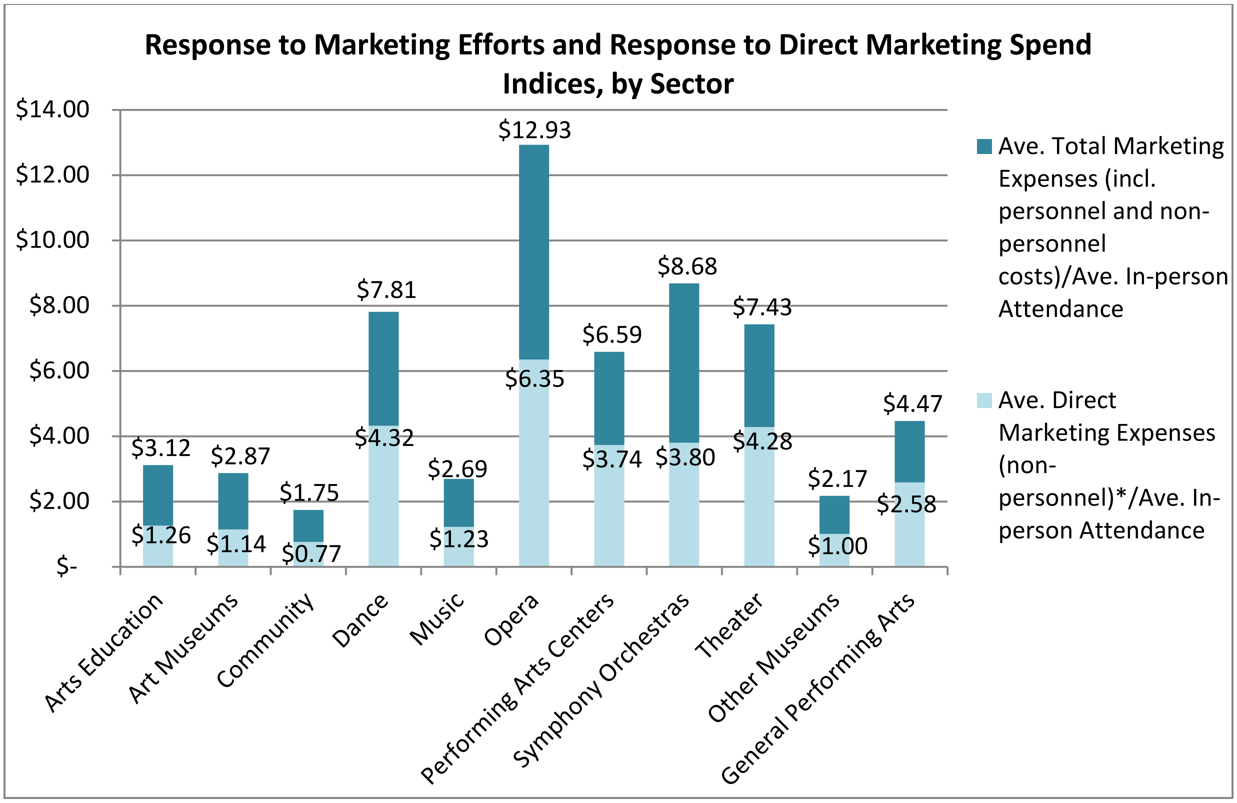
The average opera spends half of its total marketing dollars on marketing staff and half on direct marketing expenses including advertising, internet and website, printing, public relations, sales commission fees, etc. Performing arts centers, 'other' museums, general performing arts organizations, and dance companies spend more of their marketing budget on staff than on direct marketing expenses (41% to 45% of their total marketing is spent on direct marketing) whereas the reverse is true for the remaining sectors, which average 54% to 60% of total marketing spent on direct marketing.

Want to see this index for other years? These indices remain fairly consistent over time for most sectors. It is curious that average total marketing expenses relative to in-person attendance decreased annually for arts education and increased annually for opera, performing arts centers, and symphony orchestras. These patterns do not represent a trend of the same cohort of organizations over time; they represent the average response to marketing efforts for a changing annual mix of participating organizations.

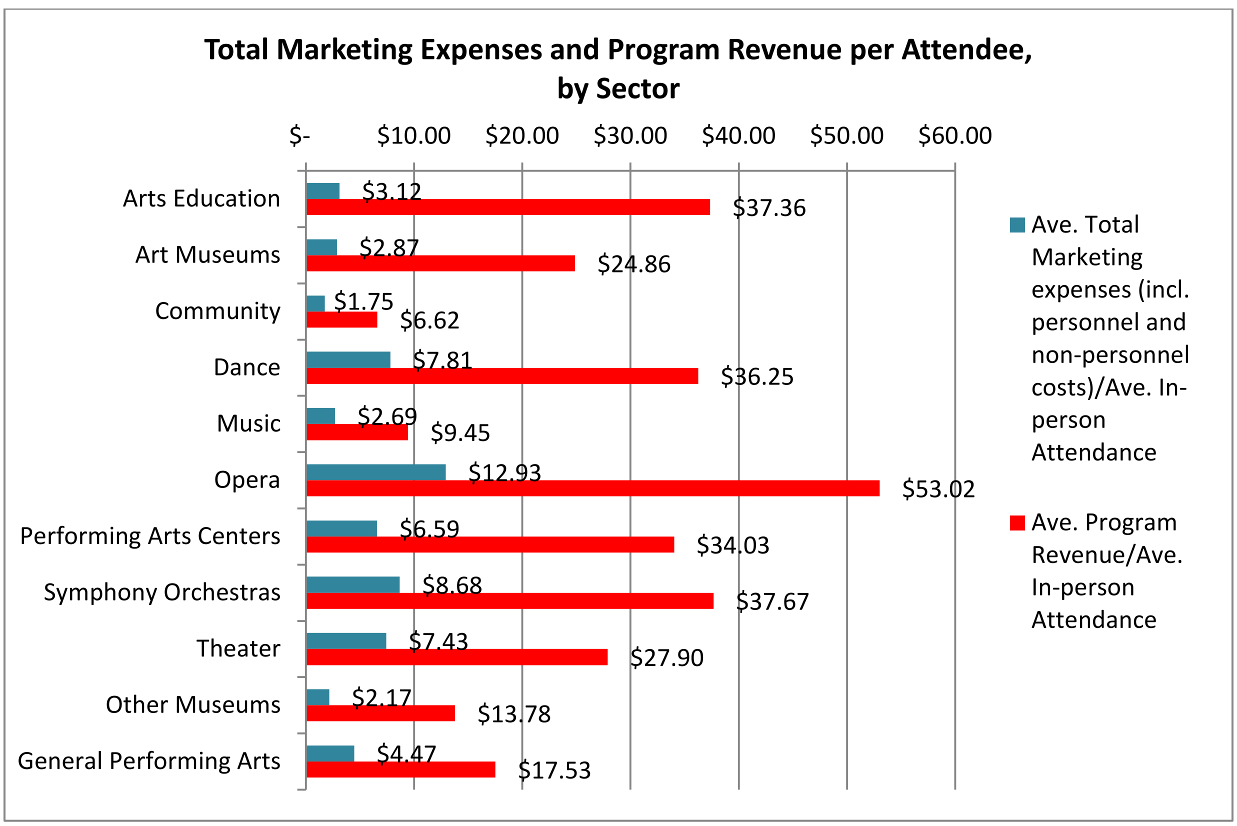
Also, the relative pattern of this marketing impact index across sectors is fairly stable over time. In other words, the sector-to-sector standing on this index is just about the same regardless of which year you examine. When there are inconsistencies they are typically due to an outlier with unusual activity in a given year.

Sidebar Comparison: Program Revenue per Attendee and Marketing Expenses per Attendee

[Highlights]: We also stop to compare the total market dollars spent per attendee and the total program revenue earned per attendee – in other words, what it cost on average in marketing to attract someone to come, and the average amount that person spends with the organization once they're there. The chart shows how diverse the sectors are in terms of net revenue, or the difference between program revenue per person and the cost of marketing efforts. For instance, art museums and 'other' museums spend between $2 and $3 to bring in each person, yet art museums earn an average of $24.86 in program revenue per person whereas 'other' museums earn an average of $12.78. The net revenue per person is $21.99 for art museums and $11.61 for 'other' museums.



*Note: Direct marketing (non-personnel) expenses include advertising, internet and website, printing, public relations, sales commission fees, etc.



Response to Marketing Efforts and Response to Direct Marketing Spend Indices by Sector and Year

A&C Sector	2008	2008 Index	2009	2009 Index	2010	2010 Index	2011	2011 Index	2012	2012 Index
Arts Education										
Ave. Total Marketing Expenses (staff & non-staff)/	$ 77,966	**$ 3.89**	$ 74,462	**$ 3.61**	$ 67,971	**$ 3.45**	$ 69,295	**$ 3.21**	$ 62,796	**$ 3.12**
Ave. Direct Marketing Expenses (non-staff only)/	*$ 35,589*	*$ 1.83*	*$ 31,634*	*$ 1.58*	*$ 29,018*	*$ 1.52*	*$ 30,733*	*$ 1.48*	*$ 24,628*	*$ 1.26*
Ave. Total In-person Attendance	20,251		20,689		19,663		21,203		20,076	
Art Museums										
Ave. Total Marketing Expenses (staff & non-staff)/	$ 491,018	**$ 3.16**	$ 424,238	**$ 2.91**	$ 437,034	**$ 2.55**	$ 419,873	**$ 2.58**	$ 539,975	**$ 2.87**
Ave. Direct Marketing Expenses (non-staff only)/	*$ 203,169*	*$ 1.31*	*$ 168,852*	*$ 1.16*	*$ 175,288*	*$ 1.02*	*$ 172,056*	*$ 1.06*	*$ 214,826*	*$ 1.14*
Ave. Total In-person Attendance	156,372		148,380		173,327		165,808		191,690	
Community										
Ave. Total Marketing Expenses (staff & non-staff)/	$ 77,610	**$ 1.63**	$ 69,693	**$ 1.70**	$ 61,446	**$ 1.50**	$ 62,282	**$ 1.63**	$ 71,364	**$ 1.75**
Ave. Direct Marketing Expenses (non-staff only)/	*$ 29,025*	*$ 0.62*	*$ 26,860*	*$ 0.67*	*$ 22,771*	*$ 0.58*	*$ 24,266*	*$ 0.66*	*$ 30,203*	*$ 0.77*
Ave. Total In-person Attendance	48,874		42,088		41,657		38,565		41,318	
Dance										
Ave. Total Marketing Expenses (staff & non-staff)/	$ 110,732	**$ 6.92**	$ 90,778	**$ 6.27**	$ 84,525	**$ 5.77**	$ 89,666	**$ 5.79**	$ 110,457	**$ 7.81**
Ave. Direct Marketing Expenses (non-staff only)/	*$ 57,802*	*$ 3.62*	*$ 48,680*	*$ 3.39*	*$ 45,988*	*$ 3.21*	*$ 48,384*	*$ 3.17*	*$ 60,857*	*$ 4.32*
Ave. Total In-person Attendance	16,262		15,022		14,982		15,665		14,567	
Music										
Ave. Total Marketing Expenses (staff & non-staff)/	$ 42,722	**$ 2.50**	$ 40,491	**$ 2.95**	$ 34,365	**$ 2.49**	$ 36,751	**$ 2.25**	$ 30,072	**$ 2.69**
Ave. Direct Marketing Expenses (non-staff only)/	*$ 20,692*	*$ 1.23*	*$ 18,247*	*$ 1.36*	*$ 15,488*	*$ 1.15*	*$ 17,133*	*$ 1.07*	*$ 13,346*	*$ 1.23*
Ave. Total In-person Attendance	16,992		13,683		13,732		16,430		11,050	
Opera										
Ave. Total Marketing Expenses (staff & non-staff)/	$ 464,626	**$ 9.65**	$ 409,817	**$ 10.21**	$ 420,822	**$10.23**	$ 402,338	**$11.87**	$ 409,063	**$12.93**
Ave. Direct Marketing Expenses (non-staff only)/	*$ 249,263*	*$ 5.17*	*$ 195,047*	*$ 4.91*	*$ 198,703*	*$ 4.83*	*$ 196,077*	*$ 5.78*	*$ 200,970*	*$ 6.35*
Ave. Total In-person Attendance	48,169		40,149		41,133		33,903		31,636	

Response to Marketing Efforts and Response to Direct Marketing Spend Indices by Sector and Year (continued)

A&C Sector	2008	2008 Index	2009	2009 Index	2010	2010 Index	2011	2011 Index	2012	2012 Index
Performing Arts Centers										
Ave. Total Marketing Expenses (staff & non-staff)/	$ 444,044	**$ 4.99**	$ 354,787	**$ 5.31**	$ 406,307	**$ 5.61**	$ 519,554	**$ 6.21**	$ 610,590	**$ 6.59**
Ave. Direct Marketing Expenses (non-staff only)/	*$ 270,017*	*$ 3.05*	*$ 206,967*	*$ 3.11*	*$ 207,777*	*$ 2.90*	*$ 274,911*	*$ 3.32*	*$ 346,261*	*$ 3.74*
Ave. Total In-person Attendance	89,065		67,633		73,244		86,044		94,053	
Symphony Orchestras										
Ave. Total Marketing Expenses (staff & non-staff)/	$ 371,921	**$ 7.70**	$ 309,265	**$ 8.04**	$ 298,591	**$ 8.24**	$ 301,864	**$ 8.32**	$ 344,447	**$ 8.68**
Ave. Direct Marketing Expenses (non-staff only)/	*$ 176,747*	*$ 3.66*	*$ 136,508*	*$ 3.57*	*$ 130,590*	*$ 3.65*	*$ 129,292*	*$ 3.62*	*$ 148,487*	*$ 3.80*
Ave. Total In-person Attendance	48,759		38,775		36,367		36,399		39,682	
Theater										
Ave. Total Marketing Expenses (staff & non-staff)/	$ 219,619	**$ 6.77**	$ 187,816	**$ 6.42**	$ 165,731	**$ 6.14**	$ 182,366	**$ 6.67**	$ 229,051	**$ 7.43**
Ave. Direct Marketing Expenses (non-staff only)/	*$ 126,776*	*$ 3.92*	*$ 103,614*	*$ 3.57*	*$ 94,694*	*$ 3.52*	*$ 103,447*	*$ 3.82*	*$ 131,909*	*$ 4.28*
Ave. Total In-person Attendance	32,783		29,336		27,428		27,486		30,915	
Other Museums										
Ave. Total Marketing Expenses (staff & non-staff)/	$ 308,974	**$ 2.06**	$ 297,814	**$ 2.15**	$ 289,102	**$ 2.11**	$ 327,861	**$ 2.15**	$ 320,764	**$ 2.17**
Ave. Direct Marketing Expenses (non-staff only)/	*$ 151,454*	*$ 1.02*	*$ 141,329*	*$ 1.04*	*$ 131,640*	*$ 0.99*	*$ 153,486*	*$ 1.04*	*$ 140,591*	*$ 1.00*
Ave. Total In-person Attendance	149,887		140,747		138,131		150,523		140,998	
General Performing Arts										
Ave. Total Marketing Expenses (staff & non-staff)/	$ 126,714	**$ 4.84**	$ 109,874	**$ 3.35**	$ 125,445	**$ 3.93**	$ 103,450	**$ 3.76**	$ 127,774	**$ 4.47**
Ave. Direct Marketing Expenses (non-staff only)/	*$ 70,422*	*$ 2.74*	*$ 60,366*	*$ 1.86*	*$ 58,926*	*$ 1.93*	*$ 54,113*	*$ 2.01*	*$ 73,378*	*$ 2.58*
Ave. Total In-person Attendance	26,046		32,944		31,333		27,731		28,964	

Return on Marketing Efforts and Return on Direct Marketing Spend Indices

Questions 3-4: "How much program revenue do we earn from our total investment in marketing (including staff and non-staff costs) and from non-staff marketing costs alone?"

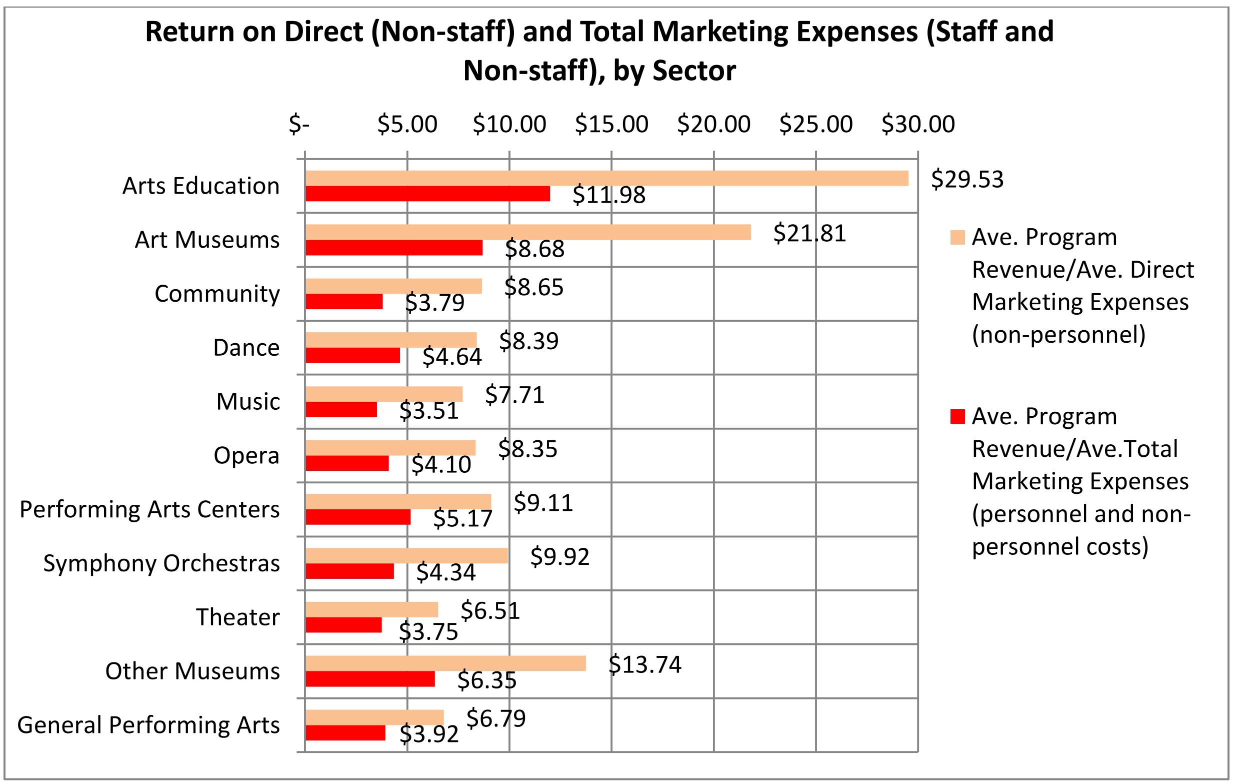
Return on Marketing Efforts Index: Total Program Revenue/ Total Marketing Expenses (including staff and non-staff costs)

Return on Direct Marketing Spend Index: Total Program Revenue/Direct Marketing Expenses (non-staff costs only)

[Highlights]: Naturally, there is a higher level of program revenue generated per dollar spent on direct (non-staff) marketing expenses than there is when we consider all marketing costs (staff and non-staff).

There is relative consistency in return on marketing, both with and without marketing staff costs considered, across all sectors except arts education, art museums, and 'other' museums. The similarities are particularly pronounced when looking at the return on total marketing efforts. Tuition-driven arts education organizations see the highest program revenue returns per marketing dollar spent, both with and without marketing staff costs considered.

Want to see these indices for other years? These indices remain fairly consistent over time for most sectors. Large variations tend to be due to outlier organizations participating some years and not others.



Return on Marketing Efforts and Return on Direct Marketing Spend Indices by Sector and Year

A&C Sector	2008	2008 Index	2009	2009 Index	2010	2010 Index	2011	2011 Index	2012	2012 Index
Arts Education										
Ave. Program Revenue/	$ 798,912		$ 847,433		$ 811,342		$ 780,570		$ 791,024	
Ave. Direct Marketing Expenses (non-staff only)	$ 35,589	**$ 20.88**	$ 31,634	**$24.42**	$ 29,018	**$ 25.43**	$ 30,733	**$23.05**	$ 24,628	**$29.53**
Ave. Total Marketing Expenses (staff & non-staff)	$ 77,966	**$ 9.80**	$ 74,462	**$10.71**	$ 67,971	**$ 11.21**	$ 69,295	**$10.61**	$ 62,796	**$11.98**
Art Museums										
Ave. Program Revenue/	$ 3,998,157		$ 3,489,595		$ 4,004,295		$ 3,912,928		$ 4,934,727	
Ave. Direct Marketing Expenses (non-staff only)	$ 203,169	**$ 18.97**	$ 168,852	**$19.41**	$ 175,288	**$ 21.81**	$ 172,056	**$21.67**	$ 214,826	**$21.81**
Ave. Total Marketing Expenses (staff & non-staff)	$ 491,018	**$ 7.85**	$ 424,238	**$ 7.73**	$ 437,034	**$ 8.75**	$ 419,873	**$ 8.88**	$ 539,975	**$ 8.68**
Community										
Ave. Program Revenue/	$ 273,305		$ 246,774		$ 226,602		$ 243,866		$ 296,603	
Ave. Direct Marketing Expenses (non-staff only)	$ 29,025	**$ 8.45**	$ 26,860	**$ 8.25**	$ 22,771	**$ 8.68**	$ 24,266	**$ 8.81**	$ 30,203	**$ 8.65**
Ave. Total Marketing Expenses (staff & non-staff)	$ 77,610	**$ 3.24**	$ 69,693	**$ 3.27**	$ 61,446	**$ 3.36**	$ 62,282	**$ 3.58**	$ 71,364	**$ 3.79**
Dance										
Ave. Program Revenue/	$ 483,187		$ 442,706		$ 420,639		$ 450,231		$ 526,305	
Ave. Direct Marketing Expenses (non-staff only)	$ 57,802	**$ 8.22**	$ 48,680	**$ 8.74**	$ 45,988	**$ 8.90**	$ 48,384	**$ 9.12**	$ 60,857	**$ 8.39**
Ave. Total Marketing Expenses (staff & non-staff)	$ 110,732	**$ 4.30**	$ 90,778	**$ 4.72**	$ 84,525	**$ 4.96**	$ 89,666	**$ 5.00**	$ 110,457	**$ 4.64**
Music										
Ave. Program Revenue/	$ 144,160		$ 125,633		$ 113,778		$ 121,802		$ 108,042	
Ave. Direct Marketing Expenses (non-staff only)	$ 20,692	**$ 6.69**	$ 18,247	**$ 6.64**	$ 15,488	**$ 7.03**	$ 17,133	**$ 6.84**	$ 13,346	**$ 7.71**
Ave. Total Marketing Expenses (staff & non-staff)	$ 42,722	**$ 3.29**	$ 40,491	**$ 3.05**	$ 34,365	**$ 3.25**	$ 36,751	**$ 3.25**	$ 30,072	**$ 3.51**
Opera										
Ave. Program Revenue/	$ 3,230,804		$ 2,959,768		$ 2,941,130		$ 3,046,889		$ 1,677,205	
Ave. Direct Marketing Expenses (non-staff only)	$ 249,263	**$ 12.79**	$ 195,047	**$14.53**	$ 198,703	**$ 14.47**	$ 196,077	**$15.17**	$ 200,970	**$ 8.35**
Ave. Total Marketing Expenses (staff & non-staff)	$ 464,626	**$ 6.86**	$ 409,817	**$ 6.99**	$ 420,822	**$ 6.83**	$ 402,338	**$ 7.39**	$ 409,063	**$ 4.10**

Return on Marketing Efforts and Return on Direct Marketing Spend Indices by Sector and Year (continued)

A&C Sector	2008	2008 Index	2009	2009 Index	2010	2010 Index	2011	2011 Index	2012	2012 Index
Performing Arts Centers										
Ave. Program Revenue/	$ 2,381,619		$ 1,770,504		$ 2,105,917		$ 2,522,734		$ 3,200,309	
Ave. Direct Marketing Expenses (non-staff only)	$ 270,017	**$ 8.62**	$ 206,967	**$ 8.31**	$ 207,777	**$ 9.87**	$ 274,911	**$ 8.88**	$ 346,261	**$ 9.11**
Ave. Total Marketing Expenses (staff & non-staff)	$ 444,044	**$ 5.28**	$ 354,787	**$ 4.87**	$ 406,307	**$ 5.10**	$ 519,554	**$ 4.75**	$ 610,590	**$ 5.17**
Symphony Orchestras										
Ave. Program Revenue/	$ 1,696,138		$ 1,326,620		$ 1,241,640		$ 1,250,712		$ 1,532,000	
Ave. Direct Marketing Expenses (non-staff only)	$ 176,747	**$ 9.32**	$ 136,508	**$ 9.43**	$ 130,590	**$ 9.22**	$ 129,292	**$ 9.40**	$ 148,487	**$ 9.92**
Ave. Total Marketing Expenses (staff & non-staff)	$ 371,921	**$ 4.43**	$ 309,265	**$ 4.19**	$ 298,591	**$ 4.09**	$ 301,864	**$ 4.08**	$ 344,447	**$ 4.34**
Theater										
Ave. Program Revenue/	$ 793,732		$ 707,552		$ 655,463		$ 692,219		$ 875,898	
Ave. Direct Marketing Expenses (non-staff only)	$ 126,776	**$ 6.05**	$ 103,614	**$ 6.65**	$ 94,694	**$ 6.76**	$ 103,447	**$ 6.48**	$ 131,909	**$ 6.51**
Ave. Total Marketing Expenses (staff & non-staff)	$ 219,619	**$ 3.51**	$ 187,816	**$ 3.70**	$ 165,731	**$ 3.88**	$ 182,366	**$ 3.71**	$ 229,051	**$ 3.75**
Other Museums										
Ave. Program Revenue/	$ 1,773,704		$ 1,701,231		$ 1,595,811		$ 1,870,209		$ 1,988,901	
Ave. Direct Marketing Expenses (non-staff only)	$ 151,454	**$ 11.36**	$ 141,329	**$11.48**	$ 131,640	**$ 11.56**	$ 153,486	**$11.91**	$ 140,591	**$13.74**
Ave. Total Marketing Expenses (staff & non-staff)	$ 308,974	**$ 5.64**	$ 297,814	**$ 5.57**	$ 289,102	**$ 5.43**	$ 327,861	**$ 5.75**	$ 320,764	**$ 6.35**
General Performing Arts										
Ave. Program Revenue/	$ 620,836		$ 517,094		$ 442,439		$ 439,617		$ 521,150	
Ave. Direct Marketing Expenses (non-staff only)	$ 70,422	**$ 8.39**	$ 60,366	**$ 7.98**	$ 58,926	**$ 7.00**	$ 54,113	**$ 7.82**	$ 73,378	**$ 6.79**
Ave. Total Marketing Expenses (staff & non-staff)	$ 126,714	**$ 4.75**	$ 109,874	**$ 4.43**	$ 125,445	**$ 3.43**	$ 103,450	**$ 4.18**	$ 127,774	**$ 3.92**

AREA: Bottom Line by Sector

Unrestricted Surplus (Deficit) Index

Question 1: "What is the bottom line, taking all unrestricted revenue into account except for capital gains, regardless of whether the revenue was for operating or capital purposes?"
(Total Unrestricted Revenue (before capital gains) – Total Expenses (before depreciation)/Total Expenses (before depreciation)

Operating Bottom Line Indices (Before and After Depreciation)

Questions 2-3: "Is the organization breaking even or better, considering operating activity only, calculated first before depreciation then after depreciation?"
Operating Bottom Line Index (before depreciation): (Total operating revenue - Total expenses (before depreciation))/Total expenses (before depreciation)
Operating Bottom Line Index (after depreciation): (Total operating revenue - Total expenses (after depreciation))/Total expenses (after depreciation)

[Highlights]: There are different figures that can be included in bottom line calculations. Here we compare three approaches, which give us slightly different information:
1) The most positive: Unrestricted surplus (deficit) is the bottom line figure that appears in most financial audits, although we run it here without depreciation or capital gains. It may contain unrestricted gifts for capital purposes (e.g., funds for a facility project, cash reserve or organizational expansion effort) so it often presents a more positive view of revenue, and therefore the bottom line, than when considering operating revenue alone.

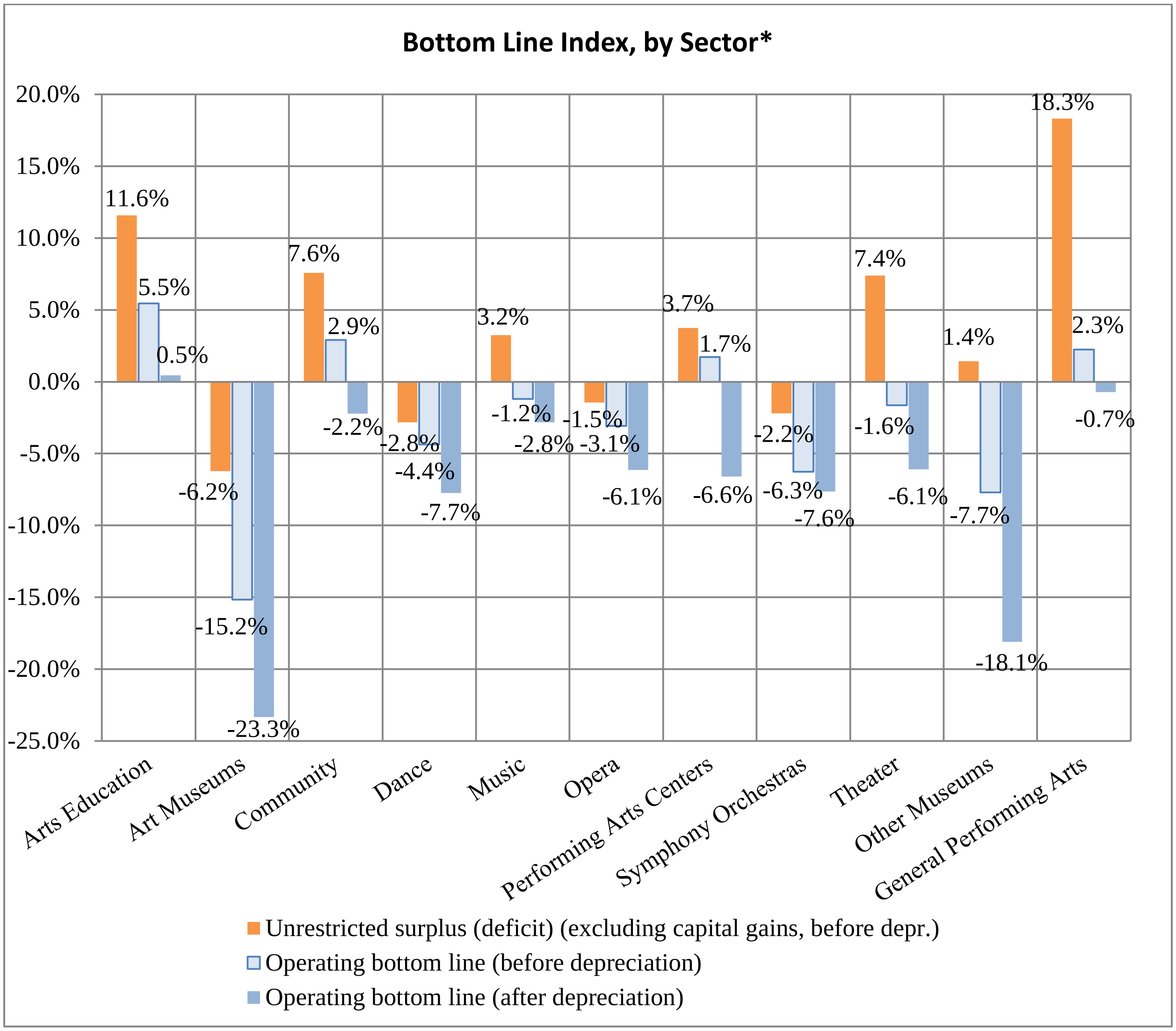
2) The conservative: The Operating Bottom Line Index (before depreciation) excludes all non-operating revenues and measures unrestricted operating revenue less total expenses before depreciation. Unrestricted operating revenue includes draws on temporarily and permanently restricted investments as well as unrestricted investments designated by the board for operating purposes.

3) The most sobering: We stay with the same start to the numerator – unrestricted operating revenue – but we base our bottom line figure on expenses after depreciation in the Operating Bottom Line Index (after depreciation). Including depreciation produces a lower figure. Running regular deficits after depreciation can be indicative that an organization is not saving funds for critical fixed asset improvements or replacements that come with the regular wear and tear on their facilities.

Arts education organizations were the only sector that reported a positive unrestricted surplus as well as a positive operating bottom line regardless of whether depreciation expenses were taken into account. Community organizations, performing arts centers, and general performing arts organizations had positive bottom line results using unrestricted surplus (deficit) or operating bottom line before depreciation; adding in depreciation, however, brought the average bottom line into negative territory.

Art museums, dance companies, opera companies, and symphony orchestras had a negative bottom line regardless of the way it was calculated. It is not surprising that museums of all kinds, whose higher average levels of fixed assets mean higher levels of depreciation, show the greatest discrepancy in operating bottom line results depending upon which of the two indices are used. General performing arts organizations had an unusually high level of unrestricted surplus compared to operating bottom line before depreciation, indicating an inflow of comparatively high levels of unrestricted funds unrelated to operations. Twice as many general performing arts organizations had positive unrestricted surplus as did those with an unrestricted deficit.

Want to see these indices for other years? There is little consistency in either bottom line index measure over time, other than the more pronounced effect of depreciation expense on museums.



*Note: Results apply only to those organizations that report operating income so that there is an apples-to-apples comparison across the three indices for the same set of organizations in each sector.

Unrestricted Surplus (deficit) Index and Operating Bottom Line Indices (before and after depreciation) By Sector and Year

A&C Sector		2010	2011	2012
Arts Education	**Unrestricted surplus (deficit) (excluding capital gains, before depr.)**	**3.5%**	**15.9%**	**11.6%**
	Ave. Total Unrest. Revenue (excl. cap. gains)-Ave. Expenses (BEFORE depr.)/	$ 37,242	$ 202,854	$ 157,464
	Ave. Expenses (BEFORE depr.)	$ 1,076,105	$ 1,274,709	$ 1,358,533
	Operating bottom line (before depreciation)	**2.0%**	**22.7%**	**5.5%**
	Ave. Operating Revenue - Ave. Expenses (BEFORE depr.)/	$ 21,379	$ 289,055	$ 74,084
	Ave. Expenses (BEFORE depr.)	$ 1,076,105	$ 1,274,709	$ 1,358,533
	Operating bottom line (after depreciation)	**-2.2%**	**16.1%**	**0.5%**
	Ave. Operating Revenue - Ave. Expenses (AFTER depr.)/	$ (25,089)	$ 216,757	$ 6,508
	Ave. Expenses (AFTER depr.)	$ 1,122,573	$ 1,347,007	$ 1,426,109
Art Museums	**Unrestricted surplus (deficit) (excluding capital gains, before depr.)**	**2.3%**	**12.4%**	**-6.2%**
	Ave. Total Unrest. Revenue (excl. cap. gains)-Ave. Expenses (BEFORE depr.)/	$ 205,327	$ 1,397,612	$ (908,068)
	Ave. Expenses (BEFORE depr.)	$ 8,866,562	$ 11,233,728	$ 14,598,630
	Operating bottom line (before depreciation)	**10.1%**	**-4.2%**	**-15.2%**
	Ave. Operating Revenue - Ave. Expenses (BEFORE depr.)/	$ 895,068	$ (470,084)	$ (2,213,905)
	Ave. Expenses (BEFORE depr.)	$ 8,866,562	$ 11,233,728	$ 14,598,630
	Operating bottom line (after depreciation)	**0.1%**	**-13.1%**	**-23.3%**
	Ave. Operating Revenue - Ave. Expenses (AFTER depr.)/	$ 11,332	$ (1,620,100)	$ (3,769,846)
	Ave. Expenses (AFTER depr.)	$ 9,750,298	$ 12,383,744	$ 16,154,570
Community	**Unrestricted surplus (deficit) (excluding capital gains, before depr.)**	**12.8%**	**7.0%**	**7.6%**
	Ave. Total Unrest. Revenue (excl. cap. gains)-Ave. Expenses (BEFORE depr.)/	$ 88,455	$ 48,650	$ 62,451
	Ave. Expenses (BEFORE depr.)	$ 699,312	$ 698,234	$ 822,889
	Operating bottom line (before depreciation)	**-2.5%**	**3.8%**	**2.9%**
	Ave. Operating Revenue - Ave. Expenses (BEFORE depr.)/	$ (18,199)	$ 26,793	$ 23,945
	Ave. Expenses (BEFORE depr.)	$ 699,312	$ 698,234	$ 822,889
	Operating bottom line (after depreciation)	**-7.3%**	**-1.3%**	**-2.2%**
	Ave. Operating Revenue - Ave. Expenses (AFTER depr.)/	$ (54,291)	$ (9,677)	$ (19,271)
	Ave. Expenses (AFTER depr.)	$ 735,403	$ 734,703	$ 866,106
Dance	**Unrestricted surplus (deficit) (excluding capital gains, before depr.)**	**9.9%**	**0.6%**	**-2.8%**
	Ave. Total Unrest. Revenue (excl. cap. gains)-Ave. Expenses (BEFORE depr.)/	$ 54,507	$ 3,168	$ (30,949)
	Ave. Expenses (BEFORE depr.)	$ 551,784	$ 977,626	$ 1,096,949
	Operating bottom line (before depreciation)	**3.2%**	**1.2%**	**-4.4%**
	Ave. Operating Revenue - Ave. Expenses (BEFORE depr.)/	$ 17,812	$ 9,092	$ (47,812)
	Ave. Expenses (BEFORE depr.)	$ 551,784	$ 977,626	$ 1,096,949
	Operating bottom line (after depreciation)	**-0.1%**	**-2.3%**	**-7.7%**
	Ave. Operating Revenue - Ave. Expenses (AFTER depr.)/	$ (414)	$ (26,316)	$ (88,025)
	Ave. Expenses (AFTER depr.)	$ 570,010	$ 1,013,035	$ 1,137,161
Music	**Unrestricted surplus (deficit) (excluding capital gains, before depr.)**	**4.5%**	**4.7%**	**3.2%**
	Ave. Total Unrest. Revenue (excl. cap. gains)-Ave. Expenses (BEFORE depr.)/	$ 11,010	$ 13,489	$ 8,834
	Ave. Expenses (BEFORE depr.)	$ 245,816	$ 288,242	$ 272,312
	Operating bottom line (before depreciation)	**3.9%**	**4.4%**	**-1.2%**
	Ave. Operating Revenue - Ave. Expenses (BEFORE depr.)/	$ 9,567	$ 12,566	$ (3,285)
	Ave. Expenses (BEFORE depr.)	$ 245,816	$ 288,242	$ 272,312
	Operating bottom line (after depreciation)	**3.0%**	**3.0%**	**-2.8%**
	Ave. Operating Revenue - Ave. Expenses (AFTER depr.)/	$ 7,488	$ 8,865	$ (7,801)
	Ave. Expenses (AFTER depr.)	$ 247,896	$ 291,944	$ 276,828

A&C Sector		2010	2011	2012
Opera	**Unrestricted surplus (deficit) (excluding capital gains, before depr.)**	**-8.0%**	**0.2%**	**-1.5%**
	Ave. Total Unrest. Revenue (excl. cap. gains)-Ave. Expenses (BEFORE depr.)/	$ (201,432)	$ 18,602	$ (68,712)
	Ave. Expenses (BEFORE depr.)	$ 2,515,012	$ 7,517,085	$ 4,736,475
	Operating bottom line (before depreciation)	**-2.9%**	**5.9%**	**-3.1%**
	Ave. Operating Revenue - Ave. Expenses (BEFORE depr.)/	$ (73,165)	$ 446,032	$ (145,353)
	Ave. Expenses (BEFORE depr.)	$ 2,515,012	$ 7,517,085	$ 4,736,475
	Operating bottom line (after depreciation)	**-3.9%**	**3.9%**	**-6.1%**
	Ave. Operating Revenue - Ave. Expenses (AFTER depr.)/	$ (99,186)	$ 296,396	$ (299,825)
	Ave. Expenses (AFTER depr.)	$ 2,541,033	$ 7,666,721	$ 4,890,947
Performing Arts Centers	**Unrestricted surplus (deficit) (excluding capital gains, before depr.)**	**3.3%**	**-2.8%**	**3.7%**
	Ave. Total Unrest. Revenue (excl. cap. gains)-Ave. Expenses (BEFORE depr.)/	$ 146,414	$ (140,946)	$ 273,144
	Ave. Expenses (BEFORE depr.)	$ 4,497,691	$ 5,009,751	$ 7,290,390
	Operating bottom line (before depreciation)	**-5.6%**	**-9.3%**	**1.7%**
	Ave. Operating Revenue - Ave. Expenses (BEFORE depr.)/	$ (252,527)	$ (465,525)	$ 125,695
	Ave. Expenses (BEFORE depr.)	$ 4,497,691	$ 5,009,751	$ 7,290,390
	Operating bottom line (after depreciation)	**-13.6%**	**-15.9%**	**-6.6%**
	Ave. Operating Revenue - Ave. Expenses (AFTER depr.)/	$ (670,425)	$ (856,024)	$ (523,016)
	Ave. Expenses (AFTER depr.)	$ 4,915,590	$ 5,400,249	$ 7,939,102
Symphony Orchestras	**Unrestricted surplus (deficit) (excluding capital gains, before depr.)**	**-4.2%**	**-0.3%**	**-2.2%**
	Ave. Total Unrest. Revenue (excl. cap. gains)-Ave. Expenses (BEFORE depr.)/	$ (117,065)	$ (8,533)	$ (62,549)
	Ave. Expenses (BEFORE depr.)	$ 2,805,472	$ (2,481,479)	$ 2,844,082
	Operating bottom line (before depreciation)	**-5.3%**	**4.0%**	**-6.3%**
	Ave. Operating Revenue - Ave. Expenses (BEFORE depr.)/	$ (148,075)	$ 99,952	$ (178,184)
	Ave. Expenses (BEFORE depr.)	$ 2,805,472	$ 2,481,479	$ 2,844,082
	Operating bottom line (after depreciation)	**-6.7%**	**1.6%**	**-7.6%**
	Ave. Operating Revenue - Ave. Expenses (AFTER depr.)/	$ (190,830)	$ 41,799	$ (220,733)
	Ave. Expenses (AFTER depr.)	$ 2,848,228	$ 2,539,632	$ 2,886,630
Theater	**Unrestricted surplus (deficit) (excluding capital gains, before depr.)**	**7.1%**	**8.8%**	**7.4%**
	Ave. Total Unrest. Revenue (excl. cap. gains)-Ave. Expenses (BEFORE depr.)/	$ 81,491	$ 123,068	$ 132,529
	Ave. Expenses (BEFORE depr.)	$ 1,149,498	$ 1,414,540	$ 1,790,532
	Operating bottom line (before depreciation)	**0.8%**	**0.3%**	**-1.6%**
	Ave. Operating Revenue - Ave. Expenses (BEFORE depr.)/	$ 9,461	$ 2,238	$ (29,381)
	Ave. Expenses (BEFORE depr.)	$ 1,149,498	$ 1,414,540	$ 1,790,532
	Operating bottom line (after depreciation)	**-3.8%**	**-4.1%**	**-6.1%**
	Ave. Operating Revenue - Ave. Expenses (AFTER depr.)/	$ (45,882)	$ (62,730)	$ (114,527)
	Ave. Expenses (AFTER depr.)	$ 1,204,841	$ 1,479,509	$ 1,875,678
Other Museums	**Unrestricted surplus (deficit) (excluding capital gains, before depr.)**	**11.2%**	**8.5%**	**1.4%**
	Ave. Total Unrest. Revenue (excl. cap. gains)-Ave. Expenses (BEFORE depr.)/	$ 524,649	$ 410,583	$ 78,131
	Ave. Expenses (BEFORE depr.)	$ 4,670,204	$ 4,843,286	$ 5,460,813
	Operating bottom line (before depreciation)	**3.7%**	**0.0%**	**-7.7%**
	Ave. Operating Revenue - Ave. Expenses (BEFORE depr.)/	$ 174,937	$ 1,645	$ (421,014)
	Ave. Expenses (BEFORE depr.)	$ 4,670,204	$ 4,843,286	$ 5,460,813
	Operating bottom line (after depreciation)	**-9.7%**	**-12.1%**	**-18.1%**
	Ave. Operating Revenue - Ave. Expenses (AFTER depr.)/	$ (517,674)	$ (668,581)	$ (1,113,812)
	Ave. Expenses (AFTER depr.)	$ 5,362,815	$ 5,513,512	$ 6,153,612
General Performing Arts	**Unrestricted surplus (deficit) (excluding capital gains, before depr.)**	**-5.5%**	**8.3%**	**18.3%**
	Ave. Total Unrest. Revenue (excl. cap. gains)-Ave. Expenses (BEFORE depr.)/	$ (33,063)	$ 76,648	$ 189,027
	Ave. Expenses (BEFORE depr.)	$ 596,416	$ 918,761	$ 1,031,511
	Operating bottom line (before depreciation)	**-5.4%**	**-0.2%**	**2.3%**
	Ave. Operating Revenue - Ave. Expenses (BEFORE depr.)/	$ (32,061)	$ (1,627)	$ 23,236
	Ave. Expenses (BEFORE depr.)	$ 596,416	$ 918,761	$ 1,031,511
	Operating bottom line (after depreciation)	**-9.1%**	**-3.6%**	**-0.7%**
	Ave. Operating Revenue - Ave. Expenses (AFTER depr.)/	$ (56,770)	$ (34,692)	$ (7,684)
	Ave. Expenses (AFTER depr.)	$ 621,125	$ 951,826	$ 1,062,430

AREA: Balance Sheet by Sector

Months of Working Capital Index

Question 1: "How many months of working capital does the organization have?"
[(Unrestricted current assets – Unrestricted current liabilities)/Total expenses (before depreciation)]*12

[Highlights]: Working capital is the cash available for day-to-day operations of an organization. It covers predictable periods when cash outflows exceed cash inflows due to seasonal or cyclical volatility. If working capital is negative, it affects an organization's ability to pay short term creditors in a timely way.

There are different figures that can be included in working capital calculations. We include the unrestricted investments and marketable securities that organizations reported as unrestricted current assets in the CDP survey but we exclude any reported unrestricted, board-designated endowment funds in this category of assets. From this, we subtract unrestricted current liabilities. We focus on expenses before depreciation since depreciation is a non-cash item.

The general performing arts sector was the only one with average negative working capital. The arts education, dance, music, opera, symphony, theater, and 'other' museum sectors each had less than 3 months of working capital. Art museums and community organizations both had the highest working capital at 5.2 months, followed by performing arts centers with 4 months.

Months of Available Cash Index

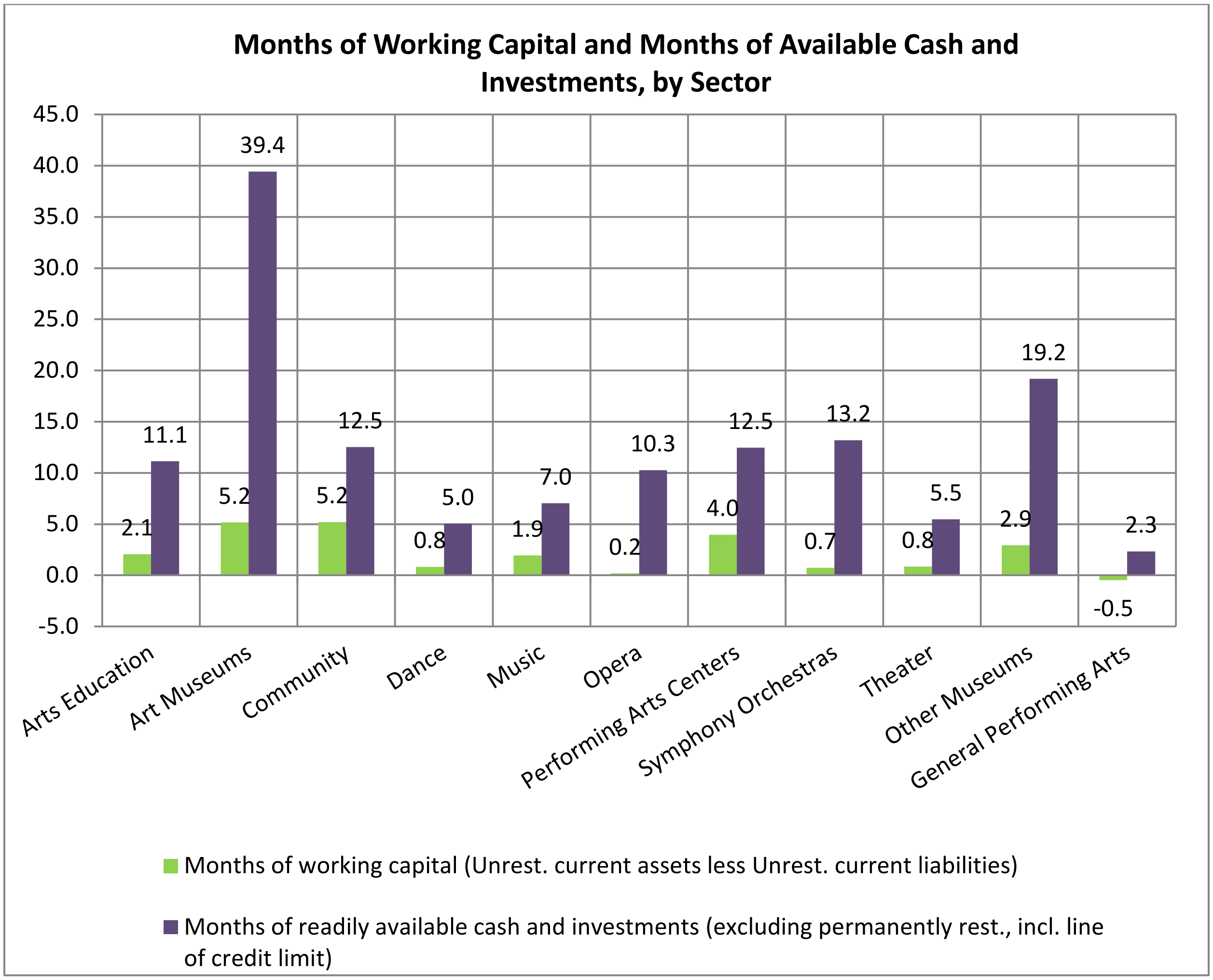
Question 2: "What is the relationship between the organization's access to readily available cash and investments and its annual budget?"
[Unrestricted & temporarily restricted cash, cash equivalents, investments, and line of credit limit/Total expenses (before depreciation)]*12

[Highlights]: Months of cash and investments (excluding permanently restricted) is a measure of how long an organization could operate solely with existing available reserves at current expense levels. Each sector has some outlier organizations that drive the mean to be higher than the median or middle value in the range of reported months of cash. This is particularly true for the art museum sector.

Regardless of which approach you take to compare central tendency, art museums have the highest level of months of available cash, followed both 'other' museums. This may be partly attributable to museums being charged with the care of their collections in perpetuity, so higher levels of reserves are needed for the organizations to live up to that charge. In addition, museums tend to have a diversified portfolio of endowed funds that are board-designated, rather than restricted, and thus available for reallocation for other strategic or pressing needs. These funds are partly responsible for the big spread between working capital (which does not include board-designated funds in our calculation) and available cash for museums. More than one-third of art museums had over 24 months of available cash.

Want to see these indices for other years? Working capital of art museums, other museums, and community organizations is consistently strong over the years. Theater, general performing arts and music organizations, opera companies, and symphony orchestras consistently have 2.1 months of working capital or less each year. It is curious that average months of working capital decreased annually for dance. This pattern does not represent a trend of the same cohort of organizations over time; it represents the average months of working capital for a changing annual mix of participating organizations.

For a number of sectors, months of available cash dipped during the recession years then rebounded. The general performing arts sector averaged many fewer months of available cash in 2012, but the difference is most likely attributable to the changing annual mix of organizations.



Months of Working Capital Index by Sector and Year

A&C Sector		2008	2009	2010	2011	2012
Arts	**Months of working capital**	**2.8**	**1.6**	**1.8**	**3.2**	**2.1**
Education	*WC/Total Expenses (before depr.)*	*23%*	*14%*	*15%*	*27%*	*17%*
	Ave. Working Capital/	$ 423,802	$ 249,325	$ 258,587	$ 438,294	$ 287,109
	Ave. Total Expenses (before depr.)	$ 1,806,006	$ 1,832,584	$ 1,706,810	$ 1,625,754	$ 1,663,658
Art	**Months of working capital**	**3.4**	**3.4**	**6.2**	**5.1**	**5.2**
Museums	*WC/Total Expenses (before depr.)*	*29%*	*29%*	*52%*	*42%*	*43%*
	Ave. Working Capital/	$ 4,337,519	$ 3,935,166	$ 7,362,329	$ 5,915,920	$ 7,956,439
	Ave. Total Expenses (before depr.)	$ 15,125,510	$ 13,700,193	$ 14,285,820	$ 13,961,581	$ 18,516,354
Community	**Months of working capital**	**4.9**	**4.4**	**5.2**	**4.5**	**5.2**
	WC/Total Expenses (before depr.)	*41%*	*37%*	*44%*	*38%*	*43%*
	Ave. Working Capital/	$ 427,304	$ 380,596	$ 414,942	$ 397,841	$ 540,965
	Ave. Total Expenses (before depr.)	$ 1,054,702	$ 1,037,096	$ 953,035	$ 1,051,784	$ 1,244,873
Dance	**Months of working capital**	**3.6**	**2.5**	**2.4**	**2.1**	**0.8**
	WC/Total Expenses (before depr.)	*30%*	*21%*	*20%*	*17%*	*7%*
	Ave. Working Capital/	$ 502,627	$ 325,593	$ 292,291	$ 268,969	$ 126,190
	Ave. Total Expenses (before depr.)	$ 1,689,928	$ 1,543,269	$ 1,450,830	$ 1,573,958	$ 1,809,505
Music	**Months of working capital**	**1.6**	**0.0**	**1.8**	**2.0**	**1.9**
	WC/Total Expenses (before depr.)	*14%*	*0%*	*15%*	*17%*	*16%*
	Ave. Working Capital/	$ 88,865	$ (1,570)	$ 81,525	$ 99,479	$ 76,489
	Ave. Total Expenses (before depr.)	$ 658,170	$ 641,442	$ 547,039	$ 588,865	$ 472,196
Opera	**Months of working capital**	**-1.1**	**-2.4**	**-2.7**	**-0.6**	**0.2**
	WC/Total Expenses (before depr.)	*-9%*	*-20%*	*-23%*	*-5%*	*2%*
	Ave. Working Capital/	$ (1,093,786)	$ (2,364,468)	$ (2,721,937)	$ (563,909)	$ 92,309
	Ave. Total Expenses (before depr.)	$ 12,362,966	$ 12,005,144	$ 12,043,909	$ 11,203,123	$ 5,966,960
Performing	**Months of working capital**	**1.3**	**4.5**	**4.3**	**3.3**	**4.0**
Arts	*WC/Total Expenses (before depr.)*	*11%*	*37%*	*36%*	*27%*	*33%*
Centers	Ave. Working Capital/	$ 815,358	$ 2,323,402	$ 2,511,849	$ 2,172,118	$ 3,109,515
	Ave. Total Expenses (before depr.)	$ 7,467,556	$ 6,222,966	$ 6,969,502	$ 7,937,556	$ 9,386,399
Symphony	**Months of working capital**	**0.9**	**-0.2**	**0.9**	**0.8**	**0.7**
Orchestras	*WC/Total Expenses (before depr.)*	*7%*	*-1%*	*7%*	*7%*	*6%*
	Ave. Working Capital/	$ 393,563	$ (60,858)	$ 307,638	$ 294,310	$ 311,526
	Ave. Total Expenses (before depr.)	$ 5,304,887	$ 4,839,664	$ 4,331,413	$ 4,178,808	$ 5,034,766
Theater	**Months of working capital**	**2.1**	**0.9**	**0.9**	**1.3**	**0.8**
	WC/Total Expenses (before depr.)	*18%*	*7%*	*7%*	*11%*	*7%*
	Ave. Working Capital/	$ 367,914	$ 140,162	$ 132,020	$ 206,237	$ 169,109
	Ave. Total Expenses (before depr.)	$ 2,088,975	$ 1,974,216	$ 1,801,281	$ 1,902,967	$ 2,392,367
Other	**Months of working capital**	**4.1**	**3.4**	**3.7**	**3.5**	**2.9**
Museums	*WC/Total Expenses (before depr.)*	*34%*	*29%*	*31%*	*30%*	*24%*
	Ave. Working Capital/	$ 2,010,386	$ 1,560,144	$ 1,620,688	$ 1,743,790	$ 1,584,444
	Ave. Expenses (before depr.)	$ 5,873,430	$ 5,460,016	$ 5,277,639	$ 5,899,612	$ 6,495,817
General	**Months of working capital**	**1.1**	**0.2**	**0.2**	**0.0**	**-0.5**
Performing	*WC/Total Expenses (before depr.)*	*10%*	*2%*	*1%*	*0%*	*-4%*
Arts	Ave. Working Capital/	$ 184,133	$ 36,442	$ 22,275	$ (3,476)	$ (82,310)
	Ave. Expenses (before depr.)	$ 1,924,146	$ 1,820,981	$ 1,781,532	$ 1,579,764	$ 2,057,389

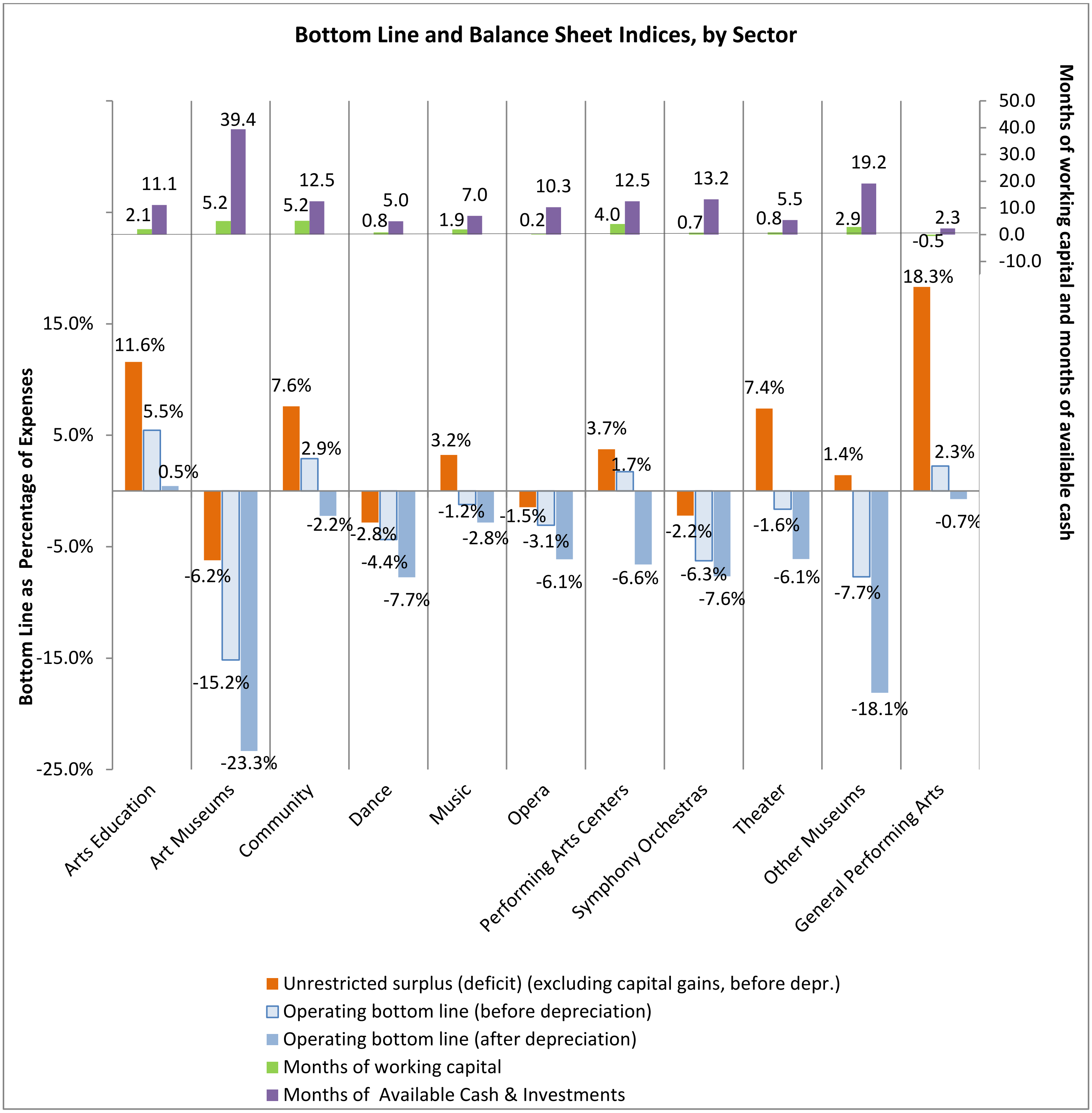
Months of Available Cash Index by Sector and Year

A&C Sector		2008	2009	2010	2011	2012
Arts Education	**Months of Available Cash & Investments**	**11.4**	**8.6**	**9.8**	**14.7**	**11.1**
	Available cash & investments/Total Expenses	*95%*	*72%*	*82%*	*122%*	*93%*
	Ave. Readily Available Cash & Investments/	$ 1,713,183	$ 1,312,713	$ 1,400,014	$ 1,984,850	$ 1,543,207
	Ave. Total Expenses (before depr.)	$ 1,806,006	$ 1,832,584	$ 1,706,810	$ 1,625,754	$ 1,663,658
Art Museums	**Months of Available Cash & Investments**	**41.4**	**31.6**	**36.4**	**40.6**	**39.4**
	Available cash & investments/Total Expenses	*345%*	*263%*	*304%*	*338%*	*329%*
	Ave. Readily Available Cash & Investments/	$ 52,196,108	$ 36,028,188	$ 43,357,866	$ 47,249,730	$ 60,835,979
	Ave. Total Expenses (before depr.)	$ 15,125,510	$ 13,700,193	$ 14,285,820	$ 13,961,581	$ 18,516,354
Community	**Months of Available Cash & Investments**	**12.3**	**11.4**	**12.0**	**14.1**	**12.5**
	Available cash & investments/Total Expenses	*102%*	*95%*	*100%*	*118%*	*104%*
	Ave. Readily Available Cash & Investments/	$ 1,076,871	$ 984,767	$ 957,096	$ 1,237,835	$ 1,299,559
	Ave. Total Expenses (before depr.)	$ 1,054,702	$ 1,037,096	$ 953,035	$ 1,051,784	$ 1,244,873
Dance	**Months of Available Cash & Investments**	**7.8**	**6.7**	**6.4**	**7.0**	**5.0**
	Available cash & investments/Total Expenses	*65%*	*56%*	*53%*	*58%*	*42%*
	Ave. Readily Available Cash & Investments/	$ 1,099,990	$ 858,858	$ 775,638	$ 912,405	$ 760,188
	Ave. Total Expenses (before depr.)	$ 1,689,928	$ 1,543,269	$ 1,450,830	$ 1,573,958	$ 1,809,505
Music	**Months of Available Cash & Investments**	**5.3**	**5.4**	**5.4**	**6.0**	**7.0**
	Available cash & investments/Total Expenses	*44%*	*45%*	*45%*	*50%*	*59%*
	Ave. Readily Available Cash & Investments/	$ 289,436	$ 287,246	$ 244,024	$ 293,575	$ 276,899
	Ave. Total Expenses (before depr.)	$ 658,170	$ 641,442	$ 547,039	$ 588,865	$ 472,196
Opera	**Months of Available Cash & Investments**	**7.6**	**6.0**	**6.6**	**6.6**	**10.3**
	Available cash & investments/Total Expenses	*63%*	*50%*	*55%*	*55%*	*86%*
	Ave. Readily Available Cash & Investments/	$ 7,801,633	$ 5,972,573	$ 6,657,470	$ 6,146,743	$ 5,111,648
	Ave. Total Expenses (before depr.)	$ 12,362,966	$ 12,005,144	$ 12,043,909	$ 11,203,123	$ 5,966,960
Performing Arts Centers	**Months of Available Cash & Investments**	**14.4**	**12.5**	**10.2**	**10.3**	**12.5**
	Available cash & investments/Total Expenses	*120%*	*104%*	*85%*	*86%*	*104%*
	Ave. Readily Available Cash & Investments/	$ 8,964,012	$ 6,464,075	$ 5,926,124	$ 6,819,747	$ 9,752,046
	Ave. Total Expenses (before depr.)	$ 7,467,556	$ 6,222,966	$ 6,969,502	$ 7,937,556	$ 9,386,399
Symphony Orchestras	**Months of Available Cash & Investments**	**16.8**	**11.3**	**12.4**	**14.5**	**13.2**
	Available cash & investments/Total Expenses	*140%*	*94%*	*104%*	*121%*	*110%*
	Ave. Readily Available Cash & Investments/	$ 7,421,922	$ 4,558,273	$ 4,486,165	$ 5,048,156	$ 5,540,761
	Ave. Total Expenses (before depr.)	$ 5,304,887	$ 4,839,664	$ 4,331,413	$ 4,178,808	$ 5,034,766
Theater	**Months of Available Cash & Investments**	**5.7**	**3.6**	**5.1**	**5.6**	**5.5**
	Available cash & investments/Total Expenses	*47%*	*30%*	*42%*	*46%*	*46%*
	Ave. Readily Available Cash & Investments/	$ 986,629	$ 591,002	$ 765,246	$ 884,000	$ 1,092,510
	Ave. Total Expenses (before depr.)	$ 2,088,975	$ 1,974,216	$ 1,801,281	$ 1,902,967	$ 2,392,367
Other Museums	**Months of Available Cash & Investments**	**23.4**	**22.1**	**23.3**	**22.6**	**19.2**
	Available cash & investments/Total Expenses	*195%*	*184%*	*194%*	*188%*	*160%*
	Ave. Readily Available Cash & Investments/	$ 11,464,569	$ 10,040,727	$ 10,226,049	$ 11,100,853	$ 10,383,510
	Ave. Total Expenses (before depr.)	$ 5,873,430	$ 5,460,016	$ 5,277,639	$ 5,899,612	$ 6,495,817
General Performing Arts	**Months of Available Cash & Investments**	**8.4**	**7.8**	**7.8**	**7.4**	**2.3**
	Available cash & investments/Total Expenses	*70%*	*65%*	*65%*	*61%*	*20%*
	Ave. Readily Available Cash & Investments/	$ 1,348,056	$ 1,182,924	$ 1,153,633	$ 968,335	$ 402,794
	Ave. Total Expenses (before depr.)	$ 1,924,146	$ 1,820,981	$ 1,781,532	$ 1,579,764	$ 2,057,389

Sidebar Comparison: Bottom Line and Balance Sheet

[Highlights]: If we step back and look at bottom line and balance sheet indices together, we start to see how the different sectors manage short-term and long-term financial strategy.

Art museums and 'other' museums averaged negative operating bottom lines but had the highest levels of available cash, reflecting an overall strategy of creating some flexibility to spend beyond annual revenue knowing that there are cash reserves to cover it. During the recession years, museums with higher available cash were able to repurpose some board-designated funds for operating purposes and weather the short-term challenges. By contrast, general performing arts organizations ran a considerable average unrestricted surplus but had very limited available cash and negative working capital. The surpluses will bolster future balance sheet health. Dance, opera, and symphony orchestras averaged negative bottom lines regardless of the approach to calculating it, and they averaged very limited working capital. These sectors likely experience tight cash flow and limited financial flexibility.



AREA: Community Engagement by Sector

Total Engagement Index and In-person Engagement Index

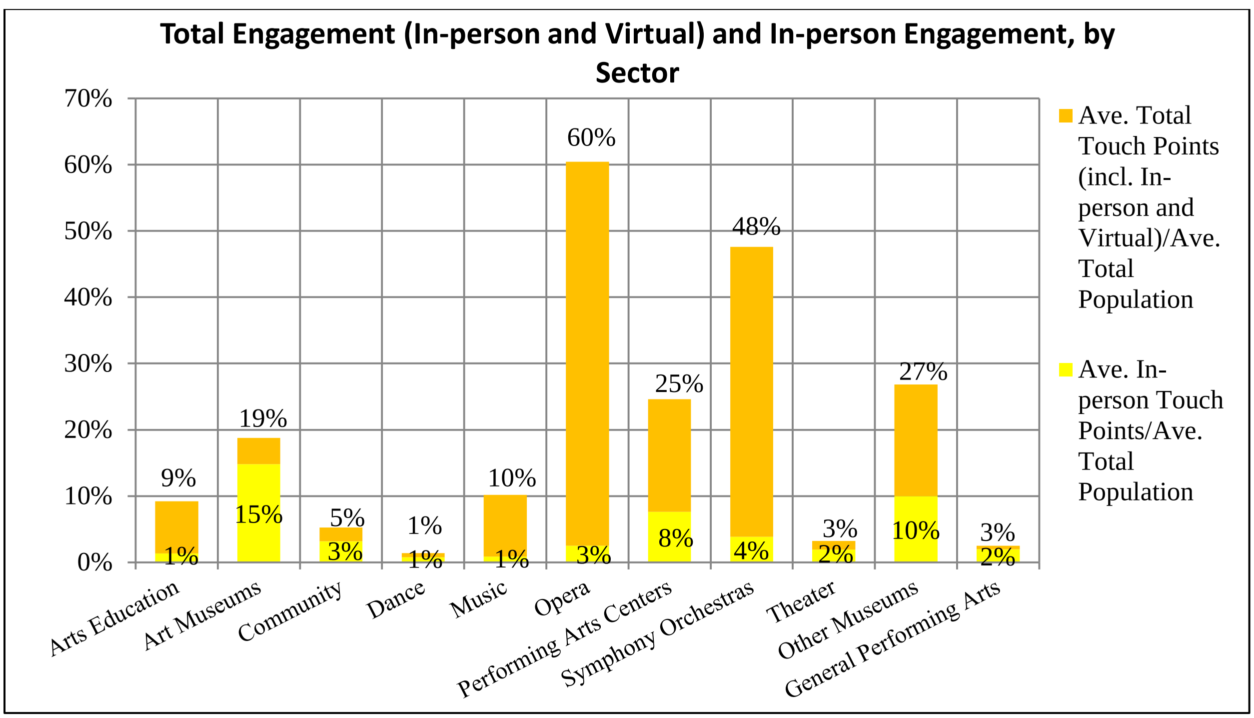
Questions 1-2: "What is the reach of our community engagement, first looking at in-person *and* virtual participation then at in-person engagement only?"
Total Engagement Index: Total touch points (in-person and virtual)/Population
In-person Engagement Index: In-person touch points/Population

[Highlights]: We count touch points as the number of people engaged with the organization in the provision, support, and appreciation of art and culture. It includes everything from volunteers to artists to donors to audiences. We compare how many people engage with the organization and its programs compared with the spatially-adjusted population of the organization's local community.

Some sectors engage in more digitally distributed programming than others, whether through radio or TV broadcasts, recordings, or podcasts. Some sectors lend themselves more easily than others to digitally distributed programming. The big spikes in total engagement are not the norm for arts and cultural organizations in any sector, yet when one or two organizations in a sector reach many millions of people through digital means, it skews the average for that sector.

If we include in the mix only audiences who attended programming in-person, art museums are engaging more of their communities than other sectors, on average. When we add in virtual engagement in digital programming, opera and symphony orchestras are clearly touching more people. 'Other' museums and performing arts centers are high in their comparative engagement levels with and without consideration of virtual attendance.

Want to see these indices for other years? Art museums, dance, theater, and general performing arts organizations engaged a consistent proportion of their local community over the years regardless of the measure used. All sectors are fairly constant in their in-person engagement from year-to-year.



Total Engagement Index by Sector and Year

A&C Sector	2008	2009	2010	2011	2012
Arts Education	**8%**	**2%**	**2%**	**4%**	**9%**
Ave. Total Touch Points (in-person & virtual)	127,046	25,703	24,615	54,779	123,858
Ave. Population	1,511,543	1,443,231	1,400,340	1,556,973	1,347,732
Art Museums	**12%**	**12%**	**16%**	**14%**	**19%**
Ave. Total Touch Points (in-person & virtual)	157,790	148,808	188,615	193,817	248,971
Ave. Population	1,347,136	1,226,475	1,214,376	1,416,285	1,324,953
Community	**4%**	**4%**	**12%**	**14%**	**5%**
Ave. Total Touch Points (in-person & virtual)	54,049	50,939	152,899	206,025	59,561
Ave. Population	1,437,693	1,341,583	1,237,704	1,423,326	1,130,008
Dance	**1%**	**1%**	**1%**	**1%**	**1%**
Ave. Total Touch Points (in-person & virtual)	20,121	19,029	25,568	29,837	24,617
Ave. Population	2,081,425	2,015,791	1,868,973	2,075,565	1,770,517
Music	**2%**	**9%**	**3%**	**28%**	**10%**
Ave. Total Touch Points (in-person & virtual)	21,753	123,329	40,865	415,744	124,175
Ave. Population	1,447,656	1,392,529	1,321,991	1,504,726	1,221,309
Opera	**3%**	**3%**	**3%**	**16%**	**60%**
Ave. Total Touch Points (in-person & virtual)	55,574	47,731	51,371	290,300	752,022
Ave. Population	1,609,118	1,586,679	1,620,986	1,763,394	1,244,339
Performing Arts Centers	**8%**	**6%**	**16%**	**18%**	**25%**
Ave. Total Touch Points (in-person & virtual)	98,162	72,781	172,627	216,469	268,132
Ave. Population	1,278,492	1,194,336	1,091,227	1,177,100	1,089,288
Symphony Orchestras	**5%**	**5%**	**10%**	**31%**	**48%**
Ave. Total Touch Points (in-person & virtual)	50,819	45,348	95,454	360,895	424,692
Ave. Population	1,037,246	988,730	966,871	1,150,593	892,242
Theater	**2%**	**2%**	**3%**	**3%**	**3%**
Ave. Total Touch Points (in-person & virtual)	38,082	34,585	44,742	50,608	50,381
Ave. Population	1,792,585	1,724,624	1,661,934	1,850,876	1,555,657
Other Museums	**12%**	**12%**	**14%**	**15%**	**27%**
Ave. Total Touch Points (in-person & virtual)	173,714	158,205	175,280	212,754	383,644
Ave. Population	1,802,251	1,298,270	1,214,769	1,399,913	1,428,839
General Performing Arts	**2%**	**2%**	**4%**	**2%**	**3%**
Ave. Total Touch Points (in-person & virtual)	27,877	38,138	66,972	35,605	32,614
Ave. Population	1,802,251	1,675,791	1,557,187	1,717,644	1,302,697

*In-Person Engagement Index by Sector and Year**

A&C Sector	2008	2009	2010	2011	2012
Arts Education	**1%**	**1%**	**1%**	**1%**	**1%**
Ave. Touch Points (in-person only)/	20,032	20,565	19,603	21,267	19,928
Ave. Population	1,862,250	1,814,403	1,769,629	1,549,884	1,497,921
Art Museums	**10%**	**10%**	**12%**	**12%**	**15%**
Ave. Touch Points (in-person only)/	159,088	149,074	176,185	167,281	194,979
Ave. Population	1,555,517	1,423,143	1,426,115	1,377,305	1,306,337
Community	**3%**	**2%**	**3%**	**3%**	**3%**
Ave. Touch Points (in-person only)/	47,179	40,742	39,836	37,287	40,272
Ave. Population	1,733,226	1,652,421	1,496,591	1,384,006	1,260,974
Dance	**1%**	**1%**	**1%**	**1%**	**1%**
Ave. Touch Points (in-person only)/	16,261	14,691	14,656	15,596	14,565
Ave. Population	2,485,078	2,399,618	2,208,288	2,060,031	1,872,930
Music	**1%**	**1%**	**1%**	**1%**	**1%**
Ave. Touch Points (in-person only)/	17,157	13,774	13,756	16,375	11,189
Ave. Population	1,726,979	1,728,417	1,588,237	1,452,599	1,276,143
Opera	**3%**	**2%**	**2%**	**2%**	**3%**
Ave. Touch Points (in-person only)/	49,983	41,705	42,770	35,591	32,742
Ave. Population	1,830,343	1,889,624	1,928,424	1,748,388	1,306,743
Performing Arts Centers	**6%**	**5%**	**6%**	**7%**	**8%**
Ave. Touch Points (in-person only)/	89,499	67,397	72,851	84,454	94,117
Ave. Population	1,473,744	1,387,698	1,276,817	1,184,754	1,233,473
Symphony Orchestras	**4%**	**3%**	**3%**	**3%**	**4%**
Ave. Touch Points (in-person only)/	49,348	39,130	36,621	36,659	40,059
Ave. Population	1,296,585	1,249,210	1,205,743	1,141,075	1,046,950
Theater	**2%**	**1%**	**1%**	**2%**	**2%**
Ave. Touch Points (in-person only)/	35,211	31,294	28,869	29,169	32,894
Ave. Population	2,179,673	2,130,358	2,028,398	1,847,516	1,729,516
Other Museums	**9%**	**9%**	**9%**	**11%**	**10%**
Ave. Touch Points (in-person only)/	149,074	136,930	134,237	149,535	141,531
Ave. Population	1,698,478	1,583,093	1,515,410	1,383,739	1,419,578
General Performing Arts	**1%**	**2%**	**2%**	**2%**	**2%**
Ave. Touch Points (in-person only)/	26,792	33,271	31,136	27,481	29,283
Ave. Population	2,144,053	2,038,159	1,895,475	1,757,573	1,495,527

*Note: The average population figures are different between the two Community Engagement index tables because they are based on analyses conducted at two different points in time with slightly different mixes of organizations.

AREA: Program Activity by Sector

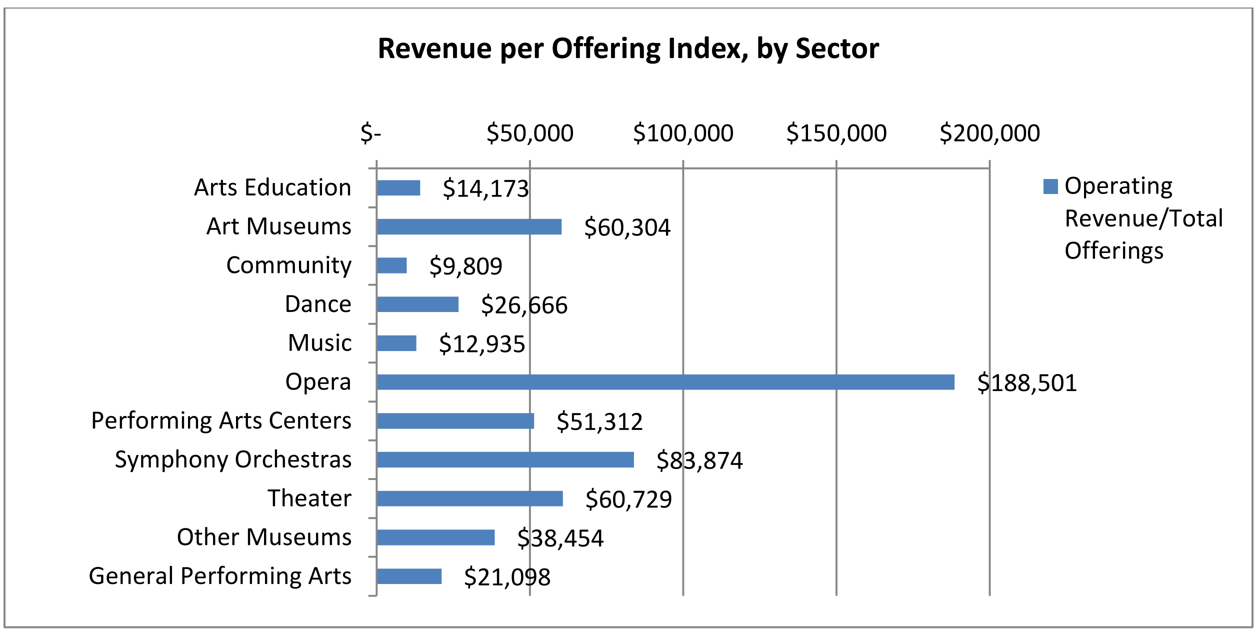
Revenue per Offering Index

Question 1: "What is the amount of total unrestricted operating revenue generated per program offering?"
Total operating revenue/Total offerings

[Highlights]: Offerings are the total number of productions, exhibitions, educational programs, films, publications, tours, and lectures.

In 2012, the opera, music, symphony orchestra, and theater sectors reported fewer average offerings than other sectors, which is not surprising given the nature of producing (rather than presenting) seasons in the performing arts. The operating revenue per program offering was quite similar for art museums and theaters despite the considerable differences in the average number of programs each offers. The exceptionally high average index score for opera is driven by a number of very large budget organizations that offer a similar number of programs as other opera companies. Community organizations tend to offer a large variety of programs given the average extent of their operating revenue.

Want to see these indices for other years? With the exception of performing arts centers, each of the sectors is fairly consistent in the average number of programs they offered annually despite shifts in the annual mix of organizations. Annual fluctuations in the index tend to be driven more by the presence or absence of organizations with above- or below-average operating revenue.



*Revenue per Offering Index by Sector and Year**

A&C Sector	2010	2011	2012
Arts Education	**$ 12,717**	**$ 15,510**	**$ 14,173**
Ave. Operating Revenue/	$ 1,097,484	$ 1,563,764	$ 1,432,617
Ave. Total Offerings	88	101	102
Art Museums	**$ 49,774**	**$ 59,516**	**$ 60,304**
Ave. Operating Revenue/	$ 9,761,630	$ 10,763,644	$ 12,384,725
Ave. Total Offerings	198	181	205
Community	**$ 9,548**	**$ 10,042**	**$ 9,809**
Ave. Operating Revenue/	$ 681,112	$ 725,027	$ 846,835
Ave. Total Offerings	72	74	88
Dance	**$ 18,572**	**$ 24,933**	**$ 26,666**
Ave. Operating Revenue/	$ 569,596	$ 986,718	$ 1,049,137
Ave. Total Offerings	31	40	40
Music	**$ 10,727**	**$ 12,951**	**$ 12,935**
Ave. Operating Revenue/	$ 255,383	$ 300,809	$ 269,027
Ave. Total Offerings	25	24	22
Opera	**$ 94,471**	**$ 364,576**	**$ 188,501**
Ave. Operating Revenue/	$ 2,441,847	$ 7,963,117	$ 4,591,122
Ave. Total Offerings	26	22	24
Performing Arts Centers	**$ 43,883**	**$ 38,892**	**$ 51,312**
Ave. Operating Revenue/	$ 4,245,164	$ 4,544,225	$ 7,416,086
Ave. Total Offerings	98	119	145
Symphony Orchestras	**$ 85,401**	**$ 91,502**	**$ 83,874**
Ave. Operating Revenue/	$ 2,657,398	$ 2,581,431	$ 2,665,898
Ave. Total Offerings	32	29	32
Theater	**$ 46,248**	**$ 44,802**	**$ 60,729**
Ave. Operating Revenue/	$ 1,158,958	$ 1,416,778	$ 1,761,151
Ave. Total Offerings	25	32	29
Other Museums	**$ 36,338**	**$ 38,771**	**$ 38,454**
Ave. Operating Revenue/	$ 4,845,141	$ 4,844,931	$ 5,039,799
Ave. Total Offerings	129	125	131
General Performing Arts	**$ 12,284**	**$ 19,835**	**$ 21,098**
Ave. Operating Revenue/	$ 564,355	$ 917,134	$ 1,054,746
Ave. Total Offerings	48	47	53

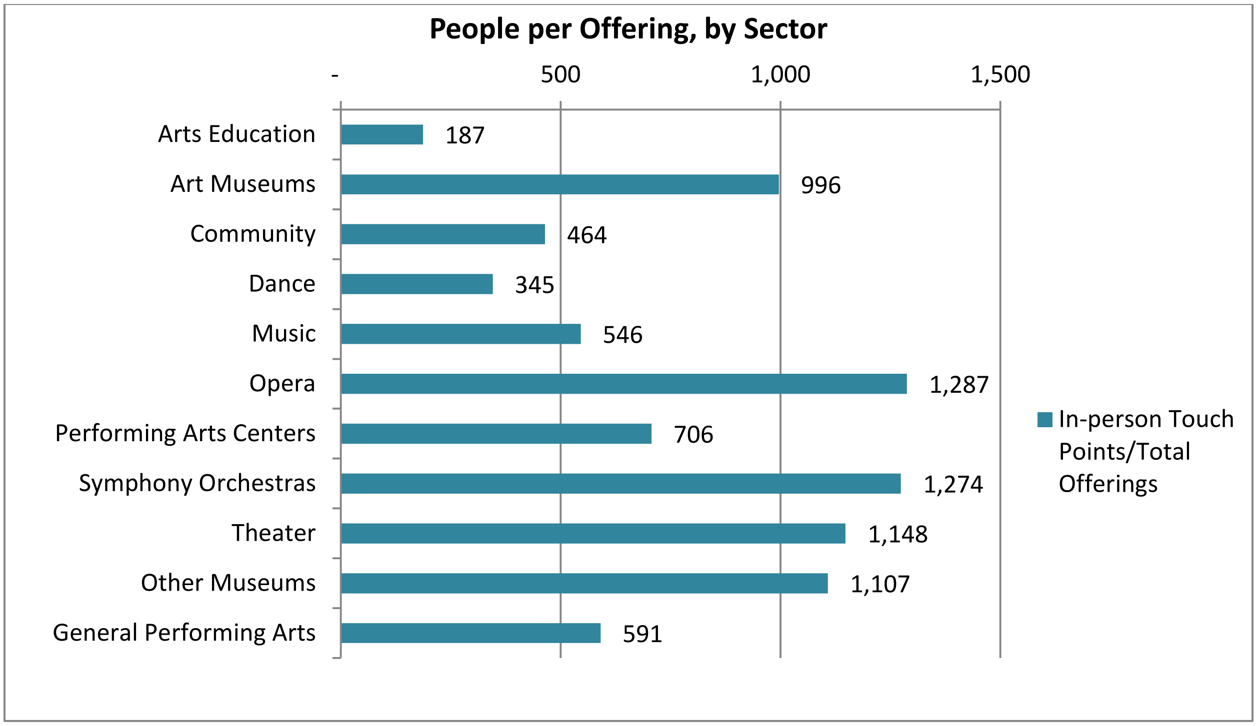
*Note: Here we report total offerings only for the same set of organizations that provide information on their operating revenue.

People per Offering Index

Question 2: "How many people are engaged per offering (not including virtual activity)?"
Total touch points/Total offerings

[Highlights]: The average opera company and symphony orchestra engage the highest numbers of people per offering, whether as contracted artists, staff, volunteers, donors, or audience members. Theater and 'other' museums are not far behind. Offerings are the total number of productions, exhibitions, educational programs, films, publications, tours, and lectures.

Want to see these indices for other years? Across all sectors there was variation over the years in the number of people engaged per live offering.



People per Offering Index by Sector and Year

A&C Sector	2008	2009	2010	2011	2012
Arts Education	**169**	**195**	**191**	**207**	**187**
Ave. Total Touch Points/	20,032	20,565	19,603	21,267	19,928
Ave. Total Offerings	121	110	104	103	108
Art Museums	**1,073**	**927**	**993**	**975**	**996**
Ave. Total Touch Points	159,088	149,074	176,185	167,281	194,979
Ave. Total Offerings	148	162	179	172	194
Community	**647**	**582**	**558**	**514**	**464**
Ave. Total Touch Points	47,179	40,742	39,836	37,287	40,272
Ave. Total Offerings	75	72	72	74	88
Dance	**367**	**345**	**391**	**373**	**345**
Ave. Total Touch Points	16,261	14,691	14,656	15,596	14,565
Ave. Total Offerings	45	43	38	42	42
Music	**678**	**575**	**543**	**718**	**546**
Ave. Total Touch Points	17,157	13,774	13,756	16,375	11,189
Ave. Total Offerings	26	25	26	24	21
Opera	**1,590**	**1,588**	**1,809**	**1,624**	**1,287**
Ave. Total Touch Points	49,983	41,705	42,770	35,591	32,742
Ave. Total Offerings	31	26	24	22	25
Performing Arts Centers	**889**	**693**	**688**	**674**	**706**
Ave. Total Touch Points	89,499	67,397	72,851	84,454	94,117
Ave. Total Offerings	101	100	109	129	135
Symphony Orchestras	**1,571**	**1,417**	**1,299**	**1,308**	**1,274**
Ave. Total Touch Points	49,348	39,130	36,621	36,659	40,059
Ave. Total Offerings	32	29	29	29	32
Theater	**1,213**	**1,135**	**1,022**	**921**	**1,148**
Ave. Total Touch Points	35,211	31,294	28,869	29,169	32,894
Ave. Total Offerings	29	28	28	32	29
Other Museums	**1,130**	**1,072**	**1,109**	**1,213**	**1,107**
Ave. Total Touch Points	149,074	136,930	134,237	149,535	141,531
Ave. Total Offerings	134	132	119	124	129
General Performing Arts	**553**	**690**	**619**	**611**	**591**
Ave. Total Touch Points	26,792	33,271	31,136	27,481	29,283
Ave. Total Offerings	50	49	52	46	52

AREA: Staffing by Sector

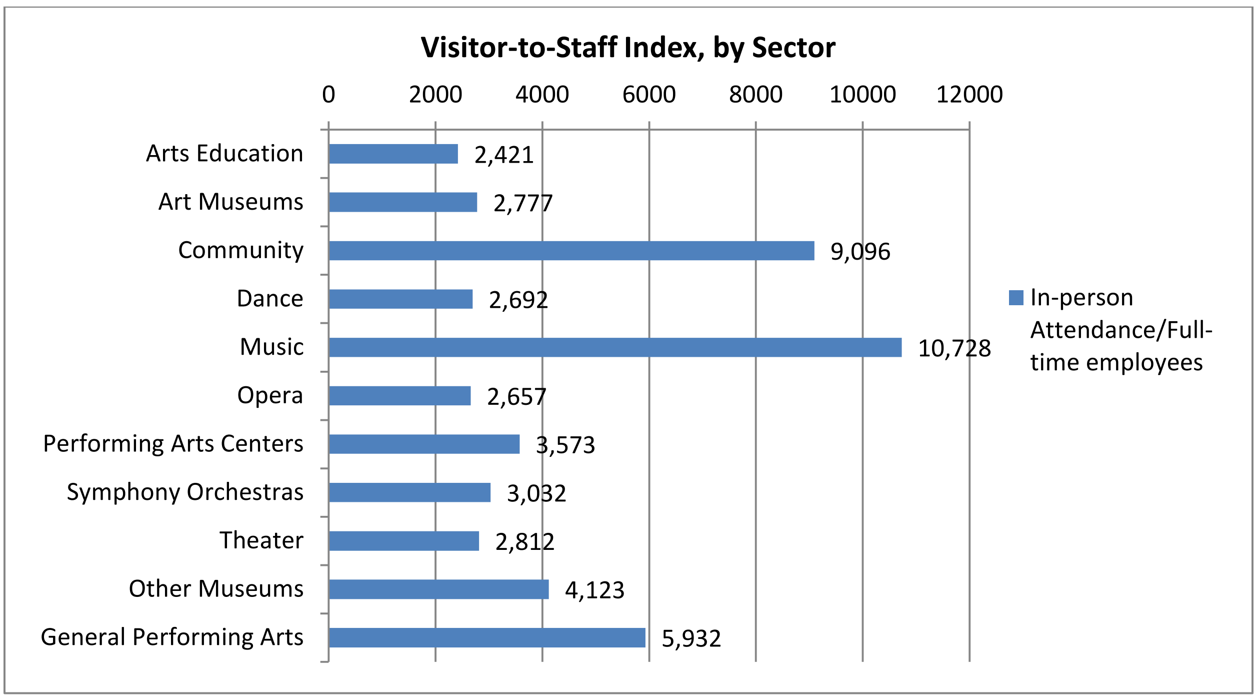
Visitor-to-Staff Index

Question 1: "How many people attend in-person per full-time employee?"
Total In-person attendance/Total full-time employees

[Highlights]: As with all indices, the visitor-to-staff index does not propose an ideal ratio, it simply reports on what the averages are per sector. This index in particular underlines the importance of stopping to check out the numerator and denominator. The average music organization serves more than 10,000 visitors for every full-time employee; at the same time, it averages one full-time employee per organization and has the lowest average in-person attendance.

Community, dance, and general performing arts organizations each average 4 to 5 full-time employees and serve a range of annual attendance levels. Despite wide swings in average full-time employees and average attendance, the visitor-to-staff index was surprisingly similar for arts education, art museums, dance, opera, performing arts centers, symphony orchestras, and theater companies.

Want to see these indices for other years? There was great consistency in the number of full-time employees over time in all sectors but opera and performing arts centers, and then only shifts in 2012, likely due to changes in the mix of organizations represented.



Visitor-to-Staff Index by Sector and Year

A&C Sector	2008	2009	2010	2011	2012
Arts Education	**2,144**	**2,016**	**2,089**	**2,560**	**2,421**
Ave. Total In-person Attendance/	20,251	20,689	19,663	21,203	20,076
Ave. Total Full-time Employees	9	10	9	8	8
Art Museums	**2,428**	**2,642**	**2,991**	**2,948**	**2,777**
Ave. Total In-person Attendance/	156,372	148,380	173,327	165,808	191,690
Ave. Total Full-time Employees	64	55	57	55	68
Community	**10,949**	**9,369**	**10,474**	**9,608**	**9,096**
Ave. Total In-person Attendance/	48,874	42,088	41,657	38,565	41,318
Ave. Total Full-time Employees	4	4	4	4	4
Dance	**3,465**	**3,280**	**3,438**	**3,320**	**2,692**
Ave. Total In-person Attendance/	16,262	15,022	14,982	15,665	14,567
Ave. Total Full-time Employees	5	4	4	5	5
Music	**11,744**	**9,924**	**11,276**	**12,717**	**10,728**
Ave. Total In-person Attendance/	16,992	13,683	13,732	16,430	11,050
Ave. Total Full-time Employees	1	1	1	1	1
Opera	**1,943**	**1,984**	**1,941**	**1,579**	**2,657**
Ave. Total In-person Attendance/	48,169	40,149	41,133	33,903	31,636
Ave. Total Full-time Employees	25	20	21	21	12
Performing Arts Centers	**4,460**	**4,019**	**3,970**	**4,080**	**3,573**
Ave. Total In-person Attendance/	89,065	67,633	73,244	86,044	94,053
Ave. Total Full-time Employees	20	17	18	20	26
Symphony Orchestras	**3,143**	**2,923**	**2,976**	**2,960**	**3,032**
Ave. Total In-person Attendance/	48,759	38,775	36,367	36,399	39,682
Ave. Total Full-time Employees	15	13	12	12	13
Theater	**2,675**	**2,975**	**2,972**	**2,848**	**2,812**
Ave. Total In-person Attendance/	32,783	29,336	27,428	27,486	30,915
Ave. Total Full-time Employees	12	10	9	10	11
Other Museums	**4,281**	**4,166**	**4,535**	**4,625**	**4,123**
Ave. Total In-person Attendance/	149,887	140,747	138,131	150,523	140,998
Ave. Total Full-time Employees	35	33	29	32	34
General Performing Arts	**4,944**	**7,225**	**7,774**	**6,560**	**5,932**
Ave. Total In-person Attendance/	26,046	32,944	31,333	27,731	28,964
Ave. Total Full-time Employees	5	4	4	4	5

Index Averages for Arts & Cultural Organizations by Size

Size matters. We would expect that small organizations face different pressures or challenges than medium-sized organizations, which in turn perform differently than large organizations.

As explained in the Modeling the Arts and Cultural Ecosystem section, rather than prescribe arbitrary cut-off points for assigning organizations into small, medium, and large categories based on their total expenditures, we turned to the data to tell us the point in each sector at which performance outcomes will differ depending on the organization's budget size – i.e., where the performance change point lies. We found that the cut-off points for budget size vary by sector.

We report here on the averages for all arts and cultural organizations of a given size regardless of their sector. We first look at averages for the 3 budget sizes on every index in 2012 so we can see how they compare. Then we look at averages over time for each budget size. The mix of organizations that participate in the survey changes year-to-year, so we do not report trends. What we find particularly interesting – and highlight – is when the index reported in 2012 is very similar to that reported in previous years *regardless* of the shifting mix of organizations.

Generally speaking, performance on various measures tended to either decrease or increase with size.

What tends to increase as size increases?

- The percentage of expenses covered by earned revenue.
- Program revenue per attendee and expenses per attendee -- substantially so.
- Artist and program-related personnel compensation relative to total operating revenue.
- Marketing dollars to bring in each attendee.
- Program revenue earned per dollar spent on marketing.
- The spread between total marketing cost to bring in one person and the level of program revenue earned due to that person attending – i.e., the net revenue.
- Months of available cash.
- In-person community engagement as a percentage of the local population.
- The number of mission-related programs offered.
- Revenue per offering and total people engaged per offering.
- Number of people served per full-time staff member

What tends decrease as size increases?

- Return on fundraising.
- Unrestricted contributed revenue in proportion to expenses.
- The level of expenses supported by individual contributions, corporate contributions, and foundation and government support.
- Unrestricted surpluses.
- Operating bottom lines become increasingly negative, whether including depreciation in the calculation or not.

What does not follow a progressive pattern?

- Trustee support covers the same level of expenses regardless of budget size.
- The level of operating revenue that goes directly to program expenses is the same for small and medium organizations but rises for large organizations.
- Medium organizations had the lowest working capital and small organizations the highest.
- Large organizations are most responsible for engagement through digital programs, followed by small organizations.

- (Contributed Rev. 1 &2) Return on fundraising tends to decrease and unrestricted contributed revenue tends to cover a lower proportion of expenses as size increases.
- (Contrib. Rev. 3-7) The level of expenses supported by individual contributions, corporate contributions, and foundation and government support each decreases as size increase. Trustee support covers the same average level of expenses regardless of budget size.
- (Earned Rev. 1&2) As size increases, the percentage of expenses covered by earned revenue tends to increase as does average program revenue per attendee -- substantially so.
- (Expenses 1&2)The average level of operating revenue that goes directly to program expenses is the same for small and medium organizations but rises for large organizations. At the same time, the subset of expenses that go to paying those directly related in the creation and execution of programs (i.e., artists and program-related personnel) increases with size. So, even though small and medium organizations spend similar relative levels overall on programs, medium organizations allocate more of those funds to payment of people rather than purchase of materials or services.
- (Expenses 3) Average expenses per attendee rise substantially with size.
- (Marketing Impact 1-4) Small organizations spend the least in marketing dollars to bring in each attendee, with medium organizations spending more and large organizations even more. This is the case regardless of whether all marketing costs are considered or only non-staff, direct marketing costs. The same pattern emerges for program revenue earned per dollar spent on marketing.
- (Earned Rev. 2 & Marketing Impact 2) The spread between average total marketing cost to bring in one person and the average level of program revenue earned due to that person attending – i.e., the net revenue -- grows increasingly large as organizations increase in size.
- (Bottom Line 1-3) The larger the organization, the lower the average bottom line, regardless of how it is calculated. Organizations of every size had positive unrestricted surplus. The small organizations ran a positive operating bottom line even after taking into account depreciation expense, medium organizations had a positive bottom line before depreciation but a slightly negative one after depreciation, and large organizations tended to end the year with a deficit by either operating bottom line calculation.
- (Balance Sheet 1&2) Organizations of all sizes averaged positive working capital, with medium organizations having the lowest level and small organizations the highest. By contrast, the larger the organization the greater the average months of available cash.
- (Community Engagement 1&2) The larger the organization, the larger the percentage of the spatially-adjusted local population engaged with the organization and its programs in-person. Large organizations are most responsible for engagement through digital programs, followed by small organizations.
- (Program Activity 1&2) The larger the organization the greater the number of programs offered, so the greater the diversity of supply. Also, the larger the organization, the higher the average revenue per offering and total people engaged per offering.
- (Staffing 1) The smaller the organization, the greater the number of people served per full-time staff member, reflecting constrained organizational capacity. Small organizations average less than 1 full-time employee.

Index Averages for All Arts & Cultural Organizations by Size

Area		Index	Small	Medium	Large
CONTRIBUTED REVENUE	1	Total Contributed Revenue/Fundraising Expenses (incl. staff)	**$ 12.94**	**$ 7.94**	**$ 7.70**
		Ave. Total Contrib. Rev./	$ 61,024	$ 514,625	$ 5,930,640
		Ave. Fundraising Expenses	$ 4,685	$ 64,813	$ 770,291
	2	Unrestricted Contributed Revenue/Total Expenses (before depr.)	**64%**	**61%**	**52%**
		Ave. Unrestricted Contributed Revenue/	$ 59,169	$ 490,819	$ 6,018,454
		Ave. Total Expenses (before depreciation)	$ 91,866	$ 804,105	$ 11,573,788
	3	Unrest. Trustee Contributions/Total Expenses (before depr.)	**4%**	**4%**	**4%**
		Ave. Unrestricted Trustee Contributions/	$ 3,593	$ 33,819	$ 467,749
		Ave. Total Expenses (before depreciation)	$ 91,866	$ 804,105	$ 11,573,788
	4	Unrest. Other Indiv. Contributions/Total Expenses (before depr.)	**11%**	**8%**	**6%**
		Ave. Unrestricted Other Ind. Contributions/	$ 10,120	$ 66,638	$ 749,223
		Ave. Total Expenses (before depreciation)	$ 91,866	$ 804,105	$ 11,573,788
	5	Unrest. Corporate Contributions/Total Expenses (before depr.)	**4%**	**3%**	**2%**
		Ave. Unrestricted Corporate Contributions/	$ 3,226	$ 23,251	$ 265,329
		Ave. Total Expenses (before depreciation)	$ 91,866	$ 804,105	$ 11,573,788
	6	Unrestr. Foundation Support/Total Expenses (before depr.)	**13%**	**9%**	**4%**
		Ave. Unrestricted Foundation Support/	$ 12,038	$ 73,314	$ 488,835
		Ave. Total Expenses (before depreciation)	$ 91,866	$ 804,105	$ 11,573,788
	7	Unrest. Total Govt. Support/Total Expenses (before depr.)	**9%**	**7%**	**6%**
		Ave. Unrestricted Total Govt. Support/	$ 8,102	$ 54,616	$ 659,320
		Ave. Total Expenses (before depreciation)	$ 91,866	$ 804,105	$ 11,573,788
EARNED REVENUE	1	Unrestricted Earned Revenue (less cap. Gains)/Total Expenses (before depr.)	**41%**	**43%**	**49%**
		Ave. Unrestricted Earned Revenue (less capital gains)/	$ 40,400	$ 347,536	$ 5,764,346
		Ave. Total Expenses (before depreciation)	$ 91,866	$ 804,105	$ 11,573,788
	2	Program revenue/Total In-person Attendance	**$ 3.98**	**$ 9.90**	**$ 28.51**
		Ave. Program Revenue/	$ 34,334	$ 287,033	$ 4,873,498
		Ave. Total In-person Attendance	8,110	28,552	**169,665**
EXPENSES	1	Total Direct Program Expenses/Total Operating Revenue	**60%**	**60%**	**68%**
		Ave. Direct Program Expenses/	$ 56,615	$ 490,919	$ 7,359,555
		Ave. Operating Revenue	$ 93,137	$ 818,136	$ 10,837,870
	2	Program Personnel Expenses/Total Operating Revenue	**35%**	**39%**	**45%**
		Ave. Salaried and Non-salaried Artists & Program Personnel Expenses/	$ 34,774	$ 325,213	$ 4,875,016
		Ave. Operating Revenue	$ 93,137	$ 818,136	$ 10,837,870
	3	Total Expenses (before depr.)/Total In-person Attendance	**$ 11.68**	**$ 28.52**	**$ 69.46**
		Ave. Total Expenses (before depr.)/	$ 91,866	$ 804,105	$ 11,573,788
		Ave. In-person Attendance	8,110	28,552	169,665
MARKETING IMPACT	1	Marketing Expenses (personnel & non-personnel)/Total In-person Attendance	**$ 1.14**	**$ 2.63**	**$ 5.28**
		Ave. Marketing Expenses (incl. staff and non-staff costs)/	$ 9,274	$ 74,820	$ 881,909
		Ave. In-person Attendance	8,110	28,552	169,665
	2	Marketing Expenses (non- personnel only)/Total In-person Attendance	**$ 0.57**	**$ 1.27**	**$ 2.69**
		Ave. Marketing Expenses (non-staff only)/	$ 4,453	$ 35,858	$ 447,575
		Ave. In-person Attendance	8,110	$ 28,552	169,665

Index Averages for All Arts & Cultural Organizations by Size (continued)

Area		Index	Small	Medium	Large
MARKETING IMPACT (continued)	**3**	**Program Revenue/Marketing Expenses (personnel & non-personnel)**	**$ 3.49**	**$ 3.77**	**$ 5.40**
		Ave. Total Program Revenue/	$ 34,334	$ 287,033	$ 4,873,498
		Ave. Marketing Expenses (incl. staff and non-staff costs)	$ 9,274	$ 74,820	$ 881,909
	4	**Program Revenue/ Marketing Expenses (non-personnel only)**	**$ 7.03**	**$ 7.78**	**$ 10.62**
		Ave. Total Program Revenue/	$ 34,334	$ 287,033	$ 4,873,498
		Ave. Marketing Expenses (non-staff only)	$ 4,453	$ 35,858	$ 447,575
BOTTOM LINE	**1**	**(Total Unrest. Revenue (less capital gains)-Total Expenses (before depr.))/Total expenses (before depr.)**	**4.6%**	**3.8%**	**1.5%**
		Ave. Unrest. Rev. (less capital gains) -Total Expenses (before depr.)/	$ 4,134	$ 30,966	$ 177,651
		Ave. Total Expenses (BEFORE depr.)	$ 90,664	$ 808,289	$ 11,515,466
	2	**(Total Operating Revenue - Total Expenses (BEFORE depr.))/Total Expenses (BEFORE depr.)**	**2.7%**	**1.2%**	**-5.9%**
		Ave. (Total Operating Revenue - Total Expenses (BEFORE depr.)/	$ 2,473	$ 9,848	$ (677,597)
		Ave. Total Expenses (BEFORE depr.)	$ 90,664	$ 808,289	$ 11,515,466
	3	**(Total Operating Revenue - Total Expenses (AFTER depr.))/Total Expenses (AFTER depr.)**	**0.3%**	**-3.2%**	**-12.6%**
		Ave. (Total Operating Revenue - Total Expenses (AFTER depr.)/	$ 246	$ (27,315)	$ (1,566,519)
		Ave. Total Expenses (AFTER depreciation)	$ 92,890	$ 845,452	$ 12,404,389
BALANCE SHEET	**1**	**Months of working capital**	**4.6**	**2.5**	**2.8**
		Working Capital/Total Expenses (before depr.)	*38%*	*21%*	*23%*
		Ave. (Unrest. Current Assets – Unrest. Current Liabilities)/	$ 47,626	$ 176,169	$ 2,802,602
		Ave. Total Expenses (before depreciation)	$ 124,439	$ 836,097	$ 11,976,309
	2	**Months of available cash**	**9.7**	**10.0**	**18.5**
		Readily available cash and investments/Total Expenses (before depr.)	*81%*	*83%*	*154%*
		Ave. Unrest. & Temporarily Restricted cash, cash equivalents, investments, and line of credit/	$ 100,754	$ 694,022	$ 18,490,040
		Ave. Total Expenses (before depreciation)	$ 124,439	$ 836,097	$ 11,976,309
COMMUNITY ENGAGEMENT	**1**	**Total Touch Points (in-person and virtual)/ Population**	**6.7%**	**6.0%**	**31.6%**
		Ave. Total Touch Points (in-person and virtual)/	81,614	80,494	537,998
		Ave. Population	1,209,397	1,338,955	1,702,825
	2	**Total Touch Points (in-person only)/ Population**	**0.6%**	**2.0%**	**9.4%**
		Ave. Total Touch Points (in-person only)/	8,143	28,831	171,034
		Ave. Population	1,322,518	1,415,167	1,827,876
PROGRAM ACTIVITY	**1**	**Total Operating Revenue/Total Offerings**	**$ 4,031**	**$ 12,521**	**$ 63,156**
		Ave. Operating Revenue/	$ 93,137	$ 818,136	$ 10,837,870
		Ave. Total Offerings	24	66	173
	2	**Total Total Touch Points (in-person only)/Total Offerings**	**351**	**438**	**991**
		Ave. Total Touch Points (in-person only)/	8,143	28,831	171,034
		Ave. Total Offerings	24	66	174
STAFFING	**1**	**Total In-person Attendance/Total Full-time Employees**	**19,006**	**5,998**	**3,034**
		Ave. Total In-person Attendance/	8,110	28,552	169,665
		Ave. Total Full-time Employees	0.4	5	55

Index Averages for Small Arts & Cultural Organizations

Want to see the indices for small organizations for other years? Despite shifts in the mix of survey participants over time, small arts and cultural organizations have been remarkably consistent in nearly every index area, particularly since 2009 when the brunt of the recession hit. Moreover, the numerators and denominators themselves are largely consistent and, at times, nearly identical as is the case with the number of offerings, number of full-time employees, and total expenses since 2010. Here are the budget ranges of small organizations by sector:

Arts Sector	Small Budget Range
Arts Education	$173,980 or less
Art Museums	$982,015 or less
Community	$207,449 or less
Dance Companies	$174,985 or less
Music	$99,999 or less

Arts Sector	Small Budget Range
Opera Companies	$219,116 or less
Performing Arts Centers	$784,155 or less
Symphony Orchestras	$295,777 or less
Theater	$219,116 or less
Other Museums	$626,160 or less
General Performing Arts	$164,461 or less

Index Averages for Small Arts & Cultural Organizations by Year

Index Averages for Small Arts & Cultural Organizations by Year (continued)

Index	2008	2009	2010	2011	2012
Total Contributed Revenue/Fundraising Expenses (incl. staff)	**$ 13.58**	**$ 12.20**	**$ 12.35**	**$ 12.71**	**$ 12.94**
Ave. Total Contrib. Rev./	$ 76,062	$ 69,083	$ 66,549	$ 8,927	$ 61,024
Ave. Fundraising Expenses	$ 5,548	$ 5,576	$ 5,314	$ 4,907	$ 4,685
Unrestricted Contributed Revenue/Total Expenses (before depr.)	**68%**	**64%**	**66%**	**66%**	**64%**
Ave. Unrestricted Contributed Revenue/	$ 70,065	$ 64,483	$ 61,408	$ 61,096	$ 59,169
Ave. Total Expenses (before depreciation)	$ 101,522	$ 99,713	$ 91,910	$ 90,716	$ 91,866
Unrest. Trustee Contributions/Total Expenses (before depr.)	**6%**	**4%**	**4%**	**4%**	**4%**
Ave. Unrestricted Trustee Contributions/	$ 6,134	$ 4,378	$ 3,847	$ 3,622	$ 3,593
Ave. Total Expenses (before depreciation)	$ 101,522	$ 99,713	$ 91,910	$ 90,716	$ 91,866
Unrest. Other Indiv. Contributions/Total Expenses (before depr.)	**11%**	**11%**	**10%**	**11%**	**11%**
Ave. Unrestricted Other Ind. Contributions/	$ 10,953	$ 10,795	$ 9,464	$ 9,971	$ 10,120
Ave. Total Expenses (before depreciation)	$ 101,522	$ 99,713	$ 91,910	$ 90,716	$ 91,866
Unrest. Corporate Contributions/Total Expenses (before depr.)	**3%**	**3%**	**3%**	**4%**	**4%**
Ave. Unrestricted Corporate Contributions/	$ 3,117	$ 2,965	$ 2,885	$ 3,246	$ 3,226
Ave. Total Expenses (before depreciation)	$ 101,522	$ 99,713	$ 91,910	$ 90,716	$ 91,866
Unrestr. Foundation Support/Total Expenses (before depr.)	**12%**	**11%**	**11%**	**11%**	**13%**
Ave. Unrestricted Foundation Support/	$ 11,754	$ 11,204	$ 10,315	$ 9,982	$ 12,038
Ave. Total Expenses (before depreciation)	$ 101,522	$ 99,713	$ 91,910	$ 90,716	$ 91,866
Unrest. Total Govt. Support/Total Expenses (before depr.)	**13%**	**12%**	**13%**	**11%**	**9%**
Ave. Unrestricted Total Govt. Support/	$ 12,970	$ 11,690	$ 11,502	$ 10,256	$ 8,102
Ave. Total Expenses (before depreciation)	$ 101,522	$ 99,713	$ 91,910	$ 90,716	$ 91,866
Unrestricted Earned Revenue (less cap. Gains)/Total Expenses (before depr.)	**40%**	**41%**	**42%**	**41%**	**41%**
Ave. Unrestricted Earned Revenue (less capital gains)/	$ 42,207	$ 43,040	$ 41,497	$ 40,208	$ 40,400
Ave. Total Expenses (before depreciation)	$ 101,522	$ 99,713	$ 91,910	$ 90,716	$ 91,866
Program revenue/Total In-person Attendance	**$ 4.67**	**$ 4.05**	**$ 4.05**	**$ 3.72**	**$ 3.98**
Ave. Program Revenue/	$ 35,262	$ 36,567	$ 36,112	$ 35,014	$ 34,334
Ave. Total In-person Attendance	7,188	8,626	8,503	8,927	8,110
Total Direct Program Expenses/Total Operating Revenue			**59%**	**58%**	**60%**
Ave. Direct Program Expenses/			$ 53,841	$ 54,616	$ 56,615
Ave. Operating Revenue			$ 90,500	$ 93,828	$ 93,137
Program Personnel Expenses/Total Operating Revenue			**32%**	**32%**	**35%**
Ave. Salaried and Non-salaried Artists & Program Personnel Expenses/			$ 33,107	$ 33,269	$ 34,774
Ave. Operating Revenue			$ 90,500	$ 93,828	$ 93,137
Total Expenses (before depr.)/Total In-person Attendance	**$ 14.50**	**$ 11.99**	**$ 11.30**	**$ 10.57**	**$ 11.68**
Ave. Total Expenses (before depr.)/	$ 101,522	$ 99,713	$ 91,910	$ 90,716	$ 91,866
Ave. In-person Attendance	7,188	8,626	8,503	8,927	8,110

Area		Index	2008	2009	2010	2011	2012
MARKETING IMPACT	1	**Marketing Expenses (personnel & non-personnel)/Total In-person Attendance**	**$ 1.51**	**$ 1.28**	**$ 1.17**	**$ 1.11**	**$ 1.14**
		Ave. Marketing Expenses (incl. staff and non-staff costs)/	$ 10,802	$ 10,884	$ 9,903	$ 9,853	$ 9,274
		Ave. In-person Attendance	7,188	8,626	8,503	8,927	8,110
	2	**Marketing Expenses (non- personnel)/Total In-person Attendance**	**$ 0.75**	**$ 0.62**	**$ 0.58**	**$ 0.55**	**$ 0.57**
		Ave. Marketing Expenses (non-staff only)/	$ 5,263	$ 5,139	$ 4,734	$ 4,682	$ 4,453
		Ave. In-person Attendance	7,188	8,626	8,503	8,927	8,110
	3	**Program Revenue/Marketing Expenses (personnel & non-personnel)**	**$ 3.09**	**$ 3.17**	**$ 3.45**	**$ 3.37**	**$ 3.49**
		Ave. Total Program Revenue/	$ 35,262	$ 36,567	$ 36,112	$ 35,014	$ 34,334
		Ave. Marketing Expenses (incl. staff and non-staff costs)	$ 10,802	$ 10,884	$ 9,903	$ 9,853	$ 9,274
	4	**Program Revenue/ Marketing Expenses (non-personnel only)**	**$ 6.20**	**$ 6.53**	**$ 6.93**	**$ 6.82**	**$ 7.03**
		Ave. Total Program Revenue/	$ 35,262	$ 36,567	$ 36,112	$ 35,014	$ 34,334
		Ave. Marketing Expenses (non-staff only)	$ 5,263	$ 5,139	$ 4,734	$ 4,682	$ 4,453
BOTTOM LINE	1	**(Total Unrest. Revenue (less capital gains)-Total Expenses (before depr.))/Total expenses (before depr.)**			**5.7%**	**8.7%**	**4.6%**
		Ave. Unrest. Rev. (less capital gains) -Total Expenses (before depr.)/			$ 5,002	$ 7,666	$ 4,134
		Ave. Total Expenses (BEFORE depr.)			$ 89,470	$ 89,337	$ 90,664
	2	**(Total Operating Revenue - Total Expenses (BEFORE depr.))/Total Expenses (BEFORE depr.)**			**1.2%**	**5.1%**	**2.7%**
		Ave. (Total Operating Revenue - Total Expenses (BEFORE depr.)/			$ 1,030	$ 4,492	$ 2,473
		Ave. Total Expenses (BEFORE depr.)			$ 89,470	$ 89,337	$ 90,664
	3	**(Total Operating Revenue - Total Expenses (AFTER depr.))/Total Expenses (AFTER depr.)**			**-1.1%**	**2.8%**	**0.3%**
		Ave. (Total Operating Revenue - Total Expenses (AFTER depr.)/			$ (1,043)	$ 2,425	$ 246
		Ave. Total Expenses (AFTER depreciation)			$ 91,543	$ 91,403	$ 92,890
BALANCE SHEET	1	**Months of working capital**	**4.5**	**5.1**	**5.2**	**6.0**	**4.6**
		Working Capital/Total Expenses (before depr.)	*37%*	*42%*	*44%*	*50%*	*38%*
		Ave. (Unrest. Current Assets – Unrest. Current Liabilities)/	$ 52,719	$ 60,827	$ 55,895	$ 63,165	$ 47,626
		Ave. Total Expenses (before depreciation)	$ 141,334	$ 143,147	$ 128,380	$ 125,919	$ 124,439
	2	**Months of available cash**	**8.9**	**8.9**	**9.0**	**9.1**	**9.7**
		Readily available cash and investments/Total Expenses (before depr.)	*74%*	*74%*	*75%*	*76%*	*81%*
		Ave. Unrest. & Temporarily Restricted cash, cash equivalents, investments, and line of credit/	$ 104,589	$ 105,947	$ 96,288	$ 95,629	$ 100,754
		Ave. Total Expenses (before depreciation)	$ 141,334	$ 143,147	$ 128,380	$ 125,919	$ 124,439
COMMUNITY ENGAGEMENT	1	**Total Touch Points (in-person and virtual)/ Population**	**0.6%**	**0.8%**	**4.6%**	**13.2%**	**6.7%**
		Ave. Total Touch Points (in-person and virtual)/	9,538	10,799	61,344	201,086	81,614
		Ave. Population	1,538,285	1,439,088	1,330,234	1,520,713	1,209,397
	2	**Total Touch Points (in-person only)/ Population**	**0.4%**	**0.5%**	**0.5%**	**0.6%**	**0.6%**
		Ave. Total Touch Points (in-person only)/	7,219	8,546	8,370	8,838	8,143
		Ave. Population	1,907,379	1,834,892	1,649,338	1,508,535	1,322,518
PROGRAM ACTIVITY	1	**Total Operating Revenue/Total Offerings**			**$ 4,074**	**$ 4,046**	**$ 4,031**
		Ave. Operating Revenue/			$ 90,500	$ 93,828	$ 93,137
		Ave. Total Offerings			23	24	24
	2	**Total Total Touch Points (in-person only)/Total Offerings**	**316**	**381**	**379**	**374**	**351**
		Ave. Total Touch Points (in-person only)/	7,219	8,546	8,370	8,838	8,143
		Ave. Total Offerings	23	23	23	24	24
STAFFING	1	**Total In-person Attendance/Total Full-time Employees**	**13,546**	**17,529**	**15,778**	**15,730**	**19,006**
		Ave. Total In-person Attendance/	7,188	8,626	8,503	8,927	8,110
		Ave. Total Full-time Employees	0.5	0.5	0.5	0.5	0.4

Index Averages for Medium Arts & Cultural Organizations

Want to see the indices for medium organizations for other years? Despite shifts in the mix of survey participants over time, medium arts and cultural organizations have been consistent in nearly every index area. The average number of staff members was unchanged, as was the percentage of expenses supported by corporate contributions. The greatest variability across years was in bottom line and months of available cash. Here are the budget ranges of medium organizations by sector:

Arts Sector	Medium Budget Range
Arts Education	$173,981 - $890,864
Art Museums	$982,016 - $11,486,983
Community	$207,450 - $1,296,200
Dance Companies	$174,986 - $1,623,261
Music	$100,000 - $526,995

Arts Sector	Medium Budget Range
Opera Companies	$219,117-$3,704,090
Performing Arts Centers	$784,156-$6,261,613
Symphony Orchestras	$295,778-$3,992,580
Theater	$219,117-$1,623,261
Other Museums	$626,161-$4,638,716
General Performing Arts	$164,462-$1,623,261

Index Averages for Medium Arts & Cultural Organizations by Year

Area		Index	2008	2009	2010	2011	2012
CONTRIBUTED REVENUE	1	**Total Contributed Revenue/Fundraising Expenses (incl. staff)**	**$ 8.82**	**$ 8.62**	**$ 8.57**	**$ 9.06**	**$ 7.94**
		Ave. Total Contrib. Rev./	$ 583,704	$ 559,060	$ 533,580	$ 577,513	$ 514,625
		Ave. Fundraising Expenses	$ 66,055	$ 64,814	$ 62,210	$ 63,772	$ 64,813
	2	**Unrestricted Contributed Revenue/Total Expenses (before depr.)**	**66%**	**63%**	**66%**	**66%**	**61%**
		Ave. Unrestricted Contributed Revenue/	$ 537,434	$ 506,147	$ 509,535	$ 519,259	$ 490,819
		Ave. Total Expenses (before depreciation)	$ 806,925	$ 801,034	$ 777,466	$ 791,091	$ 804,105
	3	**Unrest. Trustee Contributions/Total Expenses (before depr.)**	**6%**	**4%**	**4%**	**4%**	**4%**
		Ave. Unrestricted Trustee Contributions/	$ 49,449	$ 35,738	$ 33,542	$ 33,971	$ 33,819
		Ave. Total Expenses (before depreciation)	$ 806,925	$ 801,034	$ 777,466	$ 791,091	$ 804,105
	4	**Unrest. Other Indiv. Contributions/Total Expenses (before depr.)**	**9%**	**8%**	**9%**	**9%**	**8%**
		Ave. Unrestricted Other Ind. Contributions/	$ 72,680	$ 63,649	$ 68,653	$ 68,420	$ 66,638
		Ave. Total Expenses (before depreciation)	$ 806,925	$ 801,034	$ 777,466	$ 791,091	$ 804,105
	5	**Unrest. Corporate Contributions/Total Expenses (before depr.)**	**3%**	**3%**	**3%**	**3%**	**3%**
		Ave. Unrestricted Corporate Contributions/	$ 28,211	$ 23,969	$ 22,677	$ 23,886	$ 23,251
		Ave. Total Expenses (before depreciation)	$ 806,925	$ 801,034	$ 777,466	$ 791,091	$ 804,105
	6	**Unrestr. Foundation Support/Total Expenses (before depr.)**	**9%**	**8%**	**9%**	**8%**	**9%**
		Ave. Unrestricted Foundation Support/	$ 70,751	$ 64,098	$ 66,516	$ 67,110	$ 73,314
		Ave. Total Expenses (before depreciation)	$ 806,925	$ 801,034	$ 777,466	$ 791,091	$ 804,105
	7	**Unrest. Total Govt. Support/Total Expenses (before depr.)**	**8%**	**8%**	**8%**	**9%**	**7%**
		Ave. Unrestricted Total Govt. Support/	$ 61,746	$ 62,361	$ 63,964	$ 67,752	$ 54,616
		Ave. Total Expenses (before depreciation)	$ 806,925	$ 801,034	$ 777,466	$ 791,091	$ 804,105
EARNED REVENUE	1	**Unrestricted Earned Revenue (less cap. Gains)/Total Expenses (before depr.)**	**43%**	**43%**	**42%**	**42%**	**43%**
		Ave. Unrestricted Earned Revenue (less capital gains)/	$ 348,547	$ 349,407	$ 334,895	$ 336,257	$ 347,536
		Ave. Total Expenses (before depreciation)	$ 806,925	$ 801,034	$ 777,466	$ 791,091	$ 804,105
	2	**Program revenue/Total In-person Attendance**	**$ 9.08**	**$ 9.03**	**$ 8.88**	**$ 9.69**	**$ 9.90**
		Ave. Program Revenue/	$ 273,752	$ 275,298	$ 273,682	$ 281,285	$ 287,033
		Ave. Total In-person Attendance	29,797	30,047	30,482	28,551	28,552
EXPENSES	1	**Total Direct Program Expenses/Total Operating Revenue**			**56%**	**57%**	**60%**
		Ave. Direct Program Expenses/			$ 304,795	$ 466,482	$ 490,919
		Ave. Operating Revenue			$ 818,716	$ 817,598	$ 818,136
	2	**Program Personnel Expenses/Total Operating Revenue**			**37%**	**37%**	**39%**
		Ave. Salaried and Non-salaried Artists & Program Personnel Expenses/			$ 304,795	$ 306,091	$ 325,213
		Ave. Operating Revenue			$ 818,716	$ 817,598	$ 818,136
	3	**Total Expenses (before depr.)/Total In-person Attendance**	**$ 27.61**	**$ 27.20**	**$ 26.11**	**$ 28.11**	**$ 28.52**
		Ave. Total Expenses (before depr.)/	$ 806,925	$ 801,034	$ 777,466	$ 791,091	$ 804,105
		Ave. In-person Attendance	29,797	30,047	30,482	28,551	28,552

Index Averages for Medium Arts & Cultural Organizations by Year (continued)

Area		Index	2008	2009	2010	2011	2012
MARKETING IMPACT	1	**Marketing Expenses (personnel & non-personnel)/Total In-person Attendance**	**$ 2.63**	**$ 2.57**	**$ 2.37**	**$ 2.57**	**$ 2.63**
		Ave. Marketing Expenses (incl. staff and non-staff costs)/	$ 77,273	$ 76,060	$ 71,452	$ 72,761	$ 74,820
		Ave. In-person Attendance	29,797	30,047	30,482	28,551	28,552
	2	**Marketing Expenses (non- personnel only)/Total In-person Attendance**	**$ 1.24**	**$ 1.24**	**$ 1.10**	**$ 1.20**	**$ 1.27**
		Ave. Marketing Expenses (non-staff only)/	$ 36,192	$ 36,395	$ 32,709	$ 33,793	$ 35,858
		Ave. In-person Attendance	29,797	30,047	30,482	28,551	28,552
	3	**Program Revenue/Marketing Expenses (personnel & non-personnel)**	**$ 3.45**	**$ 3.52**	**$ 3.74**	**$ 3.78**	**$ 3.77**
		Ave. Total Program Revenue/	$ 273,752	$ 275,298	$ 273,682	$ 281,285	$ 287,033
		Ave. Marketing Expenses (incl. staff and non-staff costs)	$ 77,273	$ 76,060	$ 71,452	$ 72,761	$ 74,820
	4	**Program Revenue/ Marketing Expenses (non-personnel only)**	**$ 7.33**	**$ 7.31**	**$ 8.08**	**$ 8.07**	**$ 7.78**
		Ave. Total Program Revenue/	$ 273,752	$ 275,298	$ 273,682	$ 281,285	$ 287,033
		Ave. Marketing Expenses (non-staff only)	$ 36,192	$ 36,395	$ 32,709	$ 33,793	$ 35,858
BOTTOM LINE	1	**(Total Unrest. Revenue (less capital gains)-Total Expenses (before depr.))/Total expenses (before depr.)**			**8.8%**	**9.2%**	**3.8%**
		Ave. Unrest. Rev. (less capital gains) -Total Expenses (before depr.)/			$ 69,161	$ 72,257	$ 30,966
		Ave. Total Expenses (BEFORE depr.)			$ 786,795	$ 787,316	$ 808,289
	2	**(Total Operating Revenue - Total Expenses (BEFORE depr.))/Total Expenses (BEFORE depr.)**			**4.1%**	**3.8%**	**1.2%**
		Ave. (Total Operating Revenue - Total Expenses (BEFORE depr.)/			$ 31,921	$ 30,282	$ 9,848
		Ave. Total Expenses (BEFORE depr.)			$ 786,795	$ 787,316	$ 808,289
	3	**(Total Operating Revenue - Total Expenses (AFTER depr.))/Total Expenses (AFTER depr.)**			**-1.3%**	**-1.2%**	**-3.2%**
		Ave. (Total Operating Revenue - Total Expenses (AFTER depr.)/			$ (10,601)	$ (9,656)	$ (27,315)
		Ave. Total Expenses (AFTER depreciation)			$ 829,317	$ 827,254	$ 845,452
BALANCE SHEET	1	**Months of working capital**	**2.4**	**2.3**	**2.4**	**2.6**	**2.5**
		Working Capital/Total Expenses (before depr.)	*20%*	*20%*	*20%*	*22%*	*21%*
		Ave. (Unrest. Current Assets – Unrest. Current Liabilities)/	$ 170,409	$ 164,192	$ 188,986	$ 180,216	$ 176,169
		Ave. Total Expenses (before depreciation)	$ 848,439	$ 841,836	$ 816,172	$ 826,634	$ 836,097
	2	**Months of available cash**	**13.1**	**12.0**	**11.2**	**10.9**	**10.0**
		Readily available cash and investments/Total Expenses (before depr.)	*110%*	*100%*	*93%*	*91%*	*83%*
		Ave. Unrest. & Temporarily Restricted cash, cash equivalents, investments, and line of credit/	$ 929,681	$ 844,791	$ 759,523	$ 753,253	$ 694,022
		Ave. Total Expenses (before depreciation)	$ 848,439	$ 841,836	$ 816,172	$ 826,634	$ 836,097
COMMUNITY ENGAGEMENT	1	**Total Touch Points (in-person and virtual)/ Population**	**4.1%**	**5.4%**	**4.0%**	**5.3%**	**6.0%**
		Ave. Total Touch Points (in-person and virtual)/	65,609	83,346	57,980	85,763	80,494
		Ave. Population	1,600,493	1,532,716	1,462,131	1,631,600	1,338,955
	2	**Total Touch Points (in-person only)/ Population**	**1.7%**	**1.8%**	**1.9%**	**2.0%**	**2.0%**
		Ave. Total Touch Points (in-person only)/	29,929	30,195	30,452	28,829	28,831
		Ave. Population	1,748,222	1,677,350	1,622,216	1,477,334	1,415,167
PROGRAM ACTIVITY	1	**Total Operating Revenue/Total Offerings**			**$ 12,917**	**$ 12,800**	**$ 12,521**
		Ave. Operating Revenue/			$ 818,716	$ 817,598	$ 818,136
		Ave. Total Offerings			64	64	66
	2	**Total Total Touch Points (in-person only)/Total Offerings**	**493**	**485**	**456**	**441**	**438**
		Ave. Total Touch Points (in-person only)/	29,929	30,195	30,452	28,829	28,831
		Ave. Total Offerings	62	63	68	66	66
STAFFING	1	**Total In-person Attendance/Total Full-time Employees**	**5,950**	**5,922**	**6,212**	**5,784**	**5,998**
		Ave. Total In-person Attendance/	29,797	30,047	30,482	28,551	28,552
		Ave. Total Full-time Employees	5	5	5	5	5

Index Averages for Large Arts & Cultural Organizations

Want to see the indices for large organizations for other years? Despite shifts in the mix of survey participants over time, large arts and cultural organizations have been somewhat consistent in many index areas. The distribution of funding from the various sources as a percentage of expenses was virtually unchanged, as was the program revenue earned per marketing dollar spent. Here are the budget ranges of medium organizations by sector:

Arts Sector	Large Budget Range
Arts Education	$890,865 or more
Art Museums	$11,486,984 or more
Community	$1,296,201 or more
Dance Companies	$1,623,262 or more
Music	$526,996 or more

Arts Sector	Large Budget Range
Opera Companies	$3,704,091 or more
Performing Arts Centers	$6,261,614 or more
Symphony Orchestras	$3,992,581 or more
Theater	$1,623,262 or more
Other Museums	$4,638,717 or more
General Performing Arts	$1,623,262 or more

Index Averages for Large Arts & Cultural Organizations by Year

Area		Index	2008	2009	2010	2011	2012
CONTRIBUTED REVENUE	1	**Total Contributed Revenue/Fundraising Expenses (incl. staff)**	**$ 9.14**	**$ 7.70**	**$ 8.13**	**$ 8.14**	**$ 7.70**
		Ave. Total Contrib. Rev./	$ 7,054,399	$ 5,538,522	$ 5,636,500	$ 5,625,938	$ 5,930,640
		Ave. Fundraising Expenses	$ 771,764	$ 718,343	$ 693,594	$ 691,075	$ 770,291
	2	**Unrestricted Contributed Revenue/Total Expenses (before depr.)**	**52%**	**52%**	**55%**	**52%**	**52%**
		Ave. Unrestricted Contributed Revenue/	$ 5,748,811	$ 5,612,269	$ 5,730,111	$ 5,433,292	$ 6,018,454
		Ave. Total Expenses (before depreciation)	$ 11,127,487	$ 10,701,767	$ 10,380,938	$10,426,047	$11,573,788
	3	**Unrest. Trustee Contributions/Total Expenses (before depr.)**	**4%**	**4%**	**5%**	**5%**	**4%**
		Ave. Unrestricted Trustee Contributions/	$ 429,108	$ 462,022	$ 491,094	$ 480,275	$ 467,749
		Ave. Total Expenses (before depreciation)	$ 11,127,487	$ 10,701,767	$ 10,380,938	$10,426,047	$11,573,788
	4	**Unrest. Other Indiv. Contributions/Total Expenses (before depr.)**	**8%**	**7%**	**7%**	**7%**	**6%**
		Ave. Unrestricted Other Ind. Contributions/	$ 840,784	$ 719,411	$ 759,166	$ 725,191	$ 749,223
		Ave. Total Expenses (before depreciation)	$ 11,127,487	$ 10,701,767	$ 10,380,938	$10,426,047	$11,573,788
	5	**Unrest. Corporate Contributions/Total Expenses (before depr.)**	**3%**	**2%**	**2%**	**2%**	**2%**
		Ave. Unrestricted Corporate Contributions/	$ 297,745	$ 235,971	$ 246,366	$ 242,488	$ 265,329
		Ave. Total Expenses (before depreciation)	$ 11,127,487	$ 10,701,767	$ 10,380,938	$10,426,047	$11,573,788
	6	**Unrestr. Foundation Support/Total Expenses (before depr.)**	**4%**	**4%**	**4%**	**4%**	**4%**
		Ave. Unrestricted Foundation Support/	$ 452,925	$ 391,470	$ 374,480	$ 417,911	$ 488,835
		Ave. Total Expenses (before depreciation)	$ 11,127,487	$ 10,701,767	$ 10,380,938	$10,426,047	$11,573,788
	7	**Unrest. Total Govt. Support/Total Expenses (before depr.)**	**6%**	**7%**	**7%**	**6%**	**6%**
		Ave. Unrestricted Total Govt. Support/	$ 703,735	$ 791,885	$ 706,096	$ 641,485	$ 659,320
		Ave. Total Expenses (before depreciation)	$ 11,127,487	$ 10,701,767	$ 10,380,938	$10,426,047	$11,573,788
EARNED REVENUE	1	**Unrestricted Earned Revenue (less cap. Gains)/Total Expenses (before depr.)**	**50%**	**48%**	**50%**	**54%**	**49%**
		Ave. Unrestricted Earned Revenue (less capital gains)/	$ 5,668,515	$ 5,162,662	$ 5,192,725	$ 5,670,288	$ 5,764,346
		Ave. Total Expenses (before depreciation)	$ 11,127,487	$ 10,701,767	$ 10,380,938	$10,426,047	$11,573,788
	2	**Program revenue/Total In-person Attendance**	**$ 24.10**	**$ 25.03**	**$ 24.29**	**$ 25.05**	**$ 28.51**
		Ave. Program Revenue/	$ 4,576,119	$ 4,292,446	$ 4,339,986	$ 4,445,576	$ 4,873,498
		Ave. Total In-person Attendance	186,474	169,743	177,921	176,517	169,665
EXPENSES	1	**Total Direct Program Expenses/Total Operating Revenue**			**60%**	**64%**	**68%**
		Ave. Direct Program Expenses/			$ 5,145,930	$ 6,596,147	$ 7,359,555
		Ave. Operating Revenue			$ 8,528,801	$10,297,213	$10,837,870
	2	**Program Personnel Expenses/Total Operating Revenue**			**40%**	**42%**	**45%**
		Ave. Salaried and Non-salaried Artists & Program Personnel Expenses/			$ 3,454,931	$ 4,389,307	$ 4,875,016
		Ave. Operating Revenue			$ 8,528,801	$10,297,213	$10,837,870
	3	**Total Expenses (before depr.)/Total In-person Attendance**	**$ 60.35**	**$ 63.78**	**$ 59.23**	**$ 60.13**	**$ 69.46**
		Ave. Total Expenses (before depr.)/	$ 11,127,487	$ 10,701,767	$ 10,380,938	$10,426,047	$11,573,788
		Ave. In-person Attendance	186,474	169,743	177,921	176,517	169,665

Index Averages for Large Arts & Cultural Organizations by Year

Area		Index	2008	2009	2010	2011	2012
MARKETING IMPACT	1	**Marketing Expenses (personnel & non-personnel)/Total In-person Attendance**	**$ 4.56**	**$ 4.68**	**$ 4.41**	**$ 4.59**	**$ 5.28**
		Ave. Marketing Expenses (incl. staff and non-staff costs)/	$ 844,046	$ 788,524	$ 773,288	$ 799,303	$ 881,909
		Ave. In-person Attendance	186,474	169,743	177,921	176,517	169,665
	2	**Marketing Expenses (non- personnel only)/Total In-person Attendance**	**$ 2.39**	**$ 2.32**	**$ 2.16**	**$ 2.31**	**$ 2.69**
		Ave. Marketing Expenses (non-staff only)/	$ 439,836	$ 388,650	$ 378,465	$ 399,762	$ 447,575
		Ave. In-person Attendance	186,474	169,743	177,921	176,517	169,665
	3	**Program Revenue/Marketing Expenses (personnel & non-personnel)**	**$ 5.28**	**$ 5.35**	**$ 5.51**	**$ 5.46**	**$ 5.40**
		Ave. Total Program Revenue/	$ 4,576,119	$ 4,292,446	$ 4,339,986	$ 4,445,576	$ 4,873,498
		Ave. Marketing Expenses (incl. staff and non-staff costs)	$ 844,046	$ 788,524	$ 773,288	$ 799,303	$ 881,909
	4	**Program Revenue/ Marketing Expenses (non-personnel only)**	**$ 10.10**	**$ 10.81**	**$ 11.25**	**$ 10.86**	**$ 10.62**
		Ave. Total Program Revenue/	$ 4,576,119	$ 4,292,446	$ 4,339,986	$ 4,445,576	$ 4,873,498
		Ave. Marketing Expenses (non-staff only)	$ 439,836	$ 388,650	$ 378,465	$ 399,762	$ 447,575
BOTTOM LINE	1	**(Total Unrest. Revenue (less capital gains)-Total Expenses (before depr.))/Total expenses (before depr.)**			**4.5%**	**6.2%**	**1.5%**
		Ave. Unrest. Rev. (less capital gains) -Total Expenses (before depr.)/			$ 379,303	$ 636,609	$ 177,651
		Ave. Total Expenses (BEFORE depr.)			$ 8,456,526	$10,283,749	$11,515,466
	2	**(Total Operating Revenue - Total Expenses (BEFORE depr.))/Total Expenses (BEFORE depr.)**			**0.9%**	**0.1%**	**-5.9%**
		Ave. (Total Operating Revenue - Total Expenses (BEFORE depr.)/			$ 72,275	$ 13,465	$ (677,597)
		Ave. Total Expenses (BEFORE depr.)			$ 8,456,526	$10,283,749	$11,515,466
	3	**(Total Operating Revenue - Total Expenses (AFTER depr.))/Total Expenses (AFTER depr.)**			**-6.8%**	**-6.8%**	**-12.6%**
		Ave. (Total Operating Revenue - Total Expenses (AFTER depr.)/			$ (623,579)	$ (749,963)	$(1,566,519)
		Ave. Total Expenses (AFTER depreciation)			$ 9,152,380	$11,047,176	$12,404,389
BALANCE SHEET	1	**Months of working capital**	**2.5**	**1.9**	**3.0**	**2.8**	**2.8**
		Working Capital/Total Expenses (before depr.)	*21%*	*16%*	*25%*	*23%*	*23%*
		Ave. (Unrest. Current Assets – Unrest. Current Liabilities)/	$ 2,376,540	$ 1,801,163	$ 2,713,464	$ 2,530,865	$ 2,802,602
		Ave. Total Expenses (before depreciation)	$ 11,458,936	$ 11,168,901	$ 10,809,032	$10,902,933	$11,976,309
	2	**Months of available cash**	**19.9**	**15.4**	**17.7**	**19.0**	**18.5**
		Readily available cash and investments/Total Expenses (before depr.)	*166%*	*129%*	*148%*	*159%*	*154%*
		Ave. Unrest. & Temporarily Restricted cash, cash equivalents, investments, and line of credit/	$ 19,045,187	$ 14,365,568	$ 15,979,900	$17,282,772	$18,490,040
		Ave. Total Expenses (before depreciation)	$ 11,458,936	$ 11,168,901	$ 10,809,032	$10,902,933	$11,976,309
COMMUNITY ENGAGEMENT	1	**Total Touch Points (in-person and virtual)/ Population**	**15.5%**	**15.5%**	**23.8%**	**29.3%**	**31.6%**
		Ave. Total Touch Points (in-person and virtual)/	238,771	225,724	348,955	484,901	537,998
		Ave. Population	1,540,261	1,452,286	1,466,733	1,652,923	1,702,825
	2	**Total Touch Points (in-person only)/ Population**	**8.6%**	**8.1%**	**8.6%**	**9.1%**	**9.4%**
		Ave. Total Touch Points (in-person only)/	189,526	172,173	179,809	177,654	171,034
		Ave. Population	2,191,290	2,135,648	2,092,198	1,952,359	1,827,876
PROGRAM ACTIVITY	1	**Total Operating Revenue/Total Offerings**			**$ 54,275**	**$ 64,035**	**$ 63,156**
		Ave. Operating Revenue/			$ 8,528,801	$10,297,213	$10,837,870
		Ave. Total Offerings			158	162	173
	2	**Total Total Touch Points (in-person only)/Total Offerings**	**1,302**	**1,148**	**1,148**	**1,099**	**991**
		Ave. Total Touch Points (in-person only)/	189,526	172,173	179,809	177,654	171,034
		Ave. Total Offerings	147	152	158	163	174
STAFFING	1	**Total In-person Attendance/Total Full-time Employees**	**3,223**	**3,069**	**3,312**	**3,357**	**3,034**
		Ave. Total In-person Attendance/	186,474	169,743	177,921	176,517	169,665
		Ave. Total Full-time Employees	57	55	53	52	55

Index Averages for Arts & Cultural Organizations by Geographic Market Cluster

Rather than show the data for every city for which we have CDP and TCG data, we do so for 9 clusters of markets. We all have a hunch about which other markets are similar to ours, but cluster analysis allows the data to tell *us* what markets are similar to one another given a set of traits.

The characteristics we chose for determining similar markets were population, region, density of arts and cultural organizations in each sector, cultural policy (reflected by state grant dollars in the market), and median income in the community. This doesn't mean that within each sector there won't be some city-to-city variance on different traits, or that an individual organization's experience won't be different from that of the rest of the organizations in its market.

Five very large markets (including the combination of Washington-Arlington-Alexandria and Bethesda-Rockville) stand alone. These five are sufficiently dissimilar that they don't cluster with any other markets. Four additional clusters of markets emerged. The composition of the market clusters will likely change over time and new clusters will emerge as we incorporate new data from organizations already in our dataset as well as data from organizations in additional states as the CDP expands its reach.

We focus on the geographic trade areas relevant to the arts and cultural organizations for which we have data. For a complete explanation on how we determined the geographic areas relevant to arts and cultural organizations in each market, see the section on Building a Spatial Model. We report on markets according to their Core Based Statistical Area (CBSA), a U.S. geographic area defined by the Office of Management and Budget. The averages we report here are for all organizations.

The population of some markets is more densely concentrated (think dense, high-rise living) than others. The fact that the population is more spread out does not necessarily mean that the city's arts and cultural organizations are spread out. In some cases they are, but not always. For example, the numbers tell us that in Los Angeles, the population and arts organizations are more or less equally dispersed geographically and that the arts organizations in New York are more concentrated in Manhattan than the population, which spills out into the surrounding boroughs. In San Francisco, three-quarters of the total population fall into the trade area of an arts organization. What we care most about is what's going on in the organization's trade area.

When smaller, lower-density markets are located next to larger, higher-density markets, the spatially-adjusted population and competition numbers can be larger than the local numbers. In other words, the size of the trade area for the smaller market can exceed the size of its local market. This is true for customers but even more so for competition. Arts patrons and managers in smaller markets recognize the competition from arts organizations in nearby, larger markets. This is evident in the numbers for the very small markets like Akron, OH (40 miles from Cleveland), Ann Arbor, MI (40 miles from Detroit), and Santa Cruz, CA (30 miles from San Jose and 70 miles from San Francisco). The trade area for the typical organization in these markets features a population of 206,000 people (79% of the average population) and 41 nonprofit arts and cultural organizations (110% of the average number in the immediate market) because their trade area picks up the neighboring big city.

The Traits of the Market Clusters reveal distinct differences in arts and culture dollar activity per capita, the average number of arts and cultural organizations, and average budget size.

Traits of the Market Clusters

(all figures are spatially adjusted to maximize relevance to A&C organizations)

CBSA/Market Cluster	Number of Markets	A&C Dollar Activity per Capita	Average No. of A&C Organizations per City	No. of Arts Organizations per 100,000 people	Average A&C Organization Budget Size
New York-White Plains-Wayne, NY-NJ	1	$220	2,100	44	$ 503,535
Los Angeles-Long Beach-Glendale	1	$116	456	21	$ 559,212
Chicago-Naperville-Arlington Heights	1	$207	533	31	$ 675,189
San Francisco-Redwood City-So. S.F.	1	$270	682	59	$ 459,521
Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg	2	$499	508	39	$1,281,030
Larger Markets (e.g., Dallas, TX; Santa Ana-Anaheim, CA; Minneapolis, MN; Phoenix, AZ; Riverside, CA; San Diego, CA)	8	$119	169	18	$ 667,014
Medium-sized Markets (e.g., Boston, MA; Columbus, OH; Philadelphia, PA; Pittsburg, PA)	29	$134	210	25	$ 547,950
Smaller Markets (e.g., Albany, NY; Allentown, PA; Bakersfield, CA; Tucson, AZ)	27	$90	98	19	$ 464,360
Very Small Markets (e.g., Akron, OH; Ann Arbor, MI; Auburn, AL; Santa Barbara, CA)	223	$71	41	20	$ 353,540

The Market Clusters demonstrate key differences and similarities in their average performance on the various indices:

- The highest return on fundraising occurred in Very Small markets, followed by New York. The lowest was in Washington, DC.
- Unrestricted contributed revenue covers the lowest percentage of expenses in Chicago and Washington, DC, at 49%. Four of nine market clusters cover 57% of expenses with unrestricted contributed revenue.
- Individual contributions (not including trustees) cover the highest proportion of expenses in San Francisco – twice the level as in Los Angeles.
- As a percentage of total expenses, corporate contributions are slightly higher in Small and Very Small markets, and they are lowest in San Francisco.
- Foundation support covered the highest proportion of expenses in Very Small markets and the lowest in Washington, DC, while government support from all sources as a percent of expenses was lowest in Chicago and highest in New York.
- Organizations in Washington, DC, are most reliant on earned revenue to support expenses and organizations in San Francisco least.

- Program revenue earned per in-person attendee was lowest at organizations in Small markets and highest in Chicago and Los Angeles, which shared nearly identical levels.
- Organizations in New York tend to allocate the highest level of operating revenue to total program expenses and to the subset of program expenses that go to paying artists and program-related personnel. These figures were lowest on both accounts for organizations in Very Small markets.
- Organizations in Los Angeles tend to allocate less of their overall program expenses to paying artists and program-related personnel than organizations in other markets.
- Los Angeles had the highest total expenses per in-person attendee and Small communities the lowest. This can be driven either by relatively high/low total expenses or high/low attendance.
- It costs more in marketing dollars to attract one attendee in Los Angeles than elsewhere, and less in Small markets than elsewhere. This is true for both markets whether or not we include salaries of marketing personnel in the calculation.
- Chicago has the highest return on program revenue per dollar spent on marketing, regardless of whether we include marketing staff costs or not. Large markets have the lowest return on marketing if we include only non-staff costs, and Very Small markets have the lowest return if we include all marketing expenses.
- New York organizations tended to have a negative bottom line regardless of which calculation was used – the most negative of the market clusters in each case. Large markets had the highest bottom line if we include all unrestricted revenue except capital gains; however, their bottom line was not the healthiest when we focus only on operating revenue and include depreciation, reflecting the high investments in new facilities in many of these markets.
- All markets averaged a negative operating bottom line when the calculation includes depreciation.
- Organizations in Very Small markets averaged the highest levels of working capital while New York and Chicago organizations tended to have the most months of available cash.
- Los Angeles had the lowest total touch points (in-person and virtual) compared with the local population and Chicago the highest. If we examine only in-person touch points, community engagement was highest in Small and Very Small markets, which have smaller populations.
- New York had the highest revenue per offering and in-person attendance per offering and Very Small markets the lowest.
- San Francisco had the highest attendance per full-time staff member followed by Small Markets, and Washington, DC, the lowest. The other market clusters were quite similar to one another.

Index Averages for Arts & Cultural Organizations by Market Cluster

AREA	Contributed Revenue							Earned Revenue	
INDEX	Return on Fundraising	Unrestricted Contributions	Trustee Contribution	Individual Contribution	Corporate Contribution	Foundation Support	Government Support	Total Earned Revenue	Program Revenue per Attendee
CBSA/Market Cluster	Total Contributed Revenue/ Fundraising Expenses	Unrestricted Contributed Revenue/ Total Expenses (before depr.)	Trustee Contributions/ Total Expenses (before depr.)	Unrestricted Individual Contributions/ Total Expenses (before depr.)	Corporate Contributions/ Total Expenses (before depr.)	Foundation Support/ Total Expenses (before depr.)	Government Support/ Total Expenses (before depr.)	Total Earned Revenue (before capital gains)/ Total Expenses (before depr.)	Program Revenue/Total In-person Attendance
New York-White Plains-Wayne, NY-NJ	$ 8.98	57%	5%	6%	2%	6%	9%	50%	$ 20.71
Los Angeles-Long Beach-Glendale	$ 8.42	57%	5%	5%	2%	6%	7%	45%	$ 26.73
Chicago-Naperville-Arlington Heights	$ 6.92	49%	3%	7%	2%	4%	4%	51%	$ 26.74
San Francisco-Redwood City-So. S.F.	$ 6.20	57%	5%	10%	1%	5%	5%	44%	$ 14.94
Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg	$ 6.08	49%	4%	9%	3%	3%	7%	54%	$ 25.91
Larger Markets (e.g., Dallas, TX; Santa Ana-Anaheim, CA; Minneapolis, MN; Phoenix, AZ; Riverside, CA; San Diego, CA)	$ 7.78	56%	4%	8%	3%	4%	6%	48%	$ 16.34
Medium-sized Markets (e.g., Boston, MA; Columbus, OH; Philadelphia, PA; Pittsburg, PA)	$ 8.29	57%	4%	7%	3%	5%	6%	48%	$ 16.31
Smaller Markets (e.g., Albany, NY; Allentown, PA; Bakersfield, CA; Tucson, AZ)	$ 7.96	53%	3%	8%	4%	6%	6%	53%	$ 12.40
Very Small Markets (e.g., Akron, OH; Ann Arbor, MI; Auburn, AL; Santa Barbara, CA)	$ 9.82	55%	3%	9%	4%	7%	5%	50%	$ 15.03

Index Averages for Arts & Cultural Organizations by Market Cluster (continued)

AREA	Expenses			Marketing Impact				Bottom Line		
INDEX	Investment in Program	Investment in Program Personnel	Attendee-expense	Response to Marketing Efforts	Response to Direct Marketing Spend	Return on Marketing Efforts	Return on Direct Marketing Spend	Unrestricted Surplus (Deficit)	Operating Bottom Line (before depr.)	Operating Bottom Line (after depr.)
CBSA/Market Cluster	Total Direct Program Expenses/ Total Operating Revenue	Program Personnel Expenses/ Total Operating Revenue	Total Expenses (before depr.)/ Total In-person Attendance	Marketing Expenses (including staff)/ Total In-person Attendance	Marketing Expenses (non-staff only)/Total In-person Attendance	Program Revenue/ Marketing Expenses (including staff)	Program Revenue/ Marketing Expenses (non-staff only)	Change in Unrest. Net Assets (excluding capital gains, before depr.)/Total Expenses (before depr.)	(Total Operating Revenue - Total Expenses (BEFORE depr.))/Total Expenses (BEFORE depr.)	(Total Operating Revenue - Total Expenses (AFTER depr.))/Total Expenses (AFTER depr.)
New York-White Plains-Wayne, NY-NJ	71%	47%	$ 56.84	$ 3.61	$ 1.86	$ 6.03	$ 11.21	-0.8%	-7.0%	-13.2%
Los Angeles-Long Beach-Glendale	69%	39%	$ 67.70	$ 6.64	$ 2.60	$ 4.26	$ 10.29	0.0%	-0.2%	-4.0%
Chicago-Naperville-Arlington Heights	61%	39%	$ 65.88	$ 3.56	$ 1.56	$ 7.69	$ 16.92	2.3%	-3.0%	-10.7%
San Francisco-Redwood City-So. S.F.	64%	46%	$ 42.31	$ 3.41	$ 1.60	$ 4.59	$ 9.42	2.1%	1.7%	-2.2%
Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg	63%	42%	$ 64.70	$ 5.42	$ 2.27	$ 5.03	$ 11.42	6.9%	-5.8%	-11.1%
Larger Markets (e.g., Dallas, TX; Santa Ana-Anaheim, CA; Minneapolis, MN; Phoenix, AZ; Riverside, CA; San Diego, CA)	58%	38%	$ 42.08	$ 3.76	$ 2.01	$ 4.55	$ 8.15	4.0%	4.7%	-2.9%
Medium-sized Markets (e.g., Boston, MA; Columbus, OH; Philadelphia, PA; Pittsburg, PA)	60%	39%	$ 42.47	$ 3.48	$ 1.74	$ 4.88	$ 9.39	7.0%	0.2%	-6.7%
Smaller Markets (e.g., Albany, NY; Allentown, PA; Bakersfield, CA; Tucson, AZ)	63%	46%	$ 26.83	$ 2.75	$ 1.46	$ 4.73	$ 8.48	6.4%	-0.1%	-6.4%
Very Small Markets (e.g., Akron, OH; Ann Arbor, MI; Auburn, AL; Santa Barbara, CA)	56%	37%	$ 37.29	$ 3.51	$ 1.76	$ 4.38	$ 8.53	6.8%	4.3%	-1.4%

Index Averages for Arts & Cultural Organizations by Market Cluster (continued)

AREA	Balance Sheet		Community Engagement		Program Activity		Staffing
INDEX	Months of working capital	Months of available cash	Total Engagement	In-person Engagement	Revenue per Offering	People per Offering	Visitor-to-staff
CBSA/Market Cluster	[(Unrestricted current assets – Unrestricted current liabilities)/ Total expenses (before depr.)]*12	[Unrest. & temporarily restricted cash, cash equivalents, investments, and line of credit limit/ Total expenses (before depr.)]*12	Total Touch Points (in-person & virtual)/ Population	In-person Total Touch Points/ Population	Total Operating Revenue/ Total Offerings	Total Touch Points/ Total Offerings (both in-person only)	Total Physical Attendance/ Total Full-time Employees
New York-White Plains-Wayne, NY-NJ	2.4	22.1	4%	1%	$ 50,374	947	3,933
Los Angeles-Long Beach-Glendale	5.9	17.1	3%	1%	$ 39,409	582	3,777
Chicago-Naperville-Arlington Heights	1.5	21.8	17%	2%	$ 34,987	651	4,010
San Francisco-Redwood City-So. S.F.	2.8	11.1	10%	4%	$ 26,364	716	5,943
Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg	0.9	8.4	13%	3%	$ 22,591	426	3,321
Larger Markets (e.g., Dallas, TX; Santa Ana-Anaheim, CA; Minneapolis, MN; Phoenix, AZ; Riverside, CA; San Diego, CA)	3.1	11.4	14%	7%	$ 32,258	747	4,150
Medium-sized Markets (e.g., Boston, MA; Columbus, OH; Philadelphia, PA; Pittsburg, PA)	2.0	15.9	9%	4%	$ 27,012	695	4,303
Smaller Markets (e.g., Albany, NY; Allentown, PA; Bakersfield, CA; Tucson, AZ)	2.8	14.2	11%	9%	$ 18,899	699	5,616
Very Small Markets (e.g., Akron, OH; Ann Arbor, MI; Auburn, AL; Santa Barbara, CA)	7.8	18.2	15%	9%	$ 14,940	387	4,044

Very small markets (CBSA Name) : Adrian, MI; Akron , OH; Alexandria, MN; Alpena , MI; Altoona , PA; Amsterdam, NY; Ann Arbor , MI; Ashland , OH; Ashtabula, OH; Athens , OH; Auburn , NY; Bangor, ME; Barnstable Town , MA; Barre , VT; Battle Creek , MI; Bay City , MI; Bellefontaine , OH; Bemidji, MN; Bennington , VT; Berlin, NH -VT; Big Rapids , MI; Binghamton , NY; Bloomington -Normal , IL; Bloomsburg -Berwick , PA; Boise City, ID; Bradford , PA; Burlington, IA -IL; Burlington -South Burlington , VT; California rural ; Cambridge , MD ; Canton, IL; Canton -Massillon , OH; Cape Coral -Fort Meyers, FL; Carbondale -Marion, IL; Cedar City, UT; Chambersburg -Waynesboro , PA; Champaign -Urbana , IL; Charleston -North Charleston, SC ; Charlottesville, VA; Chico, CA; Claremont -Lebanon, NH -VT; Clearlake, CA; Clinton, IA; Coldwater, MI; Colorado Springs, CO; Corning, NY; Cortland, NY; Coshocton, OH; Crescent City, Ca; Cumberland , MD -WV; Danville , IL; Davenport -Moline -Rock Island , IA -IL; Decatur , IL; Des Moines -West Des Moines, IA; Duluth , MN -WI; Durham -Chap el Hill, NC; East Stroudsburg , PA; Easton , MD; Effingham , IL; Elmira, NY; Erie , PA; Escanaba, MI; Eureka -Arcata -Fortuna, CA; Fargo, ND; Faribault -Northfield, MN; Fayetteville -Springdale -Rogers, AR; Fergus Falls , MN; Findlay , OH; Flagstaff , AZ; Flint , MI; Freeport, IL; Galesburg , IL; Gettysburg , PA; Glens Falls , NY; Greensboro -High Point, NC; Hagerstown -Martinsburg , MD -WV; Hanford -Corcoran , CA; Harrisburg -Carlisle , PA; Hilton Head Island -Bluffton -Beaufort, SC; Holland -Grand Haven , MI; Houghton, MI; Hudson , NY; Huntingdon , PA; Indiana , PA; Iron Mountain, MI; Ithaca , NY; Jackson , MI; Jackson, MS; Jacksonville , IL; Jamestown -Dunkirk -Fredonia, NY; Johnstown , PA; Juneau, AK; Kalamazoo -Portage , MI; Kankakee , IL; Kingston , NY; Lake Havasu City -Kingman , AZ; Lancas ter, PA; Lansing -East Lansing , MI; Lebanon , PA; Lewisburg , PA; Lewistown , PA; Lima , OH; Little Rock -North Little Rock -Conway, AR; Lock Haven, PA; Lynchburg, VA; Macomb , IL; Madera, CA; Malone , NY; Mansfield , OH; Marinette, WI;
Marion , OH; Marquette , MI; Ma rshall, MN; Meadville , PA; Medford, OR; Merced , CA; Modesto , CA; Montgomery, AL; Mount Pleasant, MI; Mount Vernon , OH; Muskegon, MI; Napa, CA; New Castle , PA; New Philadelphia -Dover , OH; Niles -Benton Harbor, MI ; Nogales , AZ; North Port -Sarasota -Bradenton, FL; Norwich -New London , CT; Ogdensburg -Massena , NY; Olean , NY; Olympia -Turnwater, WA; Oneonta , NY; Ottawa -Peru , IL; Owosso, MI; Parkersburg -Vienna, WV; Payson, AZ; Peoria , IL; Pittsfield , MA; Plattsburgh, NY; Portland -South Portland, NH; Portsmouth ; OH; Pottsville , PA; Poughkeepsie -Newburgh -Middle town, NY; Prescott , AZ; Quincy , IL -MO; Reading , PA; Red Bluff , CA; Red Wing, MN; Rochester, MN; Rockford , IL; Rutland, VT; Safford , AZ; Saginaw , MI; St. Cloud, MN; Salinas , CA; Salisbury , MD; San Luis Obispo -Paso Robles -Arroyo Grande, CA ; Sandusky , OH; Santa Barbara -Santa Maria -Go leta, CA; Santa Cruz -Watsonville , CA; Santa Fe, NM; Santa Rosa , CA; Sault Ste . Marie , MI; Sayre , PA; Scranton --Wilkes -Barre —Hazl eton, PA; Selinsgrove , PA; Show Low , AZ; Sidney , OH; Sierra Vista -Douglas , AZ; Somerset , PA; Sonora, CA; South Bend -Mishawaka, IN; Springfield , IL; Springfield , MA; Springfield , OH; State College , PA; Stockton -Lodi , CA; Sturgis, MI; Sunbury, PA; Susanville, CA; Syracuse , NY; Toledo , OH; Traverse City , MI; Trenton , NJ; Truckee -Grass Valley , CA; Ukiah , CA; Utica -Rome , NY; Vallejo -Fairfield , CA; Van Wert , OH; Visalia -Porterville , CA; Warren, PA; Watertown -Fort Drum, NY; Williamsport , PA; Wilmington, DE; Winona, MN; Winston -Salem, NC; Wooster , OH; York -Hanover , PA; Youngstown -Warren -Boardman ; PA; Yuba City, CA; Yuma , AZ; Zanesville , OH ; California rural; Colorado nonmetropolitan; Illinois rural; Indiana nonmetropolitan; Maryland rural; Massachusetts rural; Michigan rural; Minnesota rural; New York rural; Ohio nonmetropolitan; Pennsylvania rural; Vermont
rural; Virginia rural; West Virginia nonmetropolitan

Small markets (CBSA Name) : Albany -Schenectady -Troy, NY; Allentown -Bethlehem -Easton, PA -NJ; Bakersfield, CA; Bridgeport -Stamford -Norwalk, CT; Buffalo -Cheektowaga -Niagara Falls , NY; Dayton, OH; Fresno, CA; Grand Rapids -Wyoming, MI; Greenville -Anderson -Mauldin, SC; Hartford -West Hartford -East Hartford, CT; Honolulu, HI; Knoxville, TN; Lake County -Kenosha County, IL -WI; Louisville/Jefferson County, KY -IN; Memphis, TN; Milw aukee -Waukesha -West Alli s, WI; New Haven -Milford, CT; New Orleans -Metairie, LA; Oklahoma City, OK; Omaha -Council Bluffs; Oxnard -Thousand Oaks -Ventura, CA; Providence -Warwick, RI -MA ; Richmond, VA; Rochester, NY; Tucson, AZ; West Palm Beach -Boca Raton -Delray Beach, FL; Worcester , MA

Medium -sized markets (CBSA Name): Austin -Round Rock, TX: Baltimore -Columbia -Towson, MD; Boston, MA; Cambridge -Newton -Framingham, MA; Charlotte -concord -Gastonia, NC; Cincinnati, OH; Cleveland -Elyria, OH; Columbus, OH; Denver -Auro ra-Lakewood, CO: Detroit -Dearborn -Livonia, MI; Edison -New Brunswick, NJ; Fort Worth -Arlington, TX: Indianapolis -Carmel -Anderson: IN: Kansas City, MO -KS; Miami -Miami Beach -Kendall, FL; Nashville -Davidson -Murfreesboro, TN; Nassau County -Suffolk County, NY; Newark, NJ; Oakland -Hayward -Berkeley, CA; Philadelphia, PA; Pittsburgh, PA; Portland -Vancouver -Hillsboro, OR -WA;

Sacramento--Roseville—Arden-Aracade, CA; St. Louis, MO-IL; San Jose-Sunnyvale-Santa Clara, CA; Seattle-Bellevue-Everett, WA; Tampa-St. Petersburg-Clearwater, FL; Virginia Beach-Norfolk-Newport News, VA-NC; Warren-Troy-Farmington Hill, MI;

Larger markets (CBSA Name): Atlanta-Sandy Springs-Roswell, GA; Dallas-Plano-Irving, TX; Houston-The Woodlands-Sugar Land, TX; Minneapolis-St Paul-Bloomington, MN-WI; Phoenix-Mesa-Scottsdale, AZ; Riverside-San Bernardino-Ontario, CA; San Diego-Carlsbad, CA; Santa Ana-Anaheim-Irvine, CA

What Drives Performance?

There are many ways to consider performance. There's reporting on AVERAGE performance examining what drives performance from the Arts & Cultural Ecosystem and beyond and probing the notion of what drives high performance.

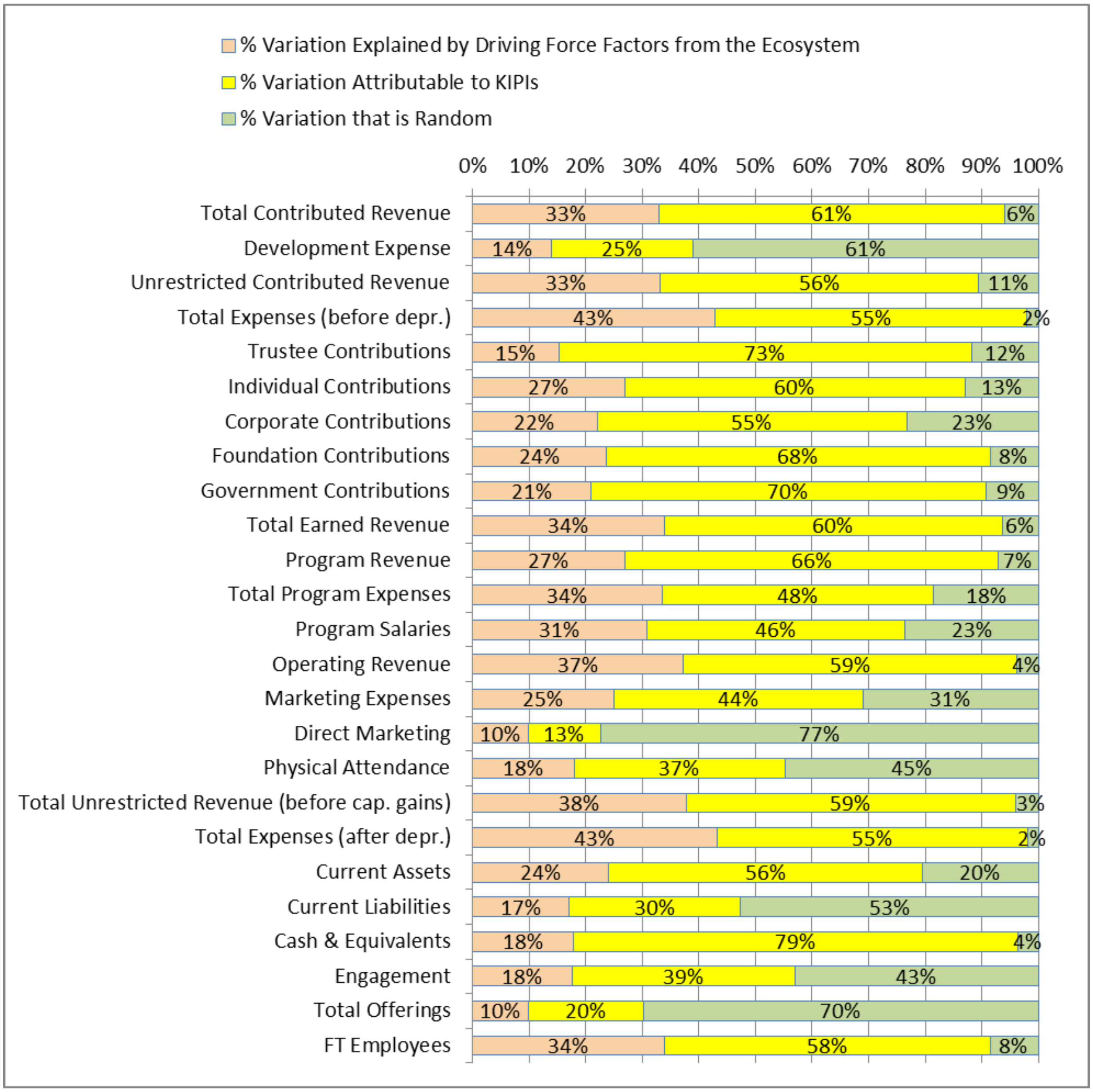
We know from the AVERAGES section that part of the reason that performance may be different from organization to organization is due to its sector – e.g., it is an art museum, not a symphony orchestra – and budget size. So, an organization's sector and its size partly explain why performance differs or varies from that of other organizations. Each element of the Ecosystem should be considered as a potential factor that impacts performance. Combined, the elements explain variations in performance to some extent. The higher the variation explained, the better job the predictors are doing at actually explaining performance. But the elements of the Ecosystem do not explain *everything* about why one organization performs differently than another.

There are 3 influences on each performance measure: 1) the influence of easy-to-observe-and measure factors from the Arts & Culture Ecosystem, like sector and size, which combine to explain some amount of variation in performance; 2) the influence of intangible, difficult-to-observe-and-measure characteristics like good decision-making, artistic and managerial expertise, reputation and relationships, intellectual capital, and the quality of the work force that affect an organization's performance, which we call KIPIs (Key Intangible Performance Indicators) and (3) some level of random variation.

As shown in the Table below and detailed in the Driving Forces from the Arts & Cultural Ecosystem section of this report, the amount of variation explained by the driving force factors ranged from 10% for Total Offerings and Direct Marketing Expenses to 43% for Total Expenses. So our first takeaway is that there is substantial variation in our ability to predict different outcomes. By extension, we better understand the factors driving organizations' Total Expenses than we understand how effective arts and culture organizations are in making decisions about how much programming to offer and the right amount of marketing expenses to budget. Likewise, we better understand the factors driving Total Operating Revenue (37%) than we understand what affects support from Trustees (15%). When the KIPI is high, it implies that there exists a significant store of intellectual capital that is driving the difference between low-performing and high-performing arts and cultural organizations with respect to these revenue measures.

We see differences in the KIPI numbers for Program Revenue and Marketing Expenses. Although both are similarly explained by organizational, community, and cultural policy factors, the KIPI is much greater for Program Revenue (66%) than it is for Marketing Expenses (44%), which includes staff and non-staff marketing expenses. These numbers imply that organizations possess greater intangible skill with respect to generating Program Revenue than for making Marketing Expense allocations. Although we can't unambiguously attribute these differences to specific causes, there are several reasonable explanations for the pattern of results. The causes manifest somewhat differently, but they all come back to expertise in decision-making.

Explained Variation and Unexplained Variation Attributable to KIPI and Random Variation

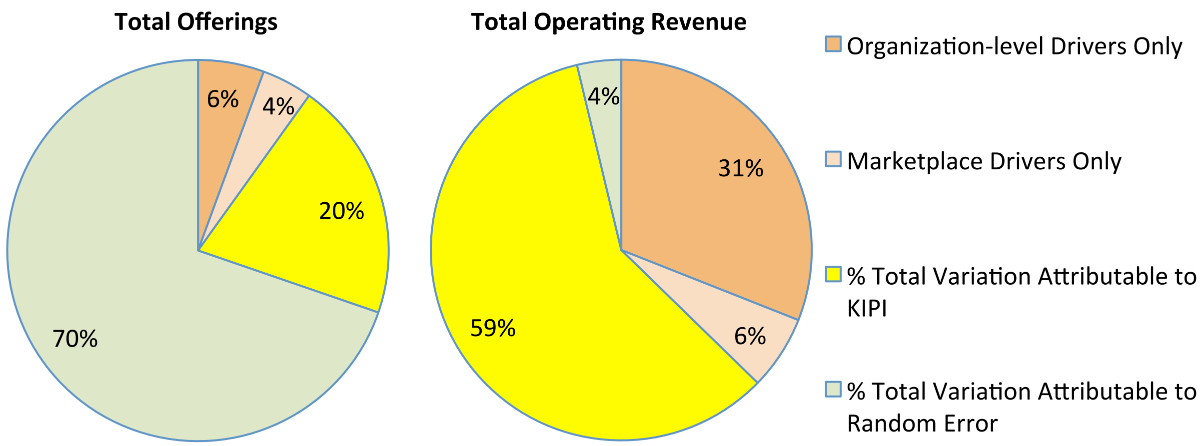


Program Revenues are easily quantified and frequently form the basis for organizational objectives. This focus intensifies evaluation of past successes and failures and encourages greater consideration of strategic changes that could improve future performance. In other words, organizational learning occurs. The result is low levels of random variation and high levels of intellectual capital. Marketing Expense allocations may attract somewhat less attention and focus in terms of organizational objectives, leading to higher levels of random variation and lower levels of intellectual capital developed by organizations.

A second explanation is measurement, which ties back to managerial attention because we tend to focus on accurately tracking and measuring outcomes that matter most to us. The greater the error in measurement – i.e., sloppy or inconsistent reporting – the greater is the proportion of unexplained variance that will ultimately end up in the random error component. Inconsistent measurement across organizations in terms of what constitutes a marketing expense versus program, development, education or volunteer expense may be a partial cause.

With respect to attention and objectives, how many arts organizations view marketing as an integral part of organizational success? At the executive level, do they allocate resources and effort to careful analysis of what marketing resources are necessary given revenue objectives or return on marketing? Or do they allocate a fixed amount or fixed percentage to marketing efforts each year or for each event, assuming that marketing will need the same resources for the same direct mail campaigns, list swaps, and occasional newspaper ad that they have always implemented? The relatively low Marketing Expense KIPI suggests that less attention is paid to marketing budget allocations overall, and the KIPI becomes even smaller if we focus only on the subset of non-staff Direct Marketing Expenses.

We can dig even deeper to better understand how much the different factors from the ecosystem affect performance. Here we compare all of the elements that explain variation in Total Offerings and Total Operating Revenue.



We know that 10% of variation in Total Offerings is explained by the easy-to-observe and measure factors from the Ecosystem. That 10% breaks down into 6% being driven by the organization's operating characteristics and practices and 4% by community characteristics. The KIPI explains 20%, and 70% is random. By contrast, the Ecosystem elements explain 37% of Total Operating Revenue: 31% driven by organizational factors and 6% by community factors. The KIPI explains 59% and 4% is random. This means that intangible expertise is the single-most important determinant of Operating Revenue, far more important than community characteristics or even the observable organizational characteristics.

We are just beginning to understand the complex factors that influence performance. We know that the relative influence of the various drivers reported on here will vary somewhat by arts and cultural sector and by organizational size. We will explore these differences in more depth in future reports.

What Drives Performance from the Arts & Culture Ecosystem?

To consider what drives the performance of arts and cultural organizations[1], we return to the concept of the Arts and Culture Ecosystem and its elements: arts and cultural organizations, the community, and

[1] The AVERAGES section of this report focuses only on the 11, fairly clear-cut arts and cultural sectors. Here we include organizations in the 'Miscellaneous' category since they are part of the larger fabric of arts and culture in the U.S., often reaching very broad audiences with popular offerings. It is a very varied group, including everything

cultural policy. This means that characteristics of each element of the Ecosystem should be considered as a potential factor that impacts performance. These represent relatively easy-to-observe-and-measure determinants of organizational performance.

Each performance index reports on a relationship. We unpack each performance index into its relationship components – a numerator and denominator. For each numerator and denominator, we then identify likely organizational, community, and policy variables that act as predictors. In the following sections, we highlight the more interesting findings in three categories (for a complete summary of results, see hyperlink):

1) What organizational characteristics affect this performance?
2) How do community characteristics affect performance? We further divide these effects into arts and leisure characteristics (entities which act as competitors, complements or substitutes[2]), and socio-demographic characteristics.
3) What impact does cultural policy have on performance?

There tends to be strong correlations among the various community characteristics. For example, income and educational attainment are highly correlated and the number of restaurants and hotels in a community are also highly correlated. Strong correlations make it difficult to tell which individual characteristic is really driving the effect, so we combined highly correlated measures using a technique called factor analysis. This produced four Community factors:

1) Total Arts Dollars captures the total dollar value of arts activity in a community; it is a composite measure of (a) program revenue, (b) contributed revenue, (c) total expenses, and (d) total assets for all arts organizations in the community.
2) Total Number of Arts Providers captures the number of arts and culture organizations, their employees, and independent artists in the community; it is a composite measure that includes (a) a broad measure of the number of arts and entertainment organizations, (b) a more focused measure of the number of arts organizations, (c) number of employees at arts and entertainment organizations, and (d) number of independent artists.
3) Leisure Complements and Substitutes[2] capture the number and concentration of leisure venues in the community; it is a composite measure of the number of: (a) restaurants, (b) hotels, (c) cinemas, (d) zoos, and (e) sports teams.
4) Socio-economic Level captures underlying income and education characteristics of the community; it is a composite measure of: (a) per capita income, (b) percent of the population gainfully employed, (c) percentage of households with over $200K in annual income, and (d) percentage of people with a graduate degree.

In addition, we look at the impact of the total dollar activity of public radio and television stations in the local market. Other demographic characteristics include total population and three measures of

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from historical preservation sites to film festivals, and it's a big sector, representing 15% of the total number of organizations.

[2] Complements are other businesses that positively affect performance; for example, hotels in the immediate area support tourism and may increase arts and culture attendance. Substitutes are other organizations or businesses that compete for resources and replace each other in use or consumption; for example, cinemas represent a possible substitute for nonprofit arts entertainment. Competition is within-sector; for example, theaters have direct competitive effects on other theaters in the community but not art museums.

community age (median age and percentage of the population under 18 and 18-24) and racial diversity (percentage of the population that self-identifies as African American, Hispanic/Latino, and Asian).

The factor analysis described above also produced a measure of Government Grant Activity, which captures the number and dollar value of state and federal grants to arts organizations in the community. This composite measure of Cultural Policy contains: (a) number of federal grants to arts organizations, (b) dollar value of federal grants to arts organizations, (c) number of state arts agency grants, and (d) dollar value of state arts agency grants. It is important to keep in mind that we look at the total government grant activity in the market as a measure of Cultural Policy; we also look at grant activity for each organization, which is one of the organizational characteristics we examine.

Some of our findings confirm what you'd expect – i.e., they predict what you'd expect them to predict. Other findings were somewhat surprising and deserve more discussion and further exploration. Some predictors have the same effect regardless of the performance measure in question; others demonstrate patterns that hint at complex dynamics.

What Drives Performance from the Arts & Culture Ecosystem, by Ecosystem Category

Organizational Highlights

Organizational age and size (total expenses) lead to higher outcomes in nearly every case. Other organizational characteristics were not included in every analysis but yielded consistently positive effects each time they were included; for example, number of board members (+), occupancy expenses(+), square footage(+), level of fixed assets(+), number of subscribers or members(+), number of employees(+), number of shows(+), level of working capital, and expenditures on programming and direct marketing.

Other decisions and activities exerted intriguing patterns of results. For example:

- Higher ticket prices increased program revenue, physical attendance (a high low ticket price), and operating revenue as well as contributions from individuals and trustees but decreased government contributions. They were also linked with more full-time employees, higher expenses, higher program salaries, a higher spend on marketing.
- The number of local premieres increased program revenue, attendance and engagement but decreased program salaries and the number of full-time employees. Local premieres drove up expenses, foundation support, and contributions from trustees. They decreased corporate contributions
- The number of world and national premieres increased contributions from foundations, trustees and other individual donors but decreased government contributions and program and earned revenue. Organizations offering more world and national premieres had fewer offerings and fewer full-time employees. They expended more on marketing and less on program salaries.
- The receipt of an NEA or IMLS grant had a positive effect on nearly all outcomes except foundation funding, which showed no relationship with federal grants.
- Organizations that target African-Americans attract higher levels of contributed funds but tend to have a smaller footprint, with fewer offerings and lower marketing and development expenses and lower program revenue, attendance, and engagement. They do tend towards higher program expenses, higher contributed revenue, and more full-time employees as well as higher trustee, corporate, and foundation support, all else considered.

- Organizations that target Hispanics/Latinos have higher contributed revenue (higher corporate, government and foundation support), program salaries, development expenses, and total offerings but lower marketing expenses, trustee and individual contributions, and program and earned revenue.
- And organizations targeting children have lower marketing expenses that yield higher attendance, engagement and program and earned revenue, and higher development expenses that yield lower unrestricted and total contributions. This puzzling finding seems to suggest that parent-contributors have a short-term focus on immediate benefits for their children without necessarily supporting the long-term financial health of the organization.

Community Highlights

Several community characteristics have net positive – although not consistently positive – effects for all performance measures.

- Total Arts Dollars in the community is positively related with nearly every performance outcome~~.~~
- The Number of Arts Providers in the community positively impacts total expenses and contributions from every source except foundations; the impact on attendance and engagement is negative, suggesting competition for audiences, although there is a positive relationship between Number of Arts Providers and both program and total earned revenue, suggesting a tolerance for higher prices.
- Leisure activities act as Complements leading to increases in attendance and engagement, individual, corporate, government and overall contributions as well as program revenue, program salaries and more offerings, but as Substitutes leading to decreases in contributions from foundations.
- Socio-economic level has a positive impact on contributions from trustees, other individuals, and corporations but a negative impact on government and foundation grants, producing a mixed effect on unrestricted and total contributions.
- Higher socio-economic level is negatively associated with physical attendance and engagement – likely reflecting increased access to other leisure opportunities like travel – and positively associated with program, development, and total expenses and program and earned revenue, reflecting the ability of arts organizations to invest more in the art and charge higher prices.
- Population is a positive driver of every performance measure.
- Median age remains a negative influence on attendance and engagement.

Cultural Policy Highlights

The pattern of results for Government Grant Activity in the market is also interesting. For example:

- Government Grant Activity has a positive effect on fulltime employees and total expenses but a negative effect on the number of offerings and direct marketing expenses.
- Government Grant Activity has a positive effect on contributions from all sources except corporations, where the effect is negative.
- And Government Grant Activity has a negative effect on program or earned revenue and a negative effect on physical attendance and engagement; these negative effects may reflect government support for arts and culture organizations that are initiating outreach efforts targeting traditionally underserved populations.

What Drives Performance from the Arts & Culture Ecosystem, by Index

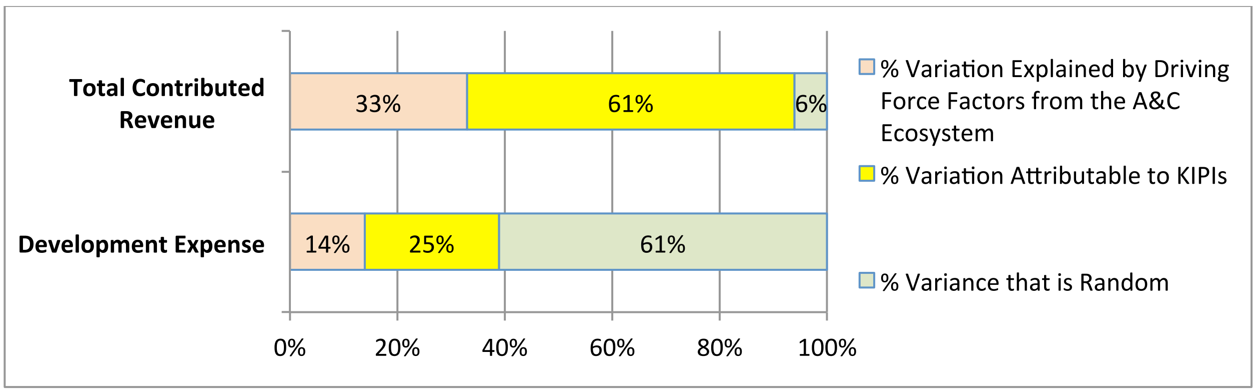
Return on Fundraising Index

What Drives Total Contributions?

The driving force factors from the A&C Ecosystem explain 33% of total contributed revenue performance. That 33% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 27% is driven by the organization's operating characteristics and practices. The expertise at managing and generating total contributed revenue drives 61% of contributed revenue performance, and 6% is driven by random variation.

What Drives Total Development Expenses?

Only 14% of variation in the level of development expenses is explained by the factors from the A&C Ecosystem. That 14% can be broken down as follows: 2% is due to the influence of community characteristics and 12% is driven by the organization's practices and operating characteristics. Another 25% is attributable to expertise in deciding how much development expense should be budgeted, and 61% of variation in the amount allocated to development expenses is random.



What Drives Total Contributed Revenue?

What organizational characteristics affect this performance?

- Total contributions increase when organizations are in a capital or endowment campaign, with budget size, when they receive a federal grant or operate under a parent organization, and as the amount of expenses allocated to fundraising (including staff) increases. They decrease with world premieres.
- Naturally, total contributions increase as the number of donors increases, be they trustees, individuals (non-trustees), corporations, government agencies, or foundations. Older organizations tend to raise less in temporarily and permanently restricted funds.
- Organizations that target young adults, African Americans and Hispanics bring in higher total contributed revenue, while those that target kids or Asians attract lower overall contributions.

How do community arts and leisure characteristics affect performance?

- Contributed revenue is higher in communities with high levels of total arts dollar activity, total number of arts providers, and the number of leisure activities, which act as complements.
- More public broadcast dollar activity in the market drives lower contributed revenue.

- The more competitors in a sector, the lower the contributed revenue for organizations in that sector. This is true for all sectors except dance, opera, and theatre, where the number of competitors had no effect on total contributions for organizations in those sectors.

How do socio-demographic characteristics of the community affect performance?

- Total contributions increase as the population size increases and as the percentage of the population that is Asian-American increases.
- Contributions decrease as median age in the community increases and when the percentage of the population under 25 years of age is higher.
- Total contributions are lower when the community's socio-economic level is higher. This counter-intuitive finding stems from the fact that our approach to this analysis already accounts for unrestricted contributed revenue performance, so the focus here is on incoming temporarily and permanently restricted funds. We know that the higher the socio-economic level the lower the foundation support, and foundation support is the biggest component of combined temporarily and permanently restricted funds.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market boost total contributed revenue.

What Drives Total Development Expenses?

What organizational characteristics affect this performance?

- Total development expenses increase when organizations are in a capital or endowment campaign, when their occupancy expenses are higher, when they have more fundraising staff members and their overall staffs are larger, with the number of works premieres presented, and with larger boards. All else being equal, older organizations and those that operated under a parent organization spend less on development.
- Development expenses increase with organizational budget size except in the cases of performing arts centers, symphony orchestras, and museums of all types. In these sectors, large organizations spend proportionally less on development expenses.
- Organizations that target kids or Hispanics/Latinos spend more on development while those that target young adults, Asian-Americans or African-Americans spend comparatively less.

How do community arts and leisure characteristics affect performance?

- Development expenses are higher in communities with high levels of total arts dollar activity and public broadcast dollar activity.
- The more dance companies, theater companies, and general performing arts organizations in a market, the more organizations in those sectors spend on development. The more 'other' museums, the less each spends on development.

How do socio-demographic characteristics of the community affect performance?

- Organizations spend more on development as the percentage of the population that is 18-24 years old or Asian-American increases, and as the socio-economic level increases.
- Development expenses decrease as the total population size increases.

What impact does cultural policy have on performance?

- Government grant activity in the market had no effect on development expenses.

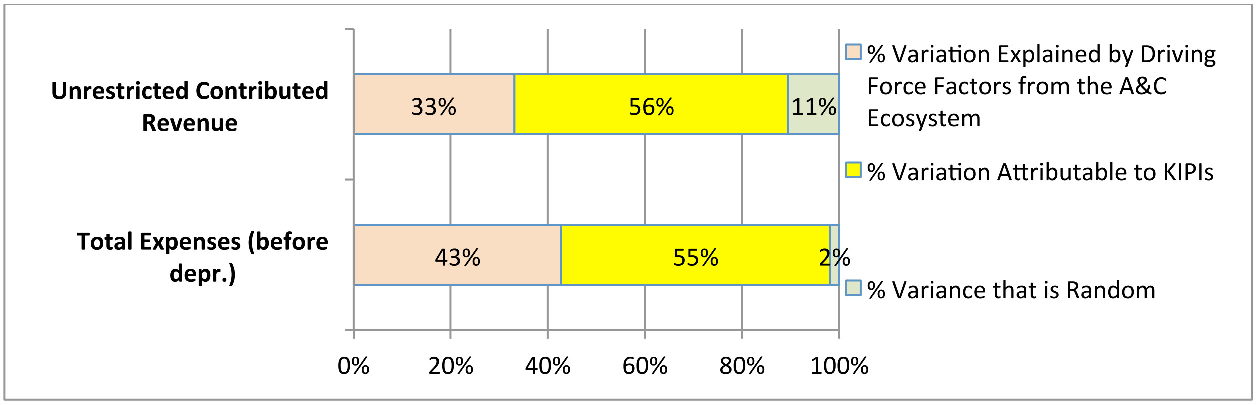
Unrestricted Contributions Index

What Drives Unrestricted Contributed Revenue?

The driving force factors from the A&C Ecosystem explain 33% of total unrestricted contributed revenue performance. That 33% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 27% is driven by the organization's operating characteristics and practices. The expertise at managing and generating total unrestricted contributed revenue drives 56% of unrestricted contributed revenue performance, and 11% is driven by random variation.

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Unrestricted Contributed Revenue?

What organizational characteristics affect this performance?

- Unrestricted contributions increase with organizational size; when an organization receives a federal grant, operates under a parent organization, or is in a capital or endowment campaign; with the number of local premieres, the number of donors per donor segment, and the amount of expenses allocated to fundraising (including staff).
- Organizations that target young adults, African Americans or Hispanics/Latinos bring in comparatively higher unrestricted contributed revenue, while those that target kids or Asian-Americans attract comparatively lower unrestricted contributions.

How do community arts and leisure characteristics affect performance?

- Unrestricted contributed revenue is higher in communities with high levels of total arts dollar activity, total number of arts providers, and total number of leisure activities, which in this case act as complements.
- More public broadcast dollar activity in the market drives lower contributed revenue.
- The more competitors in a sector, the lower the unrestricted contributed revenue for organizations in that sector. This is true for all sectors except opera and theatre, where the number of competitors had no effect on unrestricted contributions for organizations in those two sectors.

How do socio-demographic characteristics of the community affect performance?

- Unrestricted contributions are boosted with population size and as the percentage of the population that is either Asian-American or African-American increases.
- The median age in the community drives down unrestricted contributions.
- Socio-economic level had no effect on unrestricted contributed revenue, which is likely due to its mixed influence on the various sources of contributed revenue.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market boost unrestricted contributed revenue.

What Drives Total Expenses (before depreciation)?

What organizational characteristics affect this performance?

- Higher total expenses – i.e., larger budgets – occur for older organizations, those with high levels of funding from local or state government, with more members and/or subscribers, and with larger staffs. Total expenses also are higher for those organizations that spend more on marketing, offer more programming, and present more local premieres.
- Expenses tend to be lower for organizations that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Total expenses are higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, public broadcast dollar activity, and more leisure activities, which in this case act as complements.
- The more art museums or 'other museums', the smaller the budget tends to be for the organizations in each of these two sectors. By contrast, having more arts education organizations in a market tends to mean larger budgets for those competing organizations.

How do socio-demographic characteristics of the community affect performance?

- Total expenses are greater in communities with a higher percentage 18-24-year olds, larger population, or higher socio-economic level.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market tend to result in higher total expenses.

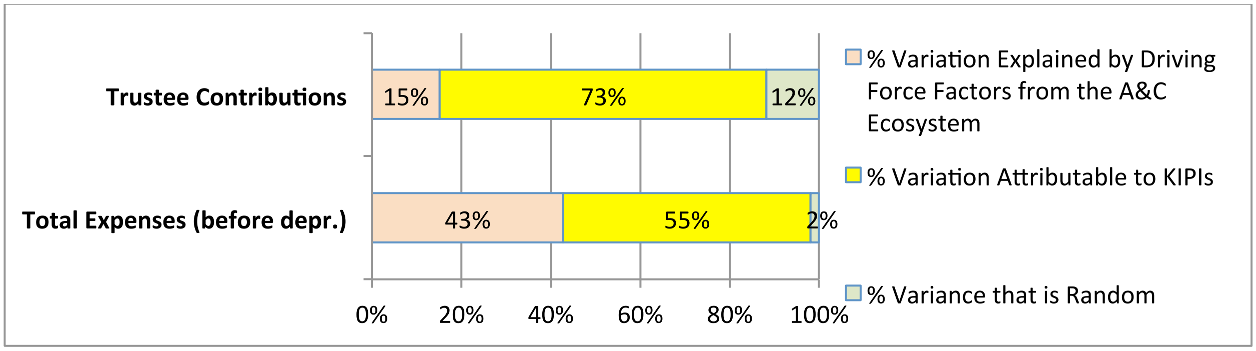
Trustee Contribution Index

What Drives Unrestricted Trustee Contributions?

The driving force factors from the A&C Ecosystem explain 15% of unrestricted trustee contribution performance. That 15% can be broken down as follows: 2% is due to the influence of community and cultural policy characteristics and 13% is driven by the organization's operating characteristics and practices. The expertise at cultivating trustee contributions drives 73% of performance, and 12% is attributable to random variation.

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Unrestricted Trustee Revenue?

What organizational characteristics affect this performance?

- Unrestricted contributions from trustees increase when the organization is either in a capital or endowment campaign or recently completed one; with budget size, square footage, higher fixed assets, a larger board, and a higher top ticket/admission price.
- Trustee contributions tend to go up with the number of local and national premieres and the amount of expenses allocated to development, and when the organization receives a federal grant. All else being equal, older organizations have comparatively lower trustee contribution levels.
- Organizations that target kids or African-Americans bring in comparatively higher unrestricted contributions from trustees, while those that target young adults, Asian-Americans, or Hispanics/Latinos attract lower overall contributions.

How do community arts and leisure characteristics affect performance?

- Trustee giving is higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, and more public broadcast dollar activity.
- High availability of leisure activities in the market drives down trustee contributions.
- The more art museums, opera companies, symphony orchestras, 'other' museums, or general performing arts organizations in the market, the lower trustee giving tends to be for the organizations in each of these sectors. By contrast, having more arts education organizations, community organizations, dance companies, music organizations or PACs in a market tends to mean higher trustee giving for those competing organizations.

How do socio-demographic characteristics of the community affect performance?

- Trustee giving is boosted with population size, as the percentage of the community that is Hispanic/Latino increases, with a higher socio-economic level, and as the percentage of the population that is under 25 years old increases and as median age increases, so more age diversity.
- Unrestricted trustee contributions tend to be lower for organizations that target African-Americans.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market boost unrestricted contributed revenue.

What Drives Total Expenses (before depreciation)?

What organizational characteristics affect this performance?

- Higher total expenses – i.e., larger budgets – tend to occur for older organizations, those with high levels of funding from local or state government, with more members and/or subscribers, and with larger staffs. Total expenses also are higher for those organizations that spend more on marketing, offer more programming, and present more local premieres.
- Expenses tend to be lower for organizations that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Total expenses are higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, more public broadcast dollar activity, and more leisure activities, which in this case act as complements.
- The more art museums or 'other museums', the smaller the budget tends to be for the organizations in each of these two sectors. By contrast, having more arts education organizations in a market tends to mean larger budgets for those competing organizations.

How do socio-demographic characteristics of the community affect performance?

- Total expenses are greater in communities with a higher percentage 18-24-year olds, larger population, or higher socio-economic level.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market tend to result in higher total expenses.

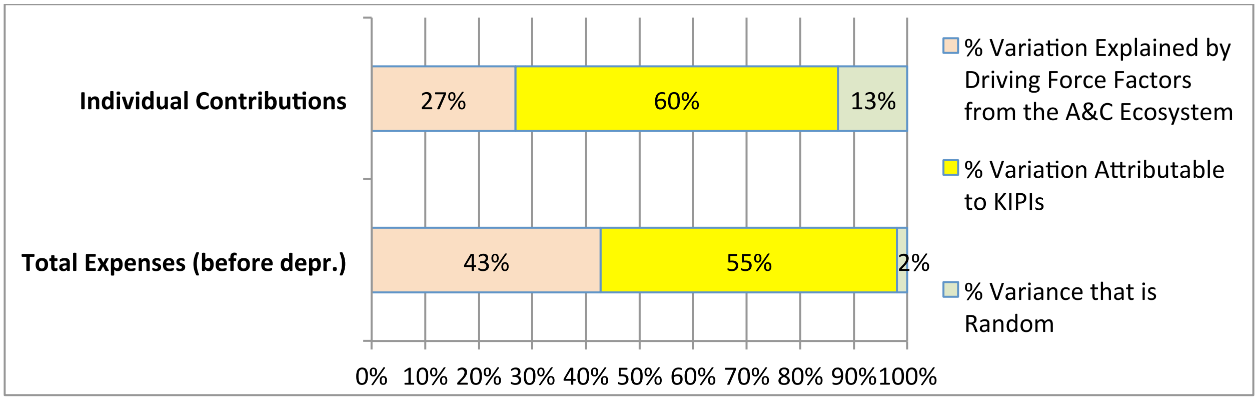
Individual Contribution Index

What Drives Unrestricted Individual Contributions?

The driving force factors from the A&C Ecosystem explain 27% of unrestricted contributions from individuals (non-trustees). That 27% can be broken down as follows: 2% is due to the influence of community and cultural policy characteristics and 25% is driven by the organization's operating characteristics and practices. The expertise at cultivating and attracting individual contributions drives 60% of performance, and 13% is attributable to random variation.

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Unrestricted Individual Contributions?

What organizational characteristics affect this performance?

- Unrestricted contributed revenue from individuals (non-trustees) increases with the number of individual donors, when the organization is either in a capital or endowment campaign or recently completed one, with budget size, higher occupancy expenses, and a higher top ticket/admission price.
- Individual contributions tend to go up with the number of local and world premieres and the amount of expenses allocated to development, and when the organization receives a federal grant. All else being equal, older organizations have comparatively lower contribution levels from individuals. Physical attendance had no effect on unrestricted revenue from individuals.
- Individual giving is lower for organizations that target kids, Asian-Americans or Hispanics/Latinos.

How do community arts and leisure characteristics affect performance?

- Individual giving is higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, and more availability of leisure activities in the market, indicating that they act as complements in this case.
- The more art museums, symphony orchestras, or general performing arts organizations in the market, the lower individual giving tends to be for the organizations in each of these sectors. By contrast, having more community organizations or PACs in a market tends to mean higher individual giving for those competing organizations. Within-sector competition had no effect on individual giving for those sectors not mentioned here.

How do socio-demographic characteristics of the community affect performance?

- Individual giving is boosted with population size, as the percentage of the community that is Hispanic/Latino or Asian-American increases, and with a higher socio-economic level.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market boost unrestricted contributed revenue.

What Drives Total Expenses (before depreciation)?

What organizational characteristics affect this performance?

- Higher total expenses – i.e., larger budgets – tend to occur for older organizations, those with high levels of funding from local or state government, with more members and/or subscribers, and with larger staffs. Total expenses also are higher for those organizations that spend more on marketing, offer more programming, and present more local premieres.
- Expenses tend to be lower for organizations that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Total expenses are higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, more public broadcast dollar activity, and more leisure activities, which in this case act as complements.
- The more art museums or 'other museums', the smaller the budget tends to be for the organizations in each of these two sectors. By contrast, having more arts education organizations in a market tends to mean larger budgets for those competing organizations.

How do socio-demographic characteristics of the community affect performance?

- Total expenses are greater in communities with a higher percentage 18-24-year olds, larger population, or higher socio-economic level.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market tend to result in higher total expenses.

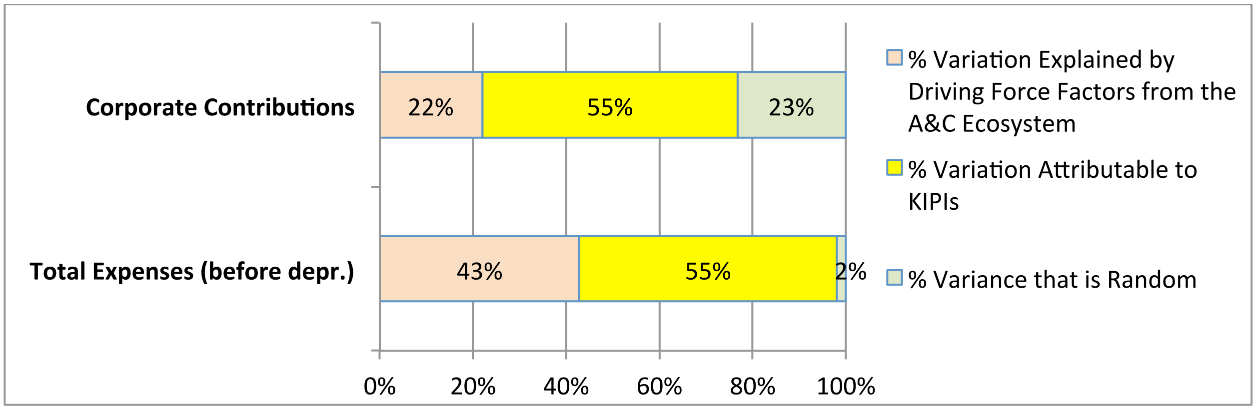
Corporate Contribution Index

What Drives Unrestricted Corporate Contributions?

The driving force factors from the A&C Ecosystem explain 22% of unrestricted contributions from corporations. That 22% can be broken down as follows: 1% is due to the influence of community and cultural policy characteristics and 21% is driven by the organization's operating characteristics and practices. The expertise at cultivating and attracting corporate contributions drives 55% of performance, and 23% is attributable to random variation.

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Unrestricted Corporate Contributions?

What organizational characteristics affect this performance?

- Unrestricted contributed revenue from corporations increases with the number of corporate donors, higher occupancy expenses and amount spent on development, higher attendance, higher levels of local or state funding, and receipt of a grant from the NEA or IMLS.
- Corporate contributions levels increase with organizational budget size except in the cases of performing arts centers and museums of all types. In these sectors, large organizations receive proportionally less revenue from corporate donors. All else being equal, older organizations have comparatively lower levels of corporate funding.
- Corporate giving is lower for organizations that target kids, African-Americans or Hispanics/Latinos.

How do community arts and leisure characteristics affect performance?

- Corporate giving is higher for organizations in communities with high levels of arts providers.
- Corporate contributions are lower when leisure activities are plentiful, indicating that they act as substitutes.
- The more art museums, symphony orchestras, dance companies, PACs, or 'other' museums in the market, the lower corporate contributions tend to be for the organizations in each of these sectors. Within-sector competition had no effect on corporate giving for those sectors not mentioned here.

How do socio-demographic characteristics of the community affect performance?

- Corporate giving rises with population size, as the percentage of the community that is Hispanic/Latino increases, and with a higher socio-economic level. It goes down with higher median age.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market boost unrestricted contributed revenue.

What Drives Total Expenses (before depreciation)?

What organizational characteristics affect this performance?

- Higher total expenses – i.e., larger budgets – tend to occur for older organizations, those with high levels of funding from local or state government, with more members and/or subscribers, and with larger staffs. Total expenses also are higher for those organizations that spend more on marketing, offer more programming, and present more local premieres.

- Expenses tend to be lower for organizations that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Total expenses are higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, more public broadcast dollar activity, and more leisure activities, which in this case act as complements.
- The more art museums or 'other museums', the smaller the budget tends to be for the organizations in each of these two sectors. By contrast, having more arts education organizations in a market tends to mean larger budgets for those competing organizations.

How do socio-demographic characteristics of the community affect performance?

- Total expenses are greater in communities with a higher percentage 18-24-year olds, larger population, or higher socio-economic level.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market tend to result in higher total expenses.

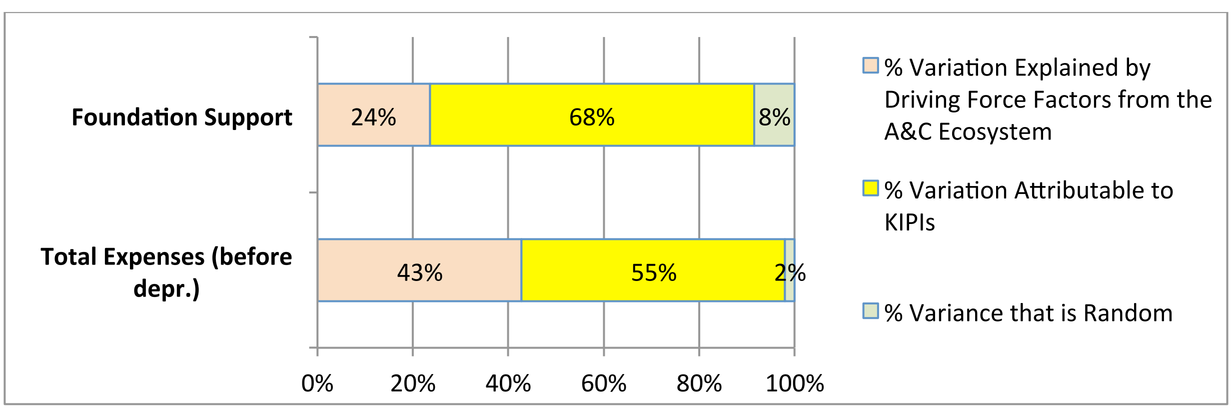
Foundation Support Index

What Drives Unrestricted Foundation Support?

The driving force factors from the A&C Ecosystem explain 24% of unrestricted support from foundations. That 24% can be broken down as follows: 2% is due to the influence of community and cultural policy characteristics and 22% is driven by the organization's operating characteristics and practices. The expertise at cultivating and attracting foundation support drives 68% of performance, and 8% is attributable to random variation.

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Unrestricted Foundation Support?

What organizational characteristics affect this performance?

- Unrestricted foundation support increases with the number of foundations that provide grants, higher amount spent on development, presentation of more local and world premieres, and targeting young adults, African-Americans, or Hispanics/Latinos.
- Foundation support is comparatively lower for organizations that are either in or have recently completed a capital or endowment campaign, older organizations, those that have been awarded a federal grant, and those that target either kids or Asian-Americans.
- Foundation support levels increase with organizational budget size except in the cases of art and 'other' museums of all types. In these two sectors, large organizations receive proportionally less revenue from foundations.

How do community arts and leisure characteristics affect performance?

- Foundation support is higher for organizations in communities with high levels of total arts dollar activity and those with more public broadcast dollar activity.
- Foundation giving goes down with higher numbers of arts providers and more leisure activities in the market, indicating high substitution effects.
- The more art museums, dance companies and music organizations in the market, the higher foundation support tends to be for the organizations in each of these sectors. For PACs and 'other' museums, the higher the within-sector competition the lower the foundation support.

How do socio-demographic characteristics of the community affect performance?

- Foundation support decreases as the percentage of the population that is under 25, African-American, or Hispanic/Latino increases, as the socio-economic level improves, or as median age increases.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market lower foundation support.

What Drives Total Expenses (before depreciation)?

What organizational characteristics affect this performance?

- Higher total expenses – i.e., larger budgets – tend to occur for older organizations, those with high levels of funding from local or state government, with more members and/or subscribers, and with larger staffs. Total expenses also are higher for those organizations that spend more on marketing, offer more programming, and present more local premieres.
- Expenses tend to be lower for organizations that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Total expenses are higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, more public broadcast dollar activity, and more leisure activities, which in this case act as complements.
- The more art museums or 'other museums', the smaller the budget tends to be for the organizations in each of these two sectors. By contrast, having more arts education organizations in a market tends to mean larger budgets for those competing organizations.

How do socio-demographic characteristics of the community affect performance?

- Total expenses are greater in communities with a higher percentage 18-24-year olds, larger population, or higher socio-economic level.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market tend to result in higher total expenses.

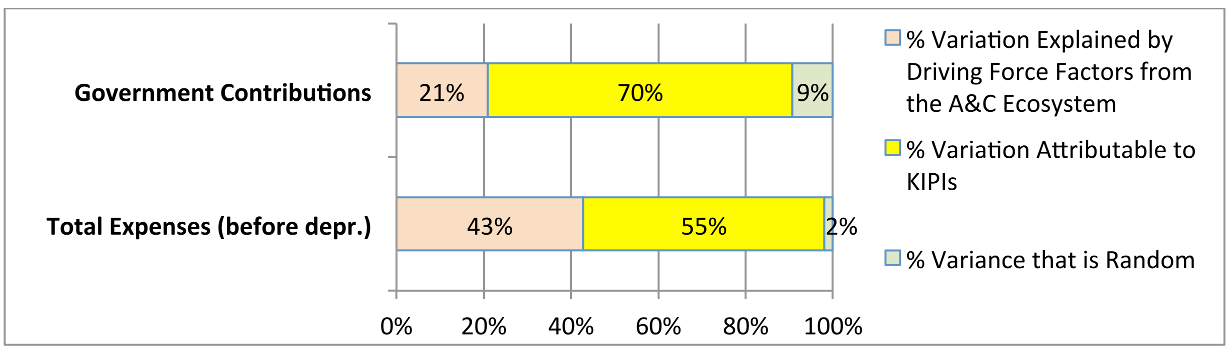
Government Support Index

What Drives Unrestricted Government Support?

The driving force factors from the A&C Ecosystem explain 21% of unrestricted support from all levels of government. That 21% can be broken down as follows: 1% is due to the influence of community and cultural policy characteristics and 20% is driven by the organization's operating characteristics and practices. The expertise at attracting government support drives 70% of performance, and 9% is attributable to random variation.

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Unrestricted Government Support?

What organizational characteristics affect this performance?

- Unrestricted government support (combined support from local, state and federal agencies) increases with organizational age and budget size, the number of government agencies that provide grants, the lowest ticket price offered, and targeting Hispanics/Latinos.
- Government support is comparatively lower for organizations that have recently completed a capital or endowment campaign, present a higher number of world premieres, those that spend more on development, and those that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Government support is higher for organizations in communities with higher levels of total arts dollar activity, higher numbers of arts providers, and more leisure activities in the market, which means leisure activities that act as complements.

- The more organizations per sector, the lower government support for all organizations in each sector.

How do socio-demographic characteristics of the community affect performance?

- Government support is higher for organizations in communities where the percentage of the population that is under 18, African-American, or Asian-American is higher.
- As the total population, socio-economic level, and median age increase, government support levels go down. It is also lower for organizations in communities with higher percentages of either young adults or Hispanics/Latinos.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market translate to higher government support for the organizations in that market.

What Drives Total Expenses (before depreciation)?

What organizational characteristics affect this performance?

- Higher total expenses – i.e., larger budgets – tend to occur for older organizations, those with high levels of funding from local or state government, with more members and/or subscribers, and with larger staffs. Total expenses also are higher for those organizations that spend more on marketing, offer more programming, and present more local premieres.
- Expenses tend to be lower for organizations that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Total expenses are higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, more public broadcast dollar activity, and more leisure activities, which in this case act as complements.
- The more art museums or 'other museums', the smaller the budget tends to be for the organizations in each of these two sectors. By contrast, having more arts education organizations in a market tends to mean larger budgets for those competing organizations.

How do socio-demographic characteristics of the community affect performance?

- Total expenses are greater in communities with a higher percentage 18-24-year olds, larger population, or higher socio-economic level.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market tend to result in higher total expenses.

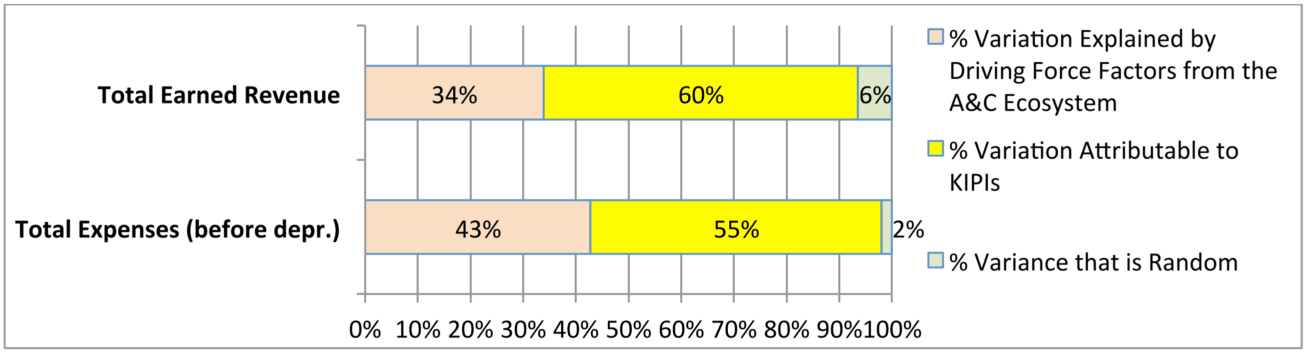
Earned Revenue Index

What Drives Earned Revenue (before capital gains)?

The driving force factors from the A&C Ecosystem explain 34% of variation in earned revenue, not including capital gains. That 34% can be broken down as follows: 4% is due to the influence of community characteristics and 30% is driven by the organization's operating characteristics and practices. The expertise at generating earned revenue drives 60% of performance, and 6% is attributable to random variation.

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Earned Revenue (before capital gains)?

What organizational characteristics affect this performance?

- Earned revenue increases with organizational age, square footage, budget size, the number of programmatic offerings, number of local premieres, median ticket price, the amount spent on marketing and on programming, the number of subscribers/members, total in-person attendance, targeting kids, and being awarded NEA or IMLS grants.
- When organizations receive higher levels of support from local or state government, present higher numbers of world premieres, or target Asian-Americans, African-Americans, or Hispanics/Latinos, earned revenue tends to be lower.

How do community arts and leisure characteristics affect performance?

- Earned revenue tends to be higher for organizations in communities with higher levels of total arts dollar activity and more public broadcast dollar activity.
- The more organizations in the arts education, community, and symphony orchestra sectors, the higher earned revenue for all organizations in each sector. By contrast, more sector competitors in music, opera, PACs, theatre, or 'other' museums drives down earned revenue for organizations in each of these sectors.

How do socio-demographic characteristics of the community affect performance?

- Earned revenue is higher for organizations in communities where total population is higher, the percentage of the population that is under 18, African-American, or Asian-American is higher, and the socioeconomic level is higher.
- As the median age or percentage of the population either Asian-American or African-American increase, earned revenue levels go down.

What impact does cultural policy have on performance?

- Government grant activity in the market had no effect on earned revenue.

What Drives Total Expenses (before depreciation)?

What organizational characteristics affect this performance?

- Higher total expenses – i.e., larger budgets – tend to occur for older organizations, those with high levels of funding from local or state government, with more members and/or subscribers, and with larger staffs. Total expenses also are higher for those organizations that spend more on marketing, offer more programming, and present more local premieres.
- Expenses tend to be lower for organizations that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Total expenses are higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, more public broadcast dollar activity, and more leisure activities, which in this case act as complements.
- The more art museums or 'other museums', the smaller the budget tends to be for the organizations in each of these two sectors. By contrast, having more arts education organizations in a market tends to mean larger budgets for those competing organizations.

How do socio-demographic characteristics of the community affect performance?

- Total expenses are greater in communities with a higher percentage 18-24-year olds, larger population, or higher socio-economic level.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market tend to result in higher total expenses.

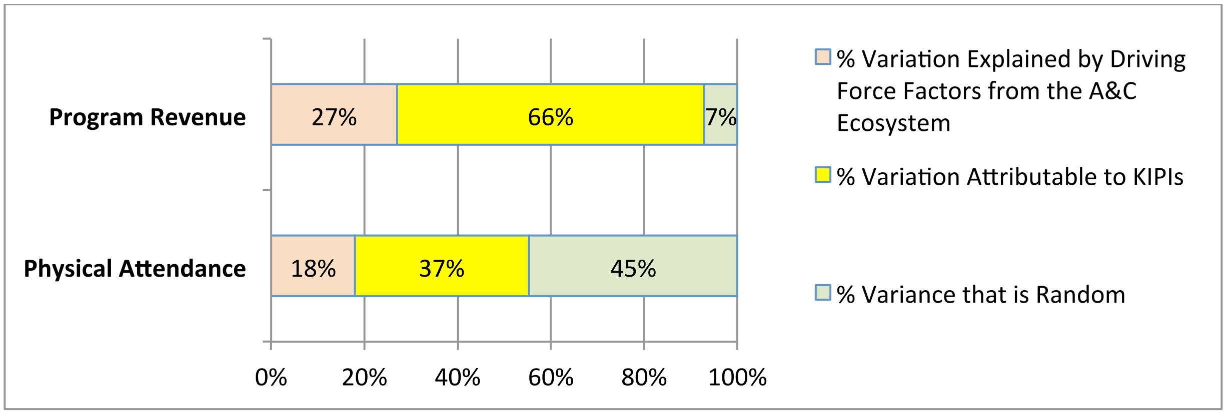
Program Revenue per Attendee Index

What Drives Program Revenue?

An organization's program revenue is driven 27% by factors from the A&C Ecosystem. That 27% can be broken down as follows: 3% is due to the influence of community characteristics and 24% is driven by the organization's operating characteristics and practices. Another 66% is attributable to expertise in generating program revenue with the organization's offerings and 7% is due to random variation.

What Drives Total In-person Attendance?

The driving force factors from the A&C Ecosystem explain 18% of total attendance by those who participate in the organization's offerings in-person. That 18% can be broken down as follows: 4% is due to the influence of community characteristics and 14% is driven by the organization's practices and operating characteristics. Another 37% of attendance is attributable to expertise in attracting attendees, and 45% is attributable to random variation



What Drives Program Revenue?

What organizational characteristics affect this performance?

- Program revenue, which includes all revenue earned through the attraction of attendees and participants, increases with organizational age, square footage, budget size, the number of programmatic offerings, number of local premieres, the amount spent on marketing and on programming, the number of subscribers/members, total in-person attendance, targeting kids or young adults, and being awarded NEA or IMLS grants.
- When organizations receive higher levels of support from local or state government, present higher numbers of world premieres, or target African-Americans or Hispanics/Latinos, program revenue tends to be lower.

How do community arts and leisure characteristics affect performance?

- Program revenue tends to be higher for organizations in communities with higher levels of total arts dollar activity, more public broadcast dollar activity, and more leisure activities that act as complements to the art and cultural activity.
- The more organizations in the arts education and symphony orchestra sectors, the higher earned revenue for all organizations in each sector. By contrast, more sector competitors in the art museum, dance, music, opera, PAC, or theatre sectors drives down program revenue for organizations in each of these sectors.

How do socio-demographic characteristics of the community affect performance?

- Program revenue is higher for organizations in communities where total population is higher and the socioeconomic level is higher.
- As the median age or percentage of the population either Asian-American or African-American increase, program revenue levels go down.

What impact does cultural policy have on performance?

- Government grant activity in the local market had no effect on program revenue.

What Drives In-person Attendance?

What organizational characteristics affect this performance?

- In-person attendance increases with organizational age, square footage, budget size, the number of programmatic offerings, number of local premieres, the amount spent on marketing,

the number of subscribers/members, the number of website page views, targeting kids or Asian-Americans, and being awarded NEA or IMLS grants.
- Attendance tends to be lower when organizations receive higher levels of support from local government or if they target African-Americans.
- Price had no effect on attendance.

How do community arts and leisure characteristics affect performance?

- In-person attendance tends to be higher for organizations in communities with more public broadcast dollar activity, and lower for organizations in communities with high total arts dollar activity and more artists and arts providers.
- The more organizations in the general performing arts sector, the higher the attendance for all organizations in that sector. By contrast, more within-sector competitors in arts education, art museums, opera, or theatre drives down attendance for organizations within these sectors.

How do socio-demographic characteristics of the community affect performance?

- Physical attendance is lower in communities where the total population is larger and the socioeconomic level and median age are higher. It is also lower if the organization is in a market with a higher percentage of the population under 25, Asian-Americas, African-American or Hispanics/Latino.

What impact does cultural policy have on performance?

- Physical attendance is lower in communities with higher state and federal government grant activity in the local market.

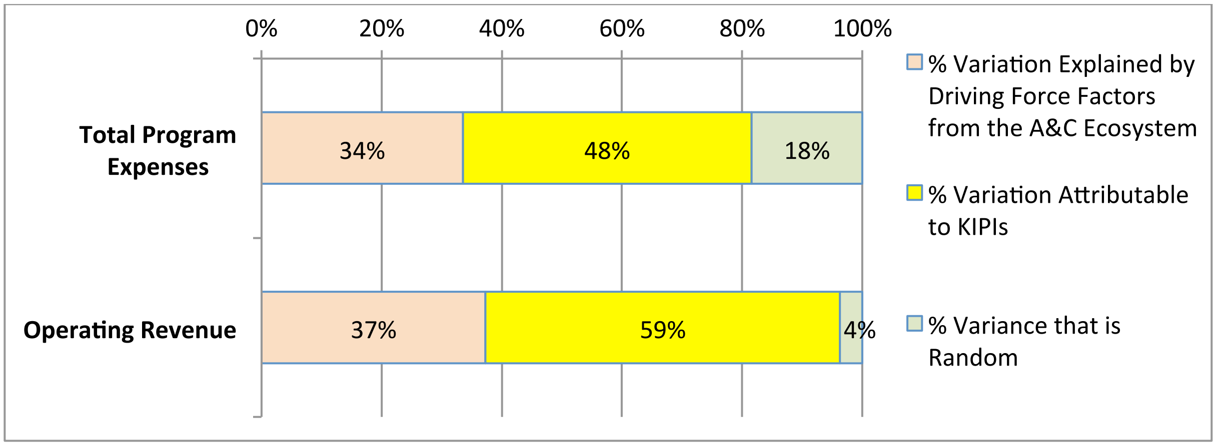
Investment in Program Index

What Drives Total Program Expenses?

Factors from the A&C Ecosystem drive 34% of organization's total program expenses, including payment to artists, program-related personnel, and non-personnel costs such as physical production materials, collections conservation and management, program-related equipment rentals and repairs, company management, housing/travel, etc. That 34% can be broken down as follows: 5% is due to the influence of community and cultural policy characteristics and 29% is driven by the organization's operating characteristics and practices. Another 48% is attributable to expertise in setting and managing the investment level in programmatic activities and 18% is due to random variation.

What Drives Operating Revenue?

The driving force factors from the A&C Ecosystem explain 37% of total operating revenue. That 37% can be broken down as follows: 6% is due to the influence of community characteristics and 31% is driven by the organization's practices and operating characteristics. Another 59% of attendance is attributable to expertise in generating and managing revenue, and 4% is attributable to random variation.



What Drives Total Program Expenses?

What organizational characteristics affect this performance?

- Total program expenses increase with organizational age, square footage, budget size, higher working capital, the number of programmatic offerings, number of artists and program personnel hired, number of local premieres, overall staff size, the number of subscribers/members, median ticket price, higher levels of support from local or state government, and being awarded NEA or IMLS grants.
- When organizations present higher numbers of world premieres, program expenses tend to be lower.
- Organizations that target kids, young adults, or African-Americans tend to have higher program expenses.

How do community arts and leisure characteristics affect performance?

- Program expenses tend to be higher for organizations in communities with higher levels of total arts dollar activity, more public broadcast dollar activity, and more artists and arts providers.
- The more organizations in the symphony orchestra sector, the higher program expenses tend to be for all organizations in that sector. By contrast, more within-sectors competitors in art museums, dance, music, PAC, 'other' museums, or theatre drives down program expenses for organizations in each of these sectors.

How do socio-demographic characteristics of the community affect performance?

- Program expenses are higher for organizations in communities where total population is higher, the socioeconomic level is higher, and there is a higher percentage of the population either 18-25 years old or Asian-American.
- As the median age increases, program expense levels go down.

What impact does cultural policy have on performance?

- Higher state and federal grant activity in the local market leads to higher total program expenses.

What Drives Operating Revenue?

What organizational characteristics affect this performance?

- Operating revenue tends to be higher with organizational age, square footage, budget size, the number of local premieres, targeting young adults or African-Americans, and being awarded NEA or IMLS grants.
- Higher levels of local government support and targeting Asian-Americans tend to lead to lower operating revenue.

How do community arts and leisure characteristics affect performance?

- Operating revenue tends to be higher for organizations in communities with more public broadcast dollar activity, higher total arts dollar activity, more artists and arts providers.
- The more organizations in the 'other' museum sector, the higher the operating revenue for all organizations in that sector. By contrast, having more within-sector competitors in community, dance, music, PACs, theatre, and general performing arts drives down operating revenue for organizations within these sectors.

How do socio-demographic characteristics of the community affect performance?

- Operating revenue is lower in communities where the total population is larger, the socioeconomic level is higher, and there are a higher percentage of kids.
- When communities have a higher percentage of the population that is African-Americans or Hispanics/Latinos or when median age is high, operating revenue tends to be lower.

What impact does cultural policy have on performance?

- Government grant activity in the local market was unrelated to operating revenue.

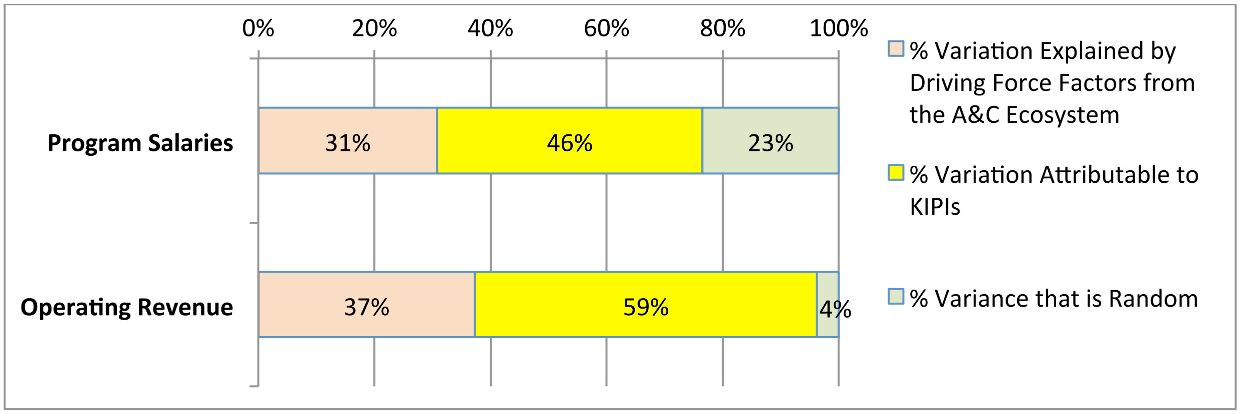
Investment in Program Personnel Index

What Drives Salaried and Non-salaried Artist and Program Personnel Expenses?

An organization's total payment to artists and program personnel is driven 31% by factors from the A&C Ecosystem. That 31% can be broken down as follows: 5% is due to the influence of community and cultural policy characteristics and 26% is driven by the organization's operating characteristics and practices. Another 46% is attributable to expertise in setting and managing the investment level in artist and program salaries and 23% is due to random variation.

What Drives Operating Revenue?

The driving force factors from the A&C Ecosystem explain 37% of total operating revenue. That 37% can be broken down as follows: 6% is due to the influence of community characteristics and 31% is driven by the organization's practices and operating characteristics. Another 59% of attendance is attributable to expertise in generating and managing revenue, and 4% is attributable to random variation.



What Drives Salaried and Non-salaried Artist and Program Personnel Expenses?

What organizational characteristics affect this performance?

- Program personnel expenses increase with organizational age, budget size, higher working capital, number of programmatic offerings, number of artists and program personnel hired, overall staff size, median ticket price, higher levels of support from local or state government, and being awarded NEA or IMLS grants.
- When organizations present higher numbers of local or world premieres, program personnel expenses tend to be lower.
- Organizations that target kids or Hispanics/Latinos tend to have higher program personnel expenses while those targeting Asian-Americans or young adults have lower payment to program personnel.

How do community arts and leisure characteristics affect performance?

- Program personnel expenses tend to be higher for organizations in communities with higher levels of total arts dollar activity, ~~more~~ and less public broadcast dollar activity, and more other leisure activities.
- The more organizations in every sector except art museums, the lower program salaries in that sector.

How do socio-demographic characteristics of the community affect performance?

- Program personnel expenses are higher for organizations in communities where there is a higher populations, and lower where there is a higher percentage of the population under 18 or African-American or Hispanic/Latino, or a there is a higher socioeconomic level.

What impact does cultural policy have on performance?

- Higher state and federal grant activity in the local market leads to higher total program personnel expenses.

What Drives Operating Revenue?

What organizational characteristics affect this performance?

- Operating revenue tends to be higher with organizational age, square footage, budget size, the number of local premieres, targeting young adults or African-Americans, and being awarded NEA or IMLS grants.

- Higher levels of local government support and targeting Asian-Americans tend to lead to lower operating revenue.

How do community arts and leisure characteristics affect performance?

- Operating revenue tends to be higher for organizations in communities with more public broadcast dollar activity, higher total arts dollar activity, more artists and arts providers.
- The more organizations in the 'other' museum sector, the higher the operating revenue for all organizations in that sector. By contrast, having more within-sector competitors in community, dance, music, PACs, theatre, and general performing arts drives down operating revenue for organizations within these sectors.

How do socio-demographic characteristics of the community affect performance?

- Operating revenue is lower in communities where the total population is larger, the socioeconomic level is higher, and there are a higher percentage of kids.
- When communities have a higher percentage of the population that is African-Americans or Hispanics/Latinos or when median age is high, operating revenue tends to be lower.

What impact does cultural policy have on performance?

- Government grant activity in the local market was unrelated to operating revenue.

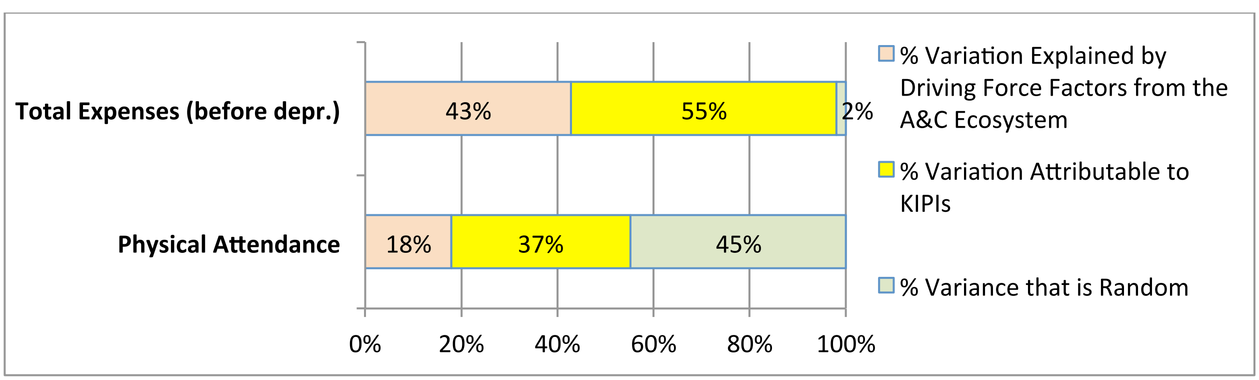
Attendee-Expense Index

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.

What Drives Total In-person Attendance?

The driving force factors from the A&C Ecosystem explain 18% of total attendance by those who participate in the organization's offerings in-person. That 18% can be broken down as follows: 4% is due to the influence of community characteristics and 14% is driven by the organization's practices and operating characteristics. Another 37% of attendance is attributable to expertise in attracting attendees, and 45% is attributable to random variation.



What Drives Total Expenses (before depreciation)?

What organizational characteristics affect this performance?

- Higher total expenses – i.e., larger budgets – tend to occur for older organizations, those with high levels of funding from local or state government, with more members and/or subscribers, and with larger staffs. Total expenses also are higher for those organizations that spend more on marketing, offer more programming, and present more local premieres.
- Expenses tend to be lower for organizations that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Total expenses are higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, more public broadcast dollar activity, and more leisure activities, which in this case act as complements.
- The more art museums or 'other museums', the smaller the budget tends to be for the organizations in each of these two sectors. By contrast, having more arts education organizations in a market tends to mean larger budgets for those competing organizations.

How do socio-demographic characteristics of the community affect performance?

- Total expenses are greater in communities with a higher percentage 18-24-year olds, larger population, or higher socio-economic level.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market tend to result in higher total expenses.

What Drives In-person Attendance?

What organizational characteristics affect this performance?

- In-person attendance increases with organizational age, square footage, budget size, the number of programmatic offerings, number of local premieres, the amount spent on marketing, the number of subscribers/members, the number of website page views, targeting kids or Asian-Americans, and being awarded NEA or IMLS grants.
- Attendance tends to be lower when organizations receive higher levels of support from local government or if they target African-Americans.
- Price had no effect on attendance.

How do community arts and leisure characteristics affect performance?

- In-person attendance tends to be higher for organizations in communities with more public broadcast dollar activity, and lower for organizations in communities with high total arts dollar activity and more artists and arts providers.
- The more organizations in the general performing arts sector, the higher the attendance for all organizations in that sector. By contrast, more within-sector competitors in arts education, art museums, opera, or theatre drives down attendance for organizations within these sectors.

How do socio-demographic characteristics of the community affect performance?

- Physical attendance is lower in communities where the total population is larger and the socioeconomic level and median age are higher. It is also lower if the organization is in a market with a higher percentage of the population under 25, Asian-Americas, African-American or Hispanics/Latino.

What impact does cultural policy have on performance?

- Physical attendance is lower in communities with higher state and federal government grant activity in the local market.

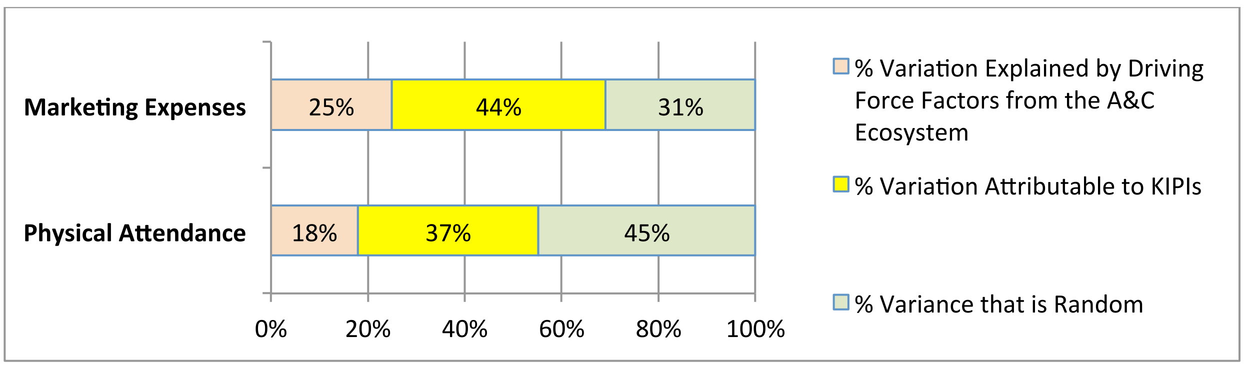
Response to Marketing Efforts Index

What Drives Total Marketing Expenses?

The driving force factors from the A&C Ecosystem explain 25% of total marketing expenses, including personnel and non-personnel costs. That 25% can be broken down as follows: 4% is due to the influence of community characteristics and 21% is driven by the organization's operating characteristics and practices. Another 44% of attendance is attributable to expertise in establishing and managing the right level of marketing expenses, and 31% is attributable to random variation.

What Drives Total In-person Attendance?

The driving force factors from the A&C Ecosystem explain 18% of total attendance by those who participate in the organization's offerings in-person. That 18% can be broken down as follows: 4% is due to the influence of community characteristics and 14% is driven by the organization's practices and operating characteristics. Another 37% of attendance is attributable to expertise in attracting attendees, and 45% is attributable to random variation.



What Drives Total Marketing Expenses?

What organizational characteristics affect this performance?

- Higher total marketing expenses tend to occur for older and larger-budget organizations, those with high levels of funding from local or state government, and those that receive NEA or IMLS grants. Total marketing expenses also are higher for those organizations with more administrative employees, larger overall staffs, who offer more programming, and present more local premieres.
- Total marketing expenses tend to be lower for organizations that target those under 25, African-Americans or Hispanics/Latinos.

How do community arts and leisure characteristics affect performance?

- Total marketing expenses are higher for organizations in communities with more public broadcast dollar activity, and more leisure activities, which in this case act as complements.

- The more symphony orchestras, the higher the marketing budget tends to be for the organizations in this sector. By contrast, having more arts education organizations, art museums, community organizations, dance companies, music organizations, opera companies or theatre companies in a market tends to mean lower marketing budgets for those competing within each of these sectors.

How do socio-demographic characteristics of the community affect performance?

- Total marketing expenses are lower in communities with larger populations, higher median age, a higher percentage 18-24-year olds, or a higher percentage of Asian-Americans, African-Americans or Hispanics/Latinos.

What impact does cultural policy have on performance?

- Government grant activity in the local market had no relationship with total marketing expenses.

What Drives In-person Attendance?

What organizational characteristics affect this performance?

- In-person attendance increases with organizational age, square footage, budget size, the number of programmatic offerings, number of local premieres, the amount spent on marketing, the number of subscribers/members, the number of website page views, targeting kids or Asian-Americans, and being awarded NEA or IMLS grants.
- Attendance tends to be lower when organizations receive higher levels of support from local government or if they target African-Americans.
- Price had no effect on attendance.

How do community arts and leisure characteristics affect performance?

- In-person attendance tends to be higher for organizations in communities with more public broadcast dollar activity, and lower for organizations in communities with high total arts dollar activity and more artists and arts providers.
- The more organizations in the general performing arts sector, the higher the attendance for all organizations in that sector. By contrast, more within-sector competitors in arts education, art museums, opera, or theatre drives down attendance for organizations within these sectors.

How do socio-demographic characteristics of the community affect performance?

- Physical attendance is lower in communities where the total population is larger and the socioeconomic level and median age are higher. It is also lower if the organization is in a market with a higher percentage of the population under 25, Asian-Americas, African-American or Hispanics/Latino.

What impact does cultural policy have on performance?

- Physical attendance is lower in communities with higher state and federal government grant activity in the local market.

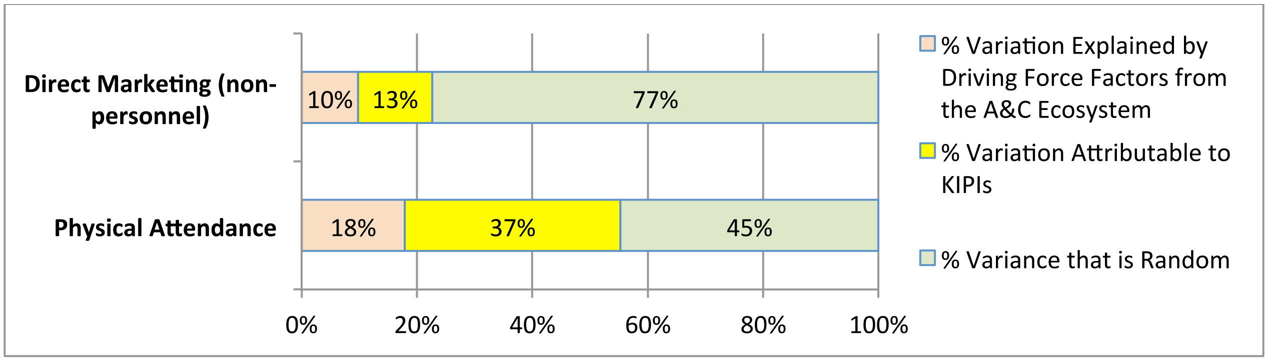
Response to Direct Marketing Spend Index

What Drives Direct (non-staff) Marketing Spend?

The driving force factors from the A&C Ecosystem explain 10% of marketing expenses, including only non-personnel costs. That 10% can be broken down as follows: 2% is due to the influence of community characteristics and 8% is driven by the organization's operating characteristics and practices. Another 13% of attendance is attributable to expertise in establishing and managing the right level of marketing expenses, and a rather large portion --77% -- is attributable to random variation.

What Drives Total In-person Attendance?

The driving force factors from the A&C Ecosystem explain 18% of total attendance by those who participate in the organization's offerings in-person. That 18% can be broken down as follows: 4% is due to the influence of community characteristics and 14% is driven by the organization's practices and operating characteristics. Another 37% of attendance is attributable to expertise in attracting attendees, and 45% is attributable to random variation.



What Drives Direct (non-staff) Marketing Spend?

<u>What organizational characteristics affect this performance?</u>

- Higher direct (non-staff) marketing expenses tend to occur for older organizations, those with larger budgets, larger boards, more square footage, higher occupancy expenses, those with high levels of funding from local or state government, and those that receive NEA or IMLS grants. Direct marketing expenses also are higher for those organizations with more total offerings, with a higher median ticket price, and present more local and world premieres.
- Total marketing expenses tend to be lower for organizations that target those under 25, African-Americans or Hispanics/Latinos.

<u>How do community arts and leisure characteristics affect performance?</u>

- Total marketing expenses are higher for organizations in communities with more public broadcast dollar activity, and more artists and arts providers.
- The more community organizations, the higher the direct marketing budget tends to be for the organizations in this sector. By contrast, having more opera companies, PACs, or theatre companies in a market tends to mean lower direct marketing budgets for those competing within each of these sectors.

<u>How do socio-demographic characteristics of the community affect performance?</u>

- Direct marketing expenses are higher in communities with higher median age, a higher percentage of people under 25, or a higher percentage of Asian-Americans. By contrast, they are lower in markets with a larger population, higher socio-economic level, or a high percentage of African-Americans.

What impact does cultural policy have on performance?

- Higher state and federal government grant activity in the local market lowered direct marketing expenses.

What Drives In-person Attendance?

What organizational characteristics affect this performance?

- In-person attendance increases with organizational age, square footage, budget size, the number of programmatic offerings, number of local premieres, the amount spent on marketing, the number of subscribers/members, the number of website page views, targeting kids or Asian-Americans, and being awarded NEA or IMLS grants.
- Attendance tends to be lower when organizations receive higher levels of support from local government or if they target African-Americans.
- Price had no effect on attendance.

How do community arts and leisure characteristics affect performance?

- In-person attendance tends to be higher for organizations in communities with more public broadcast dollar activity, and lower for organizations in communities with high total arts dollar activity and more artists and arts providers.
- The more organizations in the general performing arts sector, the higher the attendance for all organizations in that sector. By contrast, more within-sector competitors in arts education, art museums, opera, or theatre drives down attendance for organizations within these sectors.

How do socio-demographic characteristics of the community affect performance?

- Physical attendance is lower in communities where the total population is larger and the socioeconomic level and median age are higher. It is also lower if the organization is in a market with a higher percentage of the population under 25, Asian-Americas, African-American or Hispanics/Latino.

What impact does cultural policy have on performance?

- Physical attendance is lower in communities with higher state and federal government grant activity in the local market.

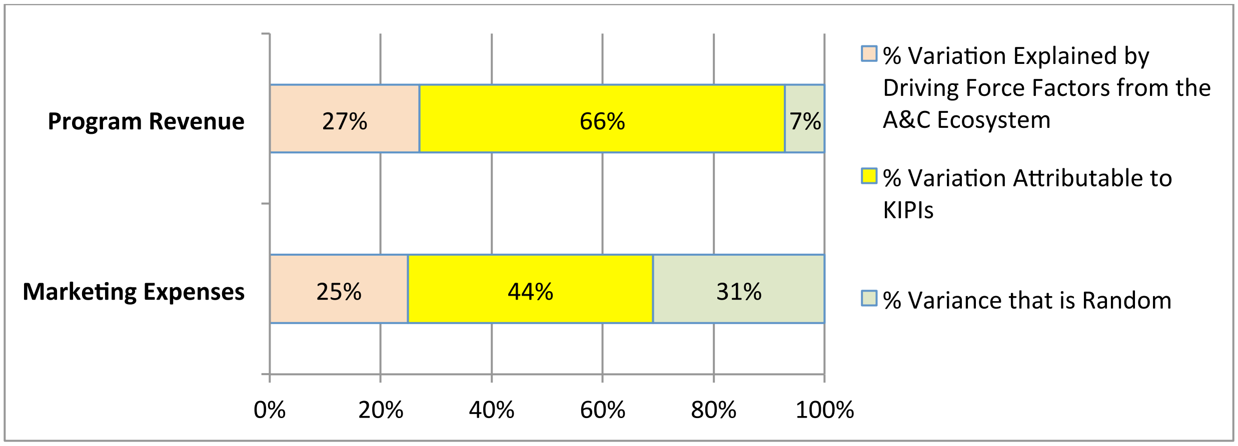
Return on Marketing Efforts Index

What Drives Program Revenue?

An organization's program revenue is driven 27% by factors from the A&C Ecosystem. That 27% can be broken down as follows: 3% is due to the influence of community characteristics and 24% is driven by the organization's operating characteristics and practices. Another 66% is attributable to expertise in generating program revenue with the organization's offerings and 7% is due to random variation.

What Drives Total Marketing Expenses?

The driving force factors from the A&C Ecosystem explain 25% of total marketing expenses, including personnel and non-personnel costs. That 25% can be broken down as follows: 4% is due to the influence of community characteristics and 21% is driven by the organization's operating characteristics and practices. Another 44% of attendance is attributable to expertise in establishing and managing the right level of marketing expenses, and 31% is attributable to random variation.



What Drives Program Revenue?

What organizational characteristics affect this performance?

- Program revenue, which includes all revenue earned through the attraction of attendees and participants, increases with organizational age, square footage, budget size, the number of programmatic offerings, number of local premieres, the amount spent on marketing and on programming, the number of subscribers/members, total in-person attendance, targeting kids or young adults, and being awarded NEA or IMLS grants.
- When organizations receive higher levels of support from local or state government, present higher numbers of world premieres, or target African-Americans or Hispanics/Latinos, program revenue tends to be lower.

How do community arts and leisure characteristics affect performance?

- Program revenue tends to be higher for organizations in communities with higher levels of total arts dollar activity, more public broadcast dollar activity, and more leisure activities that act as complements to the art and cultural activity.
- The more organizations in the arts education and symphony orchestra sectors, the higher earned revenue for all organizations in each sector. By contrast, more sector competitors in the art museum, dance, music, opera, PAC, or theatre sectors drives down program revenue for organizations in each of these sectors.

How do socio-demographic characteristics of the community affect performance?

- Program revenue is higher for organizations in communities where total population is higher and the socioeconomic level is higher.
- As the median age or percentage of the population either Asian-American or African-American increase, program revenue levels go down.

What impact does cultural policy have on performance?

- Government grant activity in the local market had no effect on program revenue.

What Drives Total Marketing Expenses?

What organizational characteristics affect this performance?

- Higher total marketing expenses tend to occur for older and larger-budget organizations, those with high levels of funding from local or state government, and those that receive NEA or IMLS grants. Total marketing expenses also are higher for those organizations with more administrative employees, larger overall staffs, who offer more programming, and present more local premieres.

- Total marketing expenses tend to be lower for organizations that target those under 25, African-Americans or Hispanics/Latinos.

How do community arts and leisure characteristics affect performance?

- Total marketing expenses are higher for organizations in communities with more public broadcast dollar activity, and more leisure activities, which in this case act as complements.
- The more symphony orchestras, the higher the marketing budget tends to be for the organizations in this sector. By contrast, having more arts education organizations, art museums, community organizations, dance companies, music organizations, opera companies or theatre companies in a market tends to mean lower marketing budgets for those competing within each of these sectors.

How do socio-demographic characteristics of the community affect performance?

- Total marketing expenses are lower in communities with larger populations, higher median age, a higher percentage of 18-24-year olds, or a higher percentage of Asian-Americans, African-Americans or Hispanics/Latinos.

What impact does cultural policy have on performance?

- Government grant activity in the local market had no relationship with total marketing expenses.

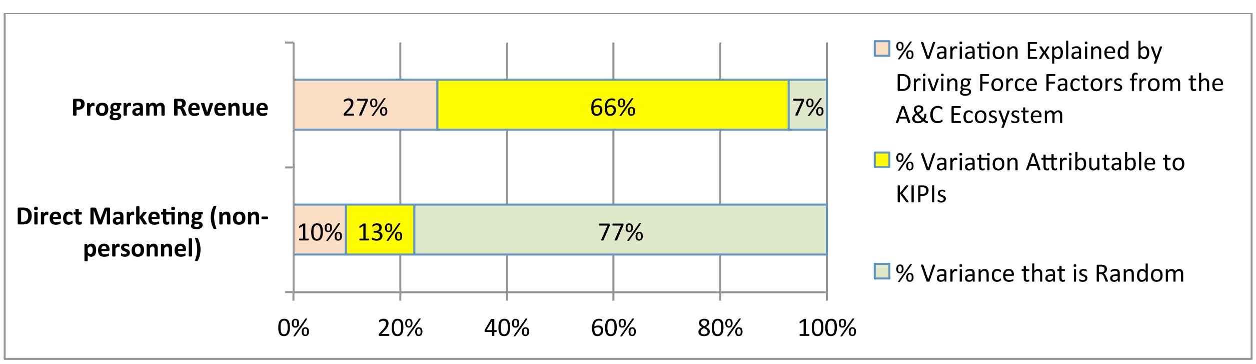
Return on Direct Marketing Spend Index

What Drives Program Revenue?

An organization's program revenue is driven 27% by factors from the A&C Ecosystem. That 27% can be broken down as follows: 3% is due to the influence of community characteristics and 24% is driven by the organization's operating characteristics and practices. Another 66% is attributable to expertise in generating program revenue with the organization's offerings and 7% is due to random variation.

What Drives Direct (non-staff) Marketing Spend?

The driving force factors from the A&C Ecosystem explain 10% of marketing expenses, including only non-personnel costs. That 10% can be broken down as follows: 2% is due to the influence of community characteristics and 8% is driven by the organization's operating characteristics and practices. Another 13% of attendance is attributable to expertise in establishing and managing the right level of marketing expenses, and a rather large portion --77% -- is attributable to random variation.



What Drives Program Revenue?

What organizational characteristics affect this performance?

- Program revenue, which includes all revenue earned through the attraction of attendees and participants, increases with organizational age, square footage, budget size, the number of programmatic offerings, number of local premieres, the amount spent on marketing and on programming, the number of subscribers/members, total in-person attendance, targeting kids or young adults, and being awarded NEA or IMLS grants.
- When organizations receive higher levels of support from local or state government, present higher numbers of world premieres, or target African-Americans or Hispanics/Latinos, program revenue tends to be lower.

How do community arts and leisure characteristics affect performance?

- Program revenue tends to be higher for organizations in communities with higher levels of total arts dollar activity, more public broadcast dollar activity, and more leisure activities that act as complements to the art and cultural activity.
- The more organizations in the arts education and symphony orchestra sectors, the higher earned revenue for all organizations in each sector. By contrast, more sector competitors in the art museum, dance, music, opera, PAC, or theatre sectors drives down program revenue for organizations in each of these sectors.

How do socio-demographic characteristics of the community affect performance?

- Program revenue is higher for organizations in communities where total population is higher and the socioeconomic level is higher.
- As the median age or percentage of the population either Asian-American or African-American increase, program revenue levels go down.

What impact does cultural policy have on performance?

- Government grant activity in the local market had no effect on program revenue.

What Drives Direct (non-staff) Marketing Spend?

What organizational characteristics affect this performance?

- Higher direct (non-staff) marketing expenses tend to occur for older organizations, those with larger budgets, larger boards, more square footage, higher occupancy expenses, those with high levels of funding from local or state government, and those that receive NEA or IMLS grants. Direct marketing expenses also are higher for those organizations with more total offerings, with a higher median ticket price, and present more local and world premieres.
- Total marketing expenses tend to be lower for organizations that target those under 25, African-Americans or Hispanics/Latinos.

How do community arts and leisure characteristics affect performance?

- Total marketing expenses are higher for organizations in communities with more arts dollar activity.
- The more organizations in each sector, the lower direct marketing costs.

How do socio-demographic characteristics of the community affect performance?

- Direct marketing expenses are higher in communities with ~~higher median age,~~ higher total population, or a higher percentage of Hispanics/Latinos. By contrast, they are lower in markets with ~~a~~ more children, higher median age, or a high percentage of African-Americans.

What impact does cultural policy have on performance?

- Higher state and federal government grant activity in the local market lowered direct marketing expenses.

Unrestricted Surplus (Deficit) Index

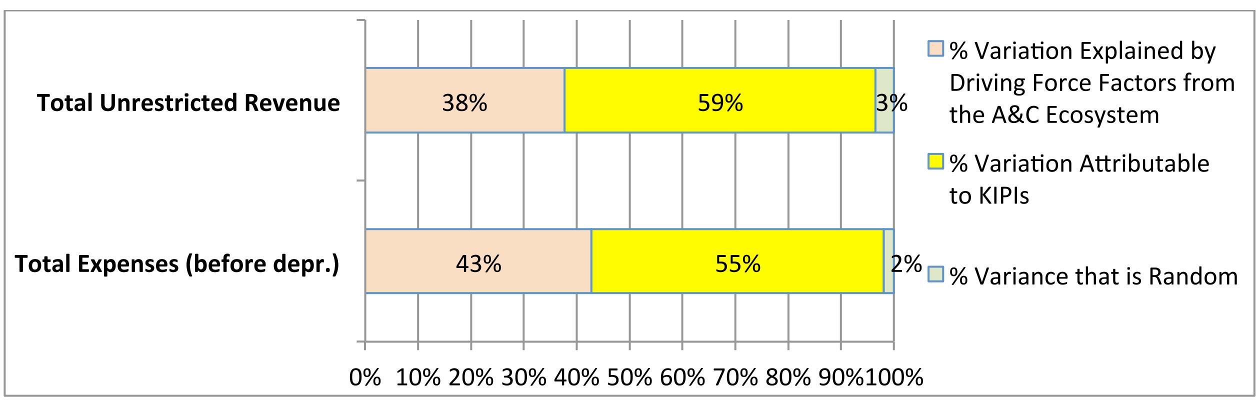
This bottom line figure is a formula created by subtracting total expenses (before depreciation) from total unrestricted revenue (before capital gains), then dividing by total expenses (before depreciation) to get a sense of the surplus/deficit relative to annual budget.

What Drives Total Unrestricted Revenue (before capital gains)?

38% of the variation in total unrestricted revenue (before capital gains) is explained by the factors from the A&C Ecosystem. That 38% can be broken down as follows: 6% is due to the influence of community characteristics and 32% is driven by the organization's operating characteristics and practices. Another 59% is attributable to expertise in attracting and managing the level of unrestricted revenue and 3% of variation in total expenses is random.

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Total Unrestricted Revenue and Total Expenses?

The numerator of this bottom line figure is a formula created by subtracting total expenses (before depreciation) from total unrestricted revenue (before capital gains), and the denominator is total expenses (before depreciation). Here we take a combined look at what drives the component parts.

What organizational characteristics affect this performance?

- Unrestricted revenue and expenses both increase with organizational age and size and the number of local premieres, and they both decrease with targeting of Asian-Americans.

Targeting kids or Hispanics/Latinos also tends to result in lower unrestricted revenue while targeting young adults leads to higher unrestricted revenue.

- Square footage, total investments, and fixed assets are positively related to unrestricted revenue, as is receipt of NEA or IMLS funding or being in a capital or endowment campaign. More programmatic offerings and larger staffs drive higher expenses, as do the number of members or subscribers and the relative spend on marketing.
- Higher local government funding is associated with lower levels of unrestricted revenue and higher expenses.

How do community arts and leisure characteristics affect performance?

- Unrestricted revenue and expenses tend to be higher for organizations in communities with more artists and arts providers, higher levels of total arts dollar activity, more public broadcast dollar activity, and more leisure activities that act as complements to the art and cultural activity.
- The more organizations in the arts education sector, the higher expenses tend to be for organizations in that sector. The more art museums and 'other' museums in a market, the lower the unrestricted revenue and expenses for organizations in those two sectors. Expense levels are unaffected but unrestricted revenue is lower when within-sector competition in community, dance, music, PAC, symphony orchestra, and theatre is higher.

How do socio-demographic characteristics of the community affect performance?

- Unrestricted revenue and expenses are higher for organizations in communities where total population is higher and the socioeconomic level is higher.
- As the median age or percentage of the population Asian-American, African-American or Hispanic/Latino increase, unrestricted revenue levels go down. Unrestricted revenue goes up with a high percentage of children under 18 in a market, and expenses rise with a high percentage of people between 18-24 years of age.

What impact does cultural policy have on performance?

- State and federal government grant activity in the local market had no effect on unrestricted revenue but a positive impact on expenses.

Operating Bottom Line (*before* depreciation) Index

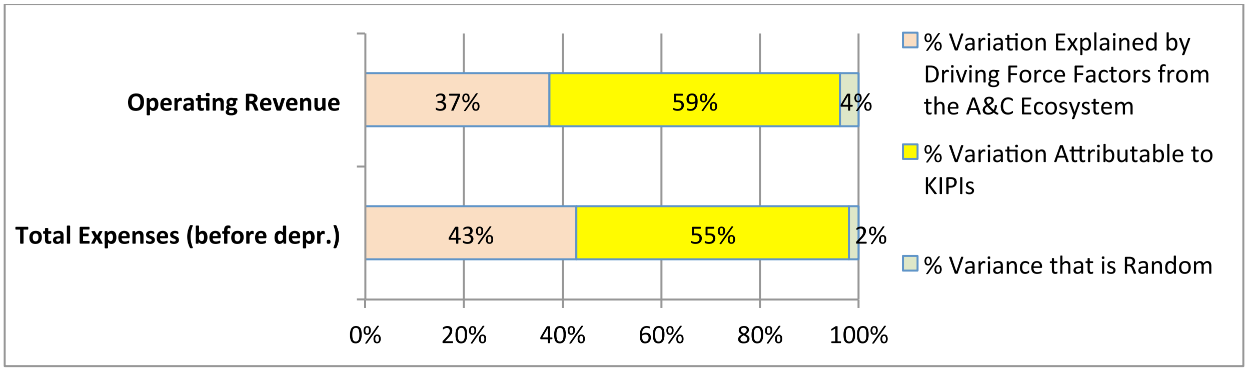
This bottom line figure is a formula created by subtracting total expenses (before depreciation) from total unrestricted *operating* revenue (it excludes unrestricted revenue attracted for non-operating purposes), then dividing by total expenses (before depreciation) to get a sense of the bottom line relative to annual budget.

What Drives Total Operating Revenue?

37% of the variation in total unrestricted revenue (before capital gains) is explained by the factors from the A&C Ecosystem. That 37% can be broken down as follows: 6% is due to the influence of community characteristics and 31% is driven by the organization's operating characteristics and practices. Another 59% is attributable to expertise in attracting and managing the level of operating revenue and 4% of variation in total expenses is random.

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Unrestricted Operating Revenue and Total Expenses (before depr.)?

The numerator of this bottom line figure is a formula created by subtracting total expenses (before depreciation) from unrestricted operating revenue, which is different from total unrestricted revenue in that it does not include revenue for non-operating purposes. The denominator is expenses (before depreciation). Here we take a combined look at what drives the component parts of operating surplus (deficit).

What organizational characteristics affect this performance?

- Operating revenue and expenses both increase with organizational age and size and the number of local premieres, and they both decrease with targeting of Asian-Americans. Targeting young adults leads to higher operating revenue.
- Square footage is positively related to operating revenue as is receipt of NEA or IMLS funding, while more programmatic offerings and larger staffs drive higher expenses, as do the number of members or subscribers and the relative spend on marketing.
- Higher local government funding is associated with higher expenses but has no effect on operating revenue.

How do community arts and leisure characteristics affect performance?

- Operating revenue and expenses tend to be higher for organizations in communities with more artists and arts providers, higher levels of total arts dollar activity, more public broadcast dollar activity, and more leisure activities that act as complements to the art and cultural activity.
- The more organizations in the arts education sector, the higher expenses tend to be for organizations in that sector. The more art museums and 'other' museums in a market, the lower the unrestricted revenue and expenses for organizations in those two sectors. Expense levels are unaffected but operating revenue is lower when within-sector competition is more intense in the community, dance, music, PAC, theatre, and general performing arts sectors.

How do socio-demographic characteristics of the community affect performance?

- Operating revenue and expenses are higher for organizations in communities where total population is higher and the socioeconomic level is higher.

- As the median age or percentage of the population African-American or Hispanic/Latino increase, operating revenue levels go down. Operating revenue goes up with a high percentage of children under 18 in a market, and expenses rise with a high percentage of people between 18-24 years of age.

What impact does cultural policy have on performance?

- State and federal government grant activity in the local market had no effect on operating revenue but a positive impact on expenses.

Operating Bottom Line (*after* depreciation) Index

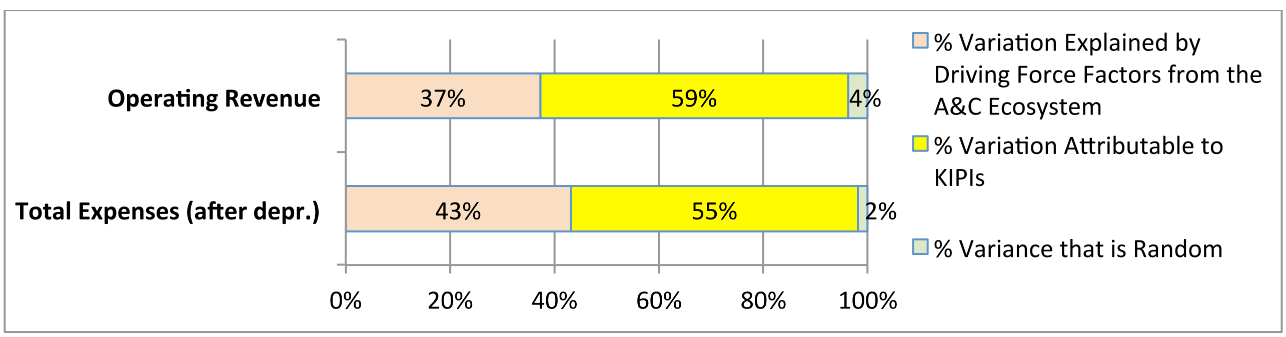
This bottom line figure is a formula created by subtracting total expenses (after depreciation) from total unrestricted *operating* revenue (it excludes unrestricted revenue attracted for non-operating purposes), then dividing by total expenses (after depreciation) to get a sense of the bottom line relative to annual budget.

What Drives Total Operating Revenue?

37% of the variation in total unrestricted revenue (before capital gains) is explained by the factors from the A&C Ecosystem. That 37% can be broken down as follows: 6% is due to the influence of community characteristics and 31% is driven by the organization's operating characteristics and practices. Another 59% is attributable to expertise in attracting and managing the level of operating revenue and 4% of variation in total expenses is random.

What Drives Total Expenses (after depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 7% is due to the influence of community and cultural policy characteristics and 36% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Unrestricted Operating Revenue and Total Expenses (after depr.)?

The numerator of this bottom line figure is a formula created by subtracting total expenses (after depreciation) from unrestricted operating revenue, which is different from total unrestricted revenue in that it does not include revenue for non-operating purposes. The denominator is total expenses (after depreciation). Here we take a combined look at what drives the component parts of operating surplus (deficit), taking into account the effects of depreciation expense.

What organizational characteristics affect this performance?

- Operating revenue and expenses both increase with organizational age, size, square footage, and the number of local premieres, and they both decrease with targeting of Asian-Americans.

Targeting young adults leads to higher operating revenue and being under a parent organization lowers total expenses.

- NEA or IMLS funding is positively related to operating revenue while more programmatic offerings and larger staffs drive higher expenses, as do the number of members or subscribers and the relative spend on marketing.
- Higher local government funding is associated with higher expenses but has no effect on operating revenue.

How do community arts and leisure characteristics affect performance?

- Operating revenue and expenses tend to be higher for organizations in communities with more artists and arts providers, higher levels of total arts dollar activity, more public broadcast dollar activity, and more leisure activities that act as complements to the art and cultural activity.
- The more organizations in the arts education sector, the higher expenses tend to be for organizations in that sector. The more art museums, opera companies, and 'other' museums in a market, the lower the unrestricted revenue and expenses for organizations in those three sectors. Expense levels are unaffected but operating revenue is lower when within-sector competition in more intense in the community, dance, music, PAC, theatre, and general performing arts sectors.

How do socio-demographic characteristics of the community affect performance?

- Operating revenue and expenses are higher for organizations in communities where total population is higher and the socioeconomic level is higher.
- As the median age or percentage of the population African-American or Hispanic/Latino increase, operating revenue levels go down. Operating revenue goes up with a high percentage of children under 18 in a market, and expenses rise with a high percentage of people between 18-24 years of age.

What impact does cultural policy have on performance?

- State and federal government grant activity in the local market had no effect on operating revenue but a positive impact on expenses.

Months of Working Capital Index

Working capital is a formula created by subtracting unrestricted current liabilities from unrestricted current assets, then dividing by total expenses (before depreciation) to get a sense of working capital relative to annual budget. Finally, we multiply this percentage by 12 to assess the number of months of working capital.

What Drives Unrestricted Current Assets?

24% of the variation in total unrestricted revenue (before capital gains) is explained by the factors from the A&C Ecosystem. That 24% can be broken down as follows: 4% is due to the influence of community characteristics and 20% is driven by the organization's operating characteristics and practices. Nearly three quarters is attributable to expertise in establishing and managing the level of current assets and 3% of variation in total expenses is random.

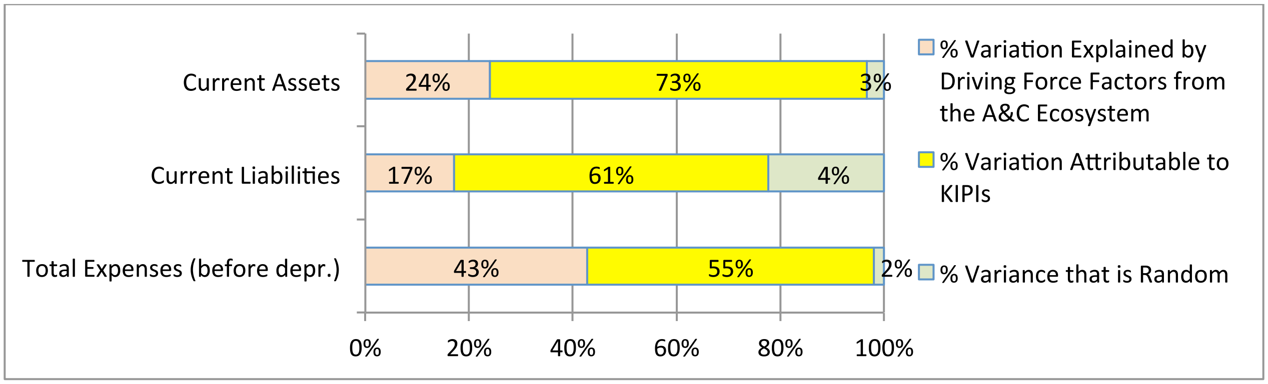
What Drives Unrestricted Current Liabilities?

17% of the variation in total unrestricted revenue (before capital gains) is explained by the factors from the A&C Ecosystem. That 17% can be broken down as follows: 4% is due to the influence of community characteristics and 13% is driven by the organization's operating characteristics and practices. Another

61% is attributable to expertise in establishing and managing the level of current liabilities and 4% of variation in total expenses is random.

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Unrestricted Operating Revenue and Total Expenses (after depr.)?

Working capital is a formula created by subtracting unrestricted current liabilities from unrestricted current assets. To understand the difference between the two, we look at what drives each of the component parts.

What organizational characteristics affect this performance?

- Organizations currently in a capital or endowment campaign have higher current assets, as do those with higher levels of investments and fixed assets. Those that receive higher levels of local funding have lower current assets. Higher state funding leads to lower current assets and higher current liabilities, so lower working capital.
- Both current assets and current liabilities increase with organizational age and budget size, and when the organization receives NEA or IMLS funding. Organizations with higher occupancy expenses have higher current liabilities.
- Organizations that target kids (preK-12) have higher current assets and lower current liabilities – so higher working capital -- whereas those targeting African-Americans have higher current liabilities. Current assets and current liabilities are lower for organizations that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Current assets and current liabilities tend to be higher for organizations in communities with higher levels of total arts dollar activity and more leisure activities that act as complements to the art and cultural activity.
- Having more artists and arts providers in a community tend to drive up current assets and drive down current liabilities, so higher working capital. By contrast, more public broadcast dollar activity drive down current assets and increase current liabilities, so lower working capital.
- The more arts education and music organization within-sector competition, the higher current assets and the lower current liabilities, so the higher working capital.

- The more organizations in the dance sector, the higher both current assets and liabilities for organizations in that sector. The more community organizations, 'other' museums, and general performing arts organizations in a market, the lower the current assets and liabilities for organizations in those sectors. Current asset levels are unaffected but current liabilities are lower when within-sector competition is more intense in the opera companies and art museums. Competition among theatres drives down current assets but has no effect on current liabilities.

How do socio-demographic characteristics of the community affect performance?

- Higher socioeconomic level and a higher percentage of kids in the community increase current assets while higher median age and more young adults in the market are associated with higher current liabilities. Total population drives up both.
- As the percentage of the population Asian-American increases, current liabilities decrease.

What impact does cultural policy have on performance?

- State and federal government grant activity in the local market positively impact both current assets and current liabilities.

What Drives Total Expenses (before depreciation)?

What organizational characteristics affect this performance?

- Higher total expenses – i.e., larger budgets – tend to occur for older organizations, those with high levels of funding from local or state government, with more members and/or subscribers, and with larger staffs. Total expenses also are higher for those organizations that spend more on marketing, offer more programming, and present more local premieres.
- Expenses tend to be lower for organizations that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Total expenses are higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, more public broadcast dollar activity, and more leisure activities, which in this case act as complements.
- The more art museums or 'other museums', the smaller the budget tends to be for the organizations in each of these two sectors. By contrast, having more arts education organizations in a market tends to mean larger budgets for those competing organizations.

How do socio-demographic characteristics of the community affect performance?

- Total expenses are greater in communities with a higher percentage 18-24-year olds, larger population, or higher socio-economic level.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market tend to result in higher total expenses.

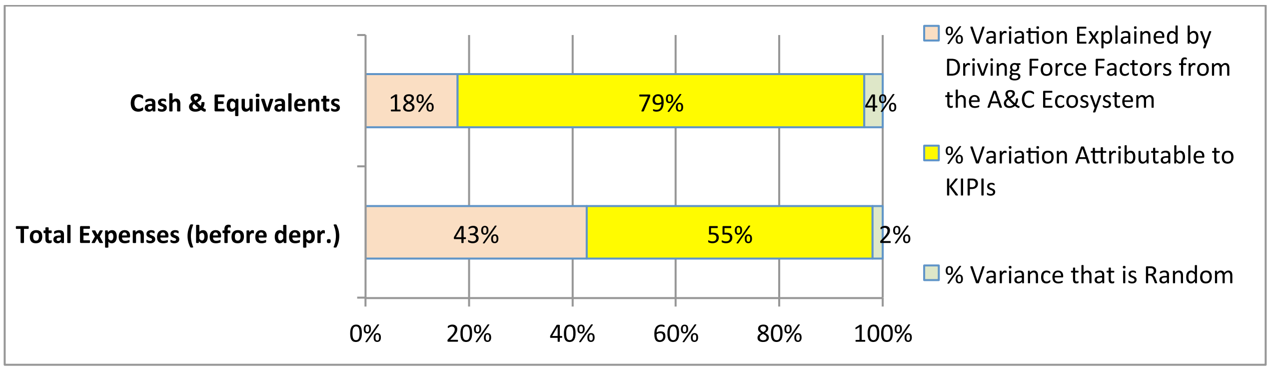
Months of Available Cash Index

What Drives Unrestricted & Temporarily Restricted Cash, Cash Equivalents, Investments, and Line of Credit Limit?

The driving force factors from the A&C Ecosystem explain 22% of unrestricted contributions from corporations. That 22% can be broken down as follows: 1% is due to the influence of community and cultural policy characteristics and 21% is driven by the organization's operating characteristics and practices. The expertise at managing liquidity and access cash drives 55% of performance, and 23% is attributable to random variation.

What Drives Total Expenses (before depreciation)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. That 43% can be broken down as follows: 6% is due to the influence of community and cultural policy characteristics and 37% is driven by the organization's practices and operating characteristics. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.



What Drives Unrestricted & Temporarily Restricted Cash, Cash Equivalents, Investments, and Line of Credit Limit?

What organizational characteristics affect this performance?

- Greater cash and access to cash tends to occur for organizations in a capital or endowment campaign, older organizations, those with larger budgets or higher fixed assets, those with high levels of funding from local government, and those that receive NEA or IMLS grants.
- The level of available cash tends to be higher for organizations that target either kids or Hispanics/Latinos, and lower for organizations that target those under 25, African-Americans or those that receive higher levels of state government funding.

How do community arts and leisure characteristics affect performance?

- Organizations in communities with more artists and arts providers and higher levels of arts dollar activity tend to have higher levels of available cash.
- The more competing arts education organizations, community organizations, dance companies, music organizations, PACs, and symphony orchestras, the higher the available cash for the organizations in those sectors. By contrast, more intense within-sector competition in opera and general performing arts limits available cash for organizations in those two sectors.

How do socio-demographic characteristics of the community affect performance?

- Available cash is more constrained for organizations in communities with a higher socioeconomic level and for those with a higher percentage of people under 25, Asian-American, African-American, or Hispanic/Latino.

What impact does cultural policy have on performance?

- Government grant activity in the local market had no effect on available cash.

What Drives Total Expenses (before depreciation)?

What organizational characteristics affect this performance?

- Higher total expenses – i.e., larger budgets – tend to occur for older organizations, those with high levels of funding from local or state government, with more members and/or subscribers, and with larger staffs. Total expenses also are higher for those organizations that spend more on marketing, offer more programming, and present more local premieres.
- Expenses tend to be lower for organizations that target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- Total expenses are higher for organizations in communities with high levels of total arts dollar activity, total number of arts providers, more public broadcast dollar activity, and more leisure activities, which in this case act as complements.
- The more art museums or 'other museums', the smaller the budget tends to be for the organizations in each of these two sectors. By contrast, having more arts education organizations in a market tends to mean larger budgets for those competing organizations.

How do socio-demographic characteristics of the community affect performance?

- Total expenses are greater in communities with a higher percentage 18-24-year olds, larger population, or higher socio-economic level.

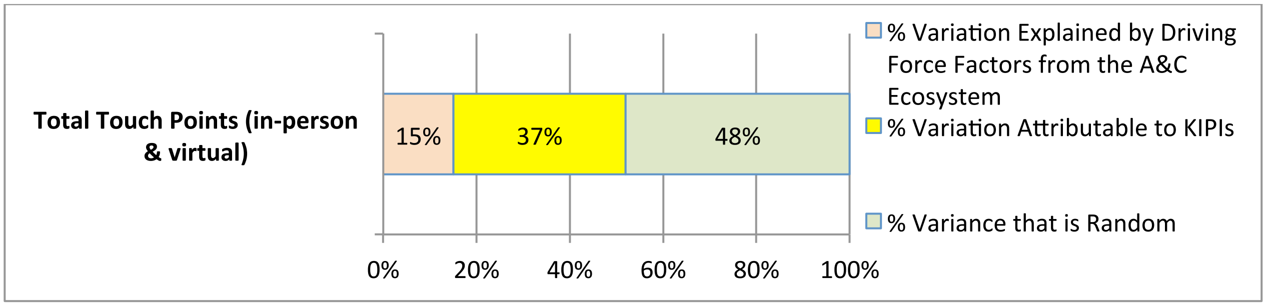
What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market tend to result in higher total expenses.

Total Engagement Index

What Drives Total Community Engagement?

The driving force factors from the A&C Ecosystem explain 15% of community engagement, whether the touch points occurred in-person or virtually through digital programming. 37% is driven by the expertise at cultivating relationships and attracting people to become engaged with the organization, and 48% is attributable to random variation.



What Drives Total Engagement?

What organizational characteristics affect this performance?

- More engagement emerges for organizations that are older, own their space, with larger budgets, have more square footage, or provide more program offerings.
- Local and world premieres elevate the number of total touch points.
- Organizations that spend more on fundraising and those that target kids engage more people, and those targeting African-Americans or young adults engage fewer.
- Local funding support increased engagement figures while state dollars had no effect, and the number of NEA and IMLS grants had a positive effect on an organization's number of total touch points.

How do community arts and leisure characteristics affect performance?

- Any individual organization's number of total touch points is negatively affected by the number of leisure activities. Evidently, there are strong effects between arts and cultural organizations and substitute leisure activities when it comes to participation.
- As the percentage of independent artists and arts providers in the community increase, total touch points go down.
- There are no competitive effects from similar organizations in the same sector, and total arts revenue per capita in a sector drives up total touch points for organizations.

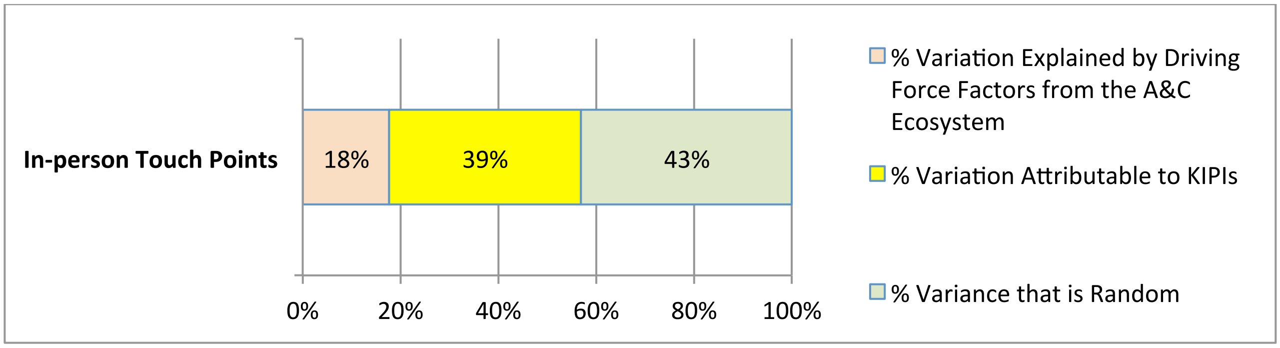
How do socio-demographic characteristics of the community affect performance?

- The higher the population, the greater the general presence of people under 25 years old in the market, and the higher the median age in the market, the lower total touch points.
- The higher the percentage of the population Hispanic/Latino, the higher the touch points.
- The more households with income $200,000 and above, the lower total engagement, perhaps a reflection of this segment and limited time.

In-Person Engagement Index

What Drives In-Person Engagement?

The driving force factors from the A&C Ecosystem explain 18% of in-person community engagement. That 18% can be broken down as follows: 4% is due to the influence of community and cultural policy characteristics and 14% is driven by the organization's operating characteristics and practices. 39% is driven by the expertise at cultivating relationships and attracting people to become engaged with the organization, and 43% is attributable to random variation.



What Drives In-Person Engagement?

What organizational characteristics affect this performance?

- The total number of in-person touch points rises with organizational age, budget size, square footage, and number of program offerings provided.
- Local premieres elevate the number of in-person touch points while national or world premieres lower it.
- Organizations that spend more on marketing, attract more people to view their web pages, have more members or subscribers, and target kids or Asian-Americans engage more people, and those targeting African-Americans or young adults engage fewer.
- Local and state funding support increased in-person engagement figures, and the number of NEA and IMLS grants had a positive effect on an organization's number of in-person touch points.

How do community arts and leisure characteristics affect performance?

- Public broadcast dollar activity boosts in-person engagement. Any individual organization's number of total touch points is negatively affected by the number of artists and arts providers in the market.
- The more arts education organizations, art museums or theatre companies in a market, the lower the in-person engagement by organizations within these sectors. Within-sector competition in general performing arts tends to increase the total touch points of organizations in that sector.

How do socio-demographic characteristics of the community affect performance?

- The higher the population, the greater the general presence of people under 25 years old in the market, and the higher the median age in the market, the lower total touch points.
- The higher the percentage of the population Asian-American or African-American, the lower the number of in-person touch points.
- As socioeconomic levels increase, total touch points go down.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market are associated with lower total in-person touch points.

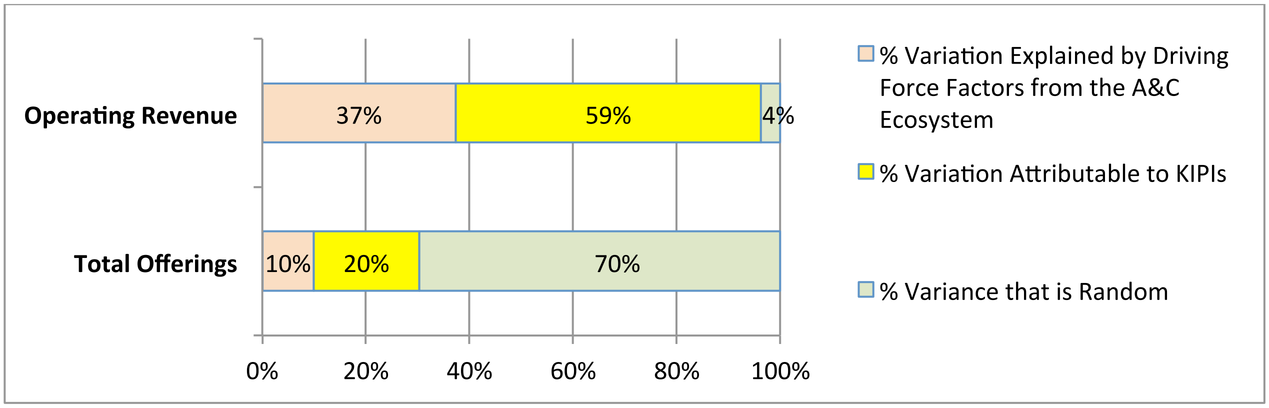
Revenue per Offerings Index

What Drives Operating Revenue?

The driving force factors from the A&C Ecosystem explain 37% of total operating revenue. That 37% can be broken down as follows: 6% is due to the influence of community characteristics and 31% is driven by the organization's practices and operating characteristics. Another 59% of attendance is attributable to expertise in generating and managing revenue, and 4% is attributable to random variation.

What Drives Total Offerings?

The number of total programmatic offerings is driven 10% by factors from the A&C Ecosystem. That 10% can be broken down as follows: 4% is due to the influence of community and cultural policy characteristics and 6% is driven by the organization's practices and operating characteristics. Another 20% of attendance is attributable to expertise in deciding the right number of offerings to provide, and 70% is attributable to random variation.



What Drives Operating Revenue?

What organizational characteristics affect this performance?

- Operating revenue tends to be higher with organizational age, square footage, budget size, the number of local premieres, targeting young adults or African-Americans, and being awarded NEA or IMLS grants.
- Higher levels of local government support and targeting Asian-Americans tend to lead to lower operating revenue.

How do community arts and leisure characteristics affect performance?

- Operating revenue tends to be higher for organizations in communities with more public broadcast dollar activity, higher total arts dollar activity, more artists and arts providers.
- The more organizations in the 'other' museum sector, the higher the operating revenue for all organizations in that sector. By contrast, having more within-sector competitors in community, dance, music, PACs, theatre, and general performing arts drives down operating revenue for organizations within these sectors.

How do socio-demographic characteristics of the community affect performance?

- Operating revenue is lower in communities where the total population is larger, the socioeconomic level is higher, and there are a higher percentage of kids.

- When communities have a higher percentage of the population that is African-Americans or Hispanics/Latinos or when median age is high, operating revenue tends to be lower.

What impact does cultural policy have on performance?

- Government grant activity in the local market was unrelated to operating revenue.

What Drives Total Offerings?

What organizational characteristics affect this performance?

- Organizational age, square footage, budget size, available working capital, higher occupancy expenses, and being in a capital campaign all lead to more programmatic offerings. More offerings also occur when organizations target kids, Hispanics/Latinos, or they have been awarded NEA or IMLS grants.
- When there are more world premieres presented, there tend to be fewer total offerings. This is also the case when organizations target young adults or African-Americans, or they have higher revenue from interest and dividends.

How do community arts and leisure characteristics affect performance?

- Total offerings tend to be more numerous for organizations in communities with more public broadcast dollar activity, larger population size, more other leisure activities available, and higher total arts dollar activity.
- The more organizations in each sector, the fewer offerings per organization in each sector.

How do socio-demographic characteristics of the community affect performance?

- There are more offerings per organization in communities where the socioeconomic level and median age are high, and where there is a higher percentage of young adults, African-Americans.
- What impact does cultural policy have on performance?
- Higher state and federal government grant activity in the local market is related to lower total offerings.

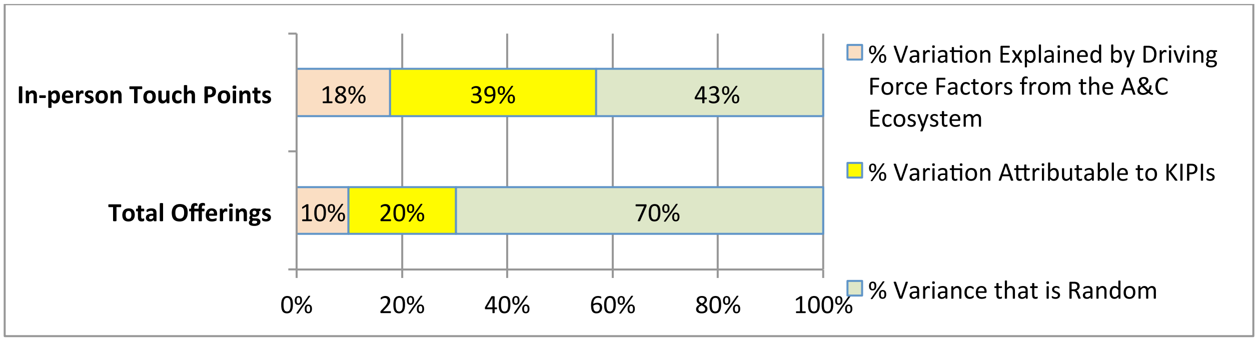
People per Offerings Index

What Drives In-Person Engagement?

The driving force factors from the A&C Ecosystem explain 18% of in-person community engagement. That 18% can be broken down as follows: 4% is due to the influence of community and cultural policy characteristics and 14% is driven by the organization's operating characteristics and practices. 39% is driven by the expertise at cultivating relationships and attracting people to become engaged with the organization, and 43% is attributable to random variation.

What Drives Total Offerings?

The number of total programmatic offerings is driven 10% by factors from the A&C Ecosystem. That 10% can be broken down as follows: 4% is due to the influence of community and cultural policy characteristics and 6% is driven by the organization's practices and operating characteristics. Another 20% of attendance is attributable to expertise in deciding the right number of offerings to provide, and 70% is attributable to random variation.



What Drives In-Person Engagement?

What organizational characteristics affect this performance?

- The total number of in-person touch points rises with organizational age, budget size, square footage, and number of program offerings provided.
- Local premieres elevate the number of in-person touch points while national or world premieres lowers it.
- Organizations that spend more on marketing, attract more people to view their web pages, have more members or subscribers, and target kids or Asian-Americans engage more people, and those targeting African-Americans or young adults engage fewer.
- Local and state funding support increased in-person engagement figures, and the number of NEA and IMLS grants had a positive effect on an organization's number of in-person touch points.

How do community arts and leisure characteristics affect performance?

- Public broadcast dollar activity boosts in-person engagement. Any individual organization's number of total touch points is negatively affected by the number of artists and arts providers in the market.
- The more arts education organizations, art museums or theatre companies in a market, the lower the in-person engagement by organizations within these sectors. Within-sector competition in general performing arts tends to increase the total touch points of organizations in that sector.

How do socio-demographic characteristics of the community affect performance?

- The higher the population, the greater the general presence of people under 25 years old in the market, and the higher the median age in the market, the lower total touch points.
- The higher the percentage of the population Asian-American or African-American, the lower the number of in-person touch points.
- As socioeconomic levels increase, total touch points go down.

What impact does cultural policy have on performance?

- Higher levels of state and federal government grant activity in the local market are associated with lower total in-person touch points.

What Drives Total Offerings?

What organizational characteristics affect this performance?

- Organizational age, square footage, budget size, available working capital, higher occupancy expenses, and being in a capital campaign all lead to more programmatic offerings. More offerings also occur when organizations target kids, Hispanics/Latinos, or they have been awarded NEA or IMLS grants.
- When there are more local or world premieres presented, there tend to be fewer total offerings. This is also the case when organizations target young adults or African-Americans, or they have higher revenue from interest and dividends.

How do community arts and leisure characteristics affect performance?

- Total offerings tend to be more numerous for organizations in communities with more public broadcast dollar activity and higher total arts dollar activity.
- The more organizations in the music sector, the more offerings music organizations tend to provide. By contrast, having more within-sector competitors in arts education, community, opera, PACs, symphony orchestras or 'other' museums tends to result in organizations in those sectors offering fewer programs.

How do socio-demographic characteristics of the community affect performance?

- There are more offerings per organization in communities where the socioeconomic level and median age are high, and where there is a higher percentage of a young adults, African-Americans, or Hispanics/Latinos.
- When communities have a higher percentage of the population that is Asian-American or under the age of 18, total offerings tend to be lower.

What impact does cultural policy have on performance?

- Higher state and federal government grant activity in the local market is related to lower total offerings.

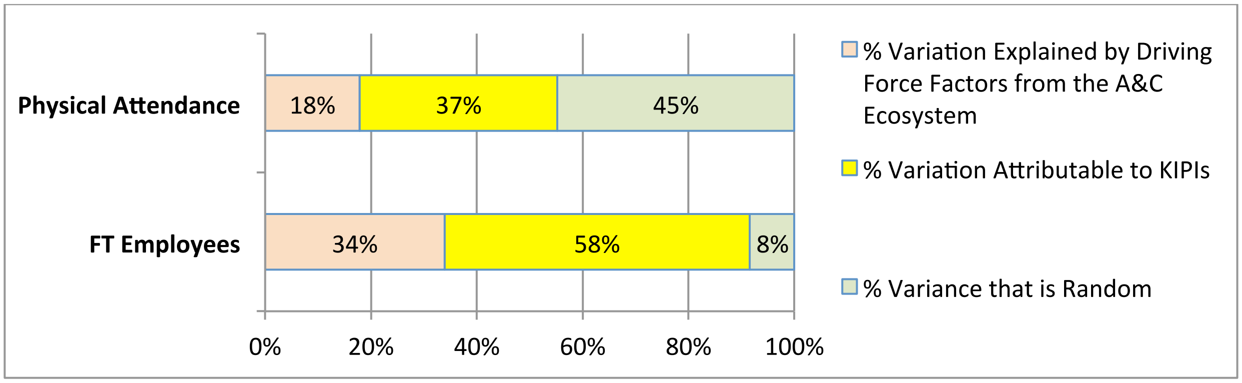
Visitor-to-Staff Index

What Drives Total In-person Attendance?

The driving force factors from the A&C Ecosystem explain 18% of total attendance by those who participate in the organization's offerings in-person. That 18% can be broken down as follows: 4% is due to the influence of community characteristics and 14% is driven by the organization's practices and operating characteristics. Another 37% of attendance is attributable to expertise in attracting attendees, and 45% is attributable to random variation.

What Drives the Number of Full-time Employees?

The driving force factors from the A&C Ecosystem explain 34% of the level of total full-time employees. That 34% can be broken down as follows: 8% is due to the influence of community characteristics and 26% is driven by the organization's practices and operating characteristics. Another 58% of variation in the number of full-time employees is attributable to expertise in setting and managing the level that is best for the organization, and 8% is attributable to random variation.



What Drives In-person Attendance?

What organizational characteristics affect this performance?

- In-person attendance increases with organizational age, square footage, budget size, the number of programmatic offerings, number of local premieres, the amount spent on marketing, the number of subscribers/members, the number of website page views, targeting kids or Asian-Americans, and being awarded NEA or IMLS grants.
- Attendance tends to be lower when organizations receive higher levels of support from local government or if they target African-Americans.
- Price had no effect on attendance.

How do community arts and leisure characteristics affect performance?

- In-person attendance tends to be higher for organizations in communities with more public broadcast dollar activity, and lower for organizations in communities with high total arts dollar activity and more artists and arts providers.
- The more organizations in the general performing arts sector, the higher the attendance for all organizations in that sector. By contrast, more within-sector competitors in arts education, art museums, opera, or theatre drives down attendance for organizations within these sectors.

How do socio-demographic characteristics of the community affect performance?

- Physical attendance is lower in communities where the total population is larger and the socioeconomic level and median age are higher. It is also lower if the organization is in a market with a higher percentage of the population under 25, Asian-Americas, African-American or Hispanics/Latino.

What impact does cultural policy have on performance?

- Physical attendance is lower in communities with higher state and federal government grant activity in the local market.

What Drives the Number of Full-time Employees?

What organizational characteristics affect this performance?

- The number of full-time employees that an organization has tends to increase with with its age, square footage, budget size, board size, occupancy expenses, the number of programmatic offerings, amount of total investments, and top ticket price.
- Organizations that target people under 18 years old or African American, and those awarded NEA or IMLS grants tend to have more full-time employees.

- The number of full-time employees tends to be lower for organizations that present higher levels of local and world premieres and for those who target Asian-Americans.

How do community arts and leisure characteristics affect performance?

- An organization's number of full-time employees tends to be higher for organizations in communities with higher total arts dollar activity and more leisure activities, which act as complements in this case.
- More artists and arts providers in a community drive down the number of full-time employees, as does more public broadcast activity.
- The higher within-sector competition in every sector, the lower the number of full-time employees.

How do socio-demographic characteristics of the community affect performance?

- The number of full-time employees an organization has rises when there is a higher percentage of young adults in the community and with larger total population. The number is lower in communities where the socioeconomic level is higher.

What impact does cultural policy have on performance?

- Organizations tend to have more full-time employees in communities with higher state and federal government grant activity in the local market.

Identifying High Performance and Key Intangible Performance Indicators (KIPIs)

What is a KIPI? The short answer

A KIPI is the mojo that sets a high performing organization apart from others. Intangible aspects like good decision-making, artistic and managerial expertise, reputation and relationships, intellectual capital, and the quality of the work force all influence an organization's performance. We call them KIPIs, or Key Intangible Performance Indicators. Because these traits are, by nature, intangible, we cannot easily observe and measure them. And yet we all know how important they are. By using a statistical technique that we call "high performance frontier analysis," we can estimate how much these intangibles play a role in setting an organization apart from others. This is a method that has helped many other industries understand high performance and the best practices that drive it.

We start by creating a level playing field, much like you see in golf, where the tees are staggered to give men, women, and seniors a more equal chance at achieving the same score. For arts and cultural organizations, we adjust the playing field for numerous organizational characteristics, like budget size and age, since we know that older and larger organizations tend to have higher performance on many performance measures. The organization's community plays a role, too, so we adjust the starting point for those characteristics, too.

Even when the playing field is as level as we can get it, organizations still perform differently than one another. That's where the intangibles come in. Going back to the golf analogy, it's accounting for the fact that one golfer is simply a better golfer than another so, all else being equal, she scores better. With KIPIs, we can estimate just how much of performance was due to expertise by measuring how far a score is from what we'd expect it to be given the organization's operating characteristics and conditions. Moving forward, we will begin to explore and understand what the secret is to success for high-performing organizations for those who want to achieve similar results. Not everyone will want high performance on every measure. Each organization will have its own sense of priorities.

The last element that we have to account for is that some differences in performance are random. One of our golfers may have teed off earlier than the other golfer and played in morning fog. An inexperienced golfer can hit a rock near the green and end up getting a lucky bounce into the hole. Even understanding the impact of expertise isn't enough to fully understand what may be going right or wrong. Some performance outcomes are relatively easy and others are very difficult to explain.

What is a KIPI? The more thorough answer

Stochastic frontier analysis, what we refer to as "high performance frontier analysis," is an analytic method that is in search of the 'above average'. It explores the frontier of maximum feasible output given a set of inputs. When we talk about 'performance' of arts and cultural organizations, there may not be one right answer or a single ideal out there towards which everyone should strive. What we do know, however, is that: 1) Arts organizations do perform differently on different outcome measures, and 2) Any conversation about outcomes or performance immediately raises the question, "Relative to what?" Traditionally, there are two ways of establishing a comparison standard.

One approach is to use quantitative methods to break down data to determine what the 'average' performance is for a group of organizations. These analyses may create average or aggregate scores and show changes over time. For example, the National Arts Index, a project and publication of Americans for the Arts, established a series of health indices using 2003 as the benchmark year, meaning that all performance is scored relative to that year. WESTAF created the Creative Vitality Index (CVI), which reflects the relative economic health of a selected geography's creative economy. These analyses use a different methodology and address outcomes more germane to cultural policy purposes than ours, but it is useful to see what story different approaches and different reference points reveal.

Another approach is to identify best practices or outcomes and try to evaluate how well an organization implements or achieves these ideal outcomes. These analyses frequently involve subjective assessments that may demonstrate questionable reliability. Scoring in many Olympic events and university rankings offer examples of this approach to establishing comparison standards.

High performance frontier analysis uses statistical methods to identify best outcomes and evaluate how close each organization comes to that best outcome. Scores range from 0 to 100, with scores approaching 100 representing 'high performance' outcomes. There is no predetermined 'average' score; rather, the average can be calculated after or as part of the analysis. The scores may approximate a normal bell curve, with half of the organizations performing below an arithmetic mean of 50, but it may turn out that there is an exaggerated tail in the distribution, with a small number of truly exceptional performers skewing the distribution.

So how does high performance frontier analysis accomplish this? The analyses required to incorporate all of these various inputs is complex but the basic idea is similar to regression analysis, which shows how a series of independent factors affect an outcome. This is useful for understanding how two variables are related; for example, human height and weight are usually correlated so that, on average, taller people weigh more than shorter people. But as we know, there are sometimes large deviations from this 'average' relationship. And these deviations have two distinct components. One component is individual behavior, including exercise and calorie intake. Though somewhat more difficult to track and measure than height, these activities are observable and measureable. Research suggests other, less tangible characteristics also play a role, including genetic make-up or thyroid activity. Finally, there probably are factors that determine weight that are as yet completely unknown.

So the determinants of a person's weight can be classified into three broad categories: (1) relatively easy-to-observe-and-measure characteristics like height, exercise, and calorie intake; (2) difficult-to-observe-and-measure characteristics like genetic make-up and thyroid activity; and (3) impossible-to-quantify variations that we may understand in the future but for now must be viewed as random variations. Using stochastic frontier analysis, we adopt the same perspective for understanding the determinants of performance on a variety of measures in arts and cultural organizations. Specifically,

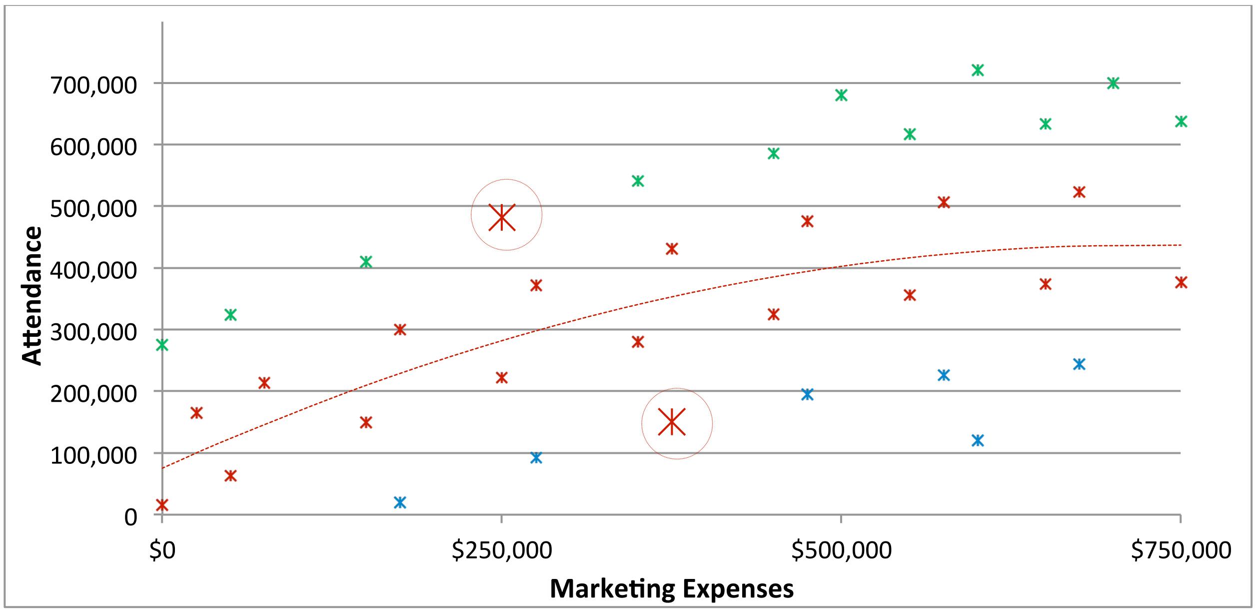
1. There are a large number of relatively easy-to-observe-and-measure characteristics from the arts and culture ecosystem that can affect an organization's performance;
2. There are also some intangible, difficult-to-observe-and-measure characteristics like good decision-making, managerial and artistic expertise, and the quality of the work force that affect an organization's performance; and
3. There is some level of random variation that we can estimate but cannot explicitly model.

We describe the effects of four types of relatively easy-to-observe-and-measure characteristics that influence an organization's performance in the Driving Forces section. We used these measures to build a model for each of the outcome measures – i.e., one for the numerator and one for the denominator -- required to construct the Arts and Culture Performance Indices, each of which is a ratio. This model simultaneously estimates:

1. The relationships between predictor and performance outcome variables, which are described in the Driving Forces section;
2. The component of unexplained variation attributable to intangible influences on performance like good decision-making, managerial or artistic expertise, strong reputation, etc.; and
3. The random variation.

Think about the figure shown below, which maps different Marketing Expense/Attendance combinations (which represent the Response to Marketing Efforts Index, one of the Marketing Impact Indices). These combinations show a logical trend, with larger marketing expenditures generally producing greater attendance. The red dotted line captures that trend. Despite the trend, however, there is significant variation, with individual observations appearing above and below the line.

Plotting the Relationship between Attendance and Marketing Expenses



Notes: Blue asterisks represent low performers; red represent average performers; and green represent high performers. Marketing Expenses include both staff and non-staff marketing costs.

The asterisks appearing above the red line represent higher attendance per marketing dollar spent. The asterisks appearing below the line represent lower attendance per marketing dollar spent. The color coding indicates Marketing Expense/Attendance combinations that are low (blue), about average (red), and high (green). Two exceptions or "outliers" that are circled in red will be explained below.

What explains the variations in these Marketing Expense/Attendance combinations? As described above, there are three general categories: (1) easy-to-observe-and-measure organizational, community and cultural policy factors that are detailed in the Driving Forces section; (2) the intangible, difficult-to-observe-and-measure characteristics like good decision-making, artistic and managerial expertise, reputation and relationships, and the quality of the work force that affect an organization's performance; and (3) some level of random variation.

Controlling for organizational, community and cultural policy factors (#1 above) is critical because it creates a level playing field for all organizations. Before we can determine if an organization is truly performing poorly or well, we have to take into account the organization's sector, its size, its location, its community characteristics, the local cultural policy conditions, and everything else we can think of that might affect its situation. Once we have done so, only then can we ask, "All else being equal, is this organization's performance better or worse than that of other organizations on a given outcome?"

For example, we expect that an older organization with lots of resources (measured as budget size) that is located in a community with low total arts dollar activity *should* perform better on the Response to Marketing Efforts Index. This means that, for this large organization in a munificent community, being above the red line in the figure above is expected. So unless the organization's Marketing Expense/Attendance combination is quite far above the line, we would view its performance as just average. This type of exception appears in the figure above as a large red asterisk circled in red above the red line.

On the other hand, a nascent organization with a small overall budget, located in a community with high total arts dollar activity, faces greater challenges to draw attendees. Given these challenges, a Marketing Expense/Attendance combination that is below average might be viewed as average performance rather than low. The large red asterisk circled in red that appears below the red line in the figure above represents this type of exception.

After creating a level playing field, we can then estimate how much of the remaining variation is attributable to intangible, difficult-to-observe-and-measure characteristics like good decision-making and artistic expertise and how much is simply random variation. We all recognize that the success of organizations in the arts, perhaps more than any other industry, is driven by managerial and artistic expertise. This expertise is very difficult to observe and measure but not impossible to estimate. This estimate, which we call a Key Intangible Performance Indicator (KIPI), represents the single most valuable output from our data collection, spatial model-building, and analysis efforts.

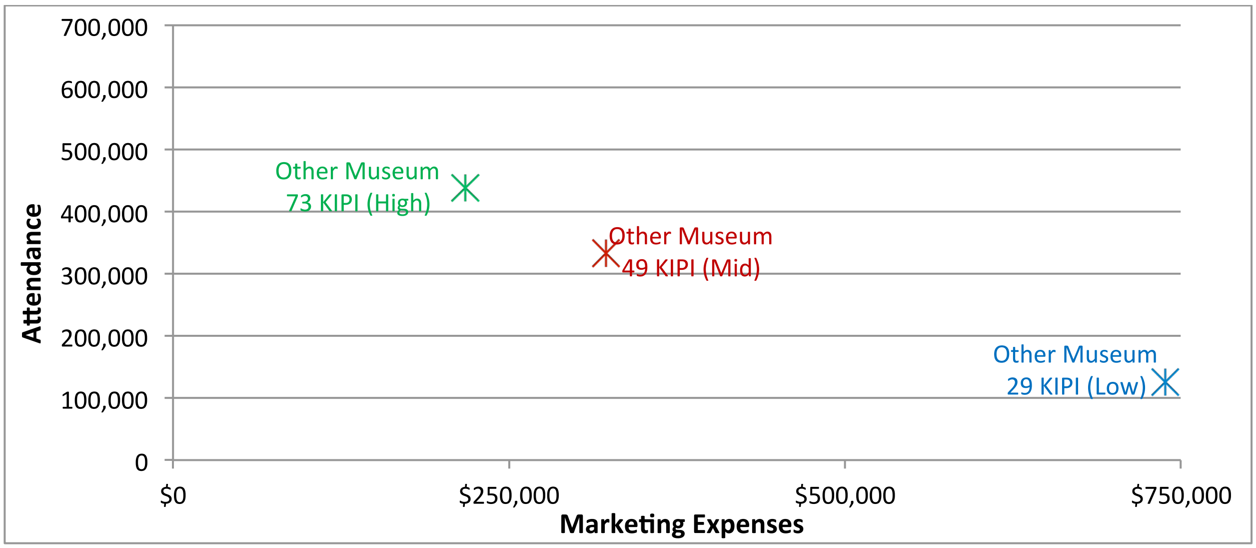
It may well be that scoring high on a KIPI would indicate that the organization is achieving its objectives, or an organization may WANT to be below the frontier. Not every organization will prioritize every performance measure, which is why we provide a menu of measures to consider. The KIPIs are not prescriptive; they are just information about performance relative to others in the field, taking organizational, community, and policy characteristics into account. For example, one earned revenue index compares the amount of program revenue earned per person in attendance. An organization that is heavily reliant on ticket revenue, charges tuition for classes that it offers, and generates parking, advertising and concession revenue may strive for a high score on this KIPI. By contrast, another organization that has a mission-related mandate to keep admission prices low, offers educational programming that is free of charge to participants, and generates only a small amount of advertising and concession revenue may judge its own success by how low it is able to keep its score on this measure.

Individual KIPIs that Control for Organizational, Community and Sector Characteristics

Although a high-level analysis offers some intriguing insights, more useful insight can be gleaned from examining individual KIPIs at the organizational level. In this section, we again map Response to Marketing Efforts (i.e., Marketing Dollar spent per Attendee) to illustrate a KIPI's value. We now use actual examples of anonymous organizations to demonstrate how KIPIs take into account the characteristics of the organization, arts and cultural sector, community, and cultural policy. In each figure, we map organizations that earned relatively low KIPIs (i.e., below 30), mid-range KIPIs around 50, and relatively high KIPIs above 60. To simplify comparisons, we limit the examination to organizations that spent between $100K and $1M on marketing in 2012.

We look at six sectors, starting with a focus on Other (including Children's, History, Natural History, and Science) Museums. We show three Other Museums in the first figure below, which plots an organization's Marketing Expenses and its Attendance and gives the organization's KIPI score. Note that you won't be able replicate the KIPI calculation from the numbers provided in the chart (it is a complex equation!). The low-KIPI (KIPI=29) museum spends nearly $750,000 on marketing (total budget nearly $12M). The mid-KIPI (KIPI=49) museum spends more than $300,000 on marketing (with a total budget around $4M). The high-KIPI (KIPI=73) museum spends a little more than $200,000 on marketing (total budget around $20M). These three organizations demonstrate the basic idea behind the Response to Marketing Efforts Index; that is, the KIPI goes up as the Marketing Expense/Attendance ratio increases.

A Simple Pattern of Individual KIPIs for Three Other Museums



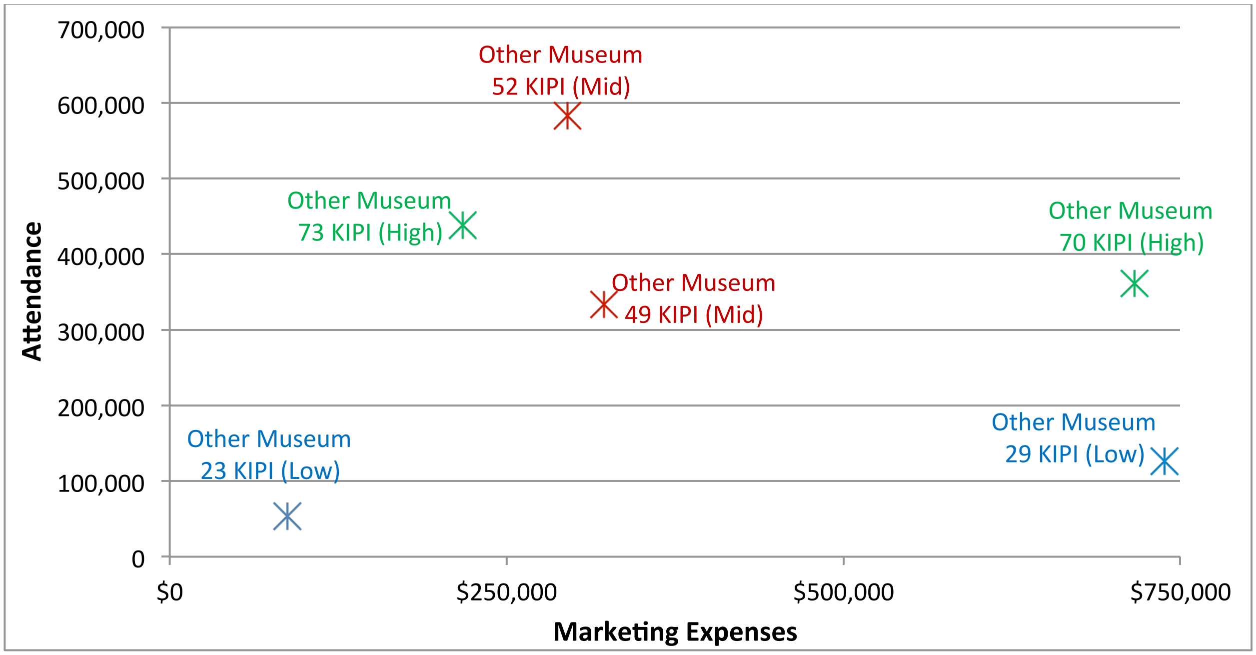
This simple idea is complicated by the fact that the playing field is not level for all organizations. Some organizations have larger physical spaces and budgets, some are located in more or less supportive communities, and some receive greater government or foundation support. In the next section, we expand our sample to six Other Museums to demonstrate how controlling for (1) organizational characteristics such as budget size and pricing decisions and (2) community factors creates a level playing field for KIPI estimation.

KIPIs Account for Organizational Characteristics like Budget Size and Pricing Decisions

In the figure below, we add in three more Other Museums and color-code them to indicate whether their KIPI is in the low (blue), mid (red), or high (green) range. We first note how organizational size has no obvious effect on KIPIs. For example, looking at the two low-KIPI organizations, the 23-KIPI museum spends under $100,000 (total budget just over $1M), and the 29-KIPI museum spends nearly $750,000 on marketing (total budget nearly $12M). The 73-KIPI museum spends a little more than $200,000 on marketing (with a total budget around $2M); the 70-KIPI museum spends over $700,000 on marketing (total budget around $1M).

We included budget size as one of the Driving Forces and it exerted a positive effect on both Attendance and Marketing Expenses. This means that, all else equal, a small budget-size organization that spends an equal amount on marketing and attracts an equal number of attendees as a large-budget organization receives a higher KIPI than the large budget-size organization. Budget size is one reason why the 49-KIPI museum has nearly the same score as the 52-KIPI museum even though it spends more on marketing and has far fewer attendees. The 52-KIPI museum's budget is nearly three times the size as the 49-KIPI museum.

Patterns of Individual KIPIs for Six Other Museums



But there are other organizational factors that explain why the 49-KIPI museum receives nearly as good a score as the 52-KIPI museum that spends less on marketing and attracts 70% more people. The 49-KIPI organization offers far fewer permanent (2 versus 20) and temporary (5 versus 10) exhibitions than the 52-KIPI museum; all else equal, a larger number of exhibitions has the potential to attract more people. The 49-KIPI organization also charges a higher price ($9.50 versus $7) than the 52-KIPI museum; all else equal, a museum charging higher ticket prices has to spend more to attract customers than a museum charging lower ticket prices. Remember, the Response to Marketing Efforts KIPI does not try to evaluate whether fewer or more exhibitions or higher or lower prices are good or bad decisions; rather, it assesses marketing effectiveness given other organizational decisions such as programming and price.

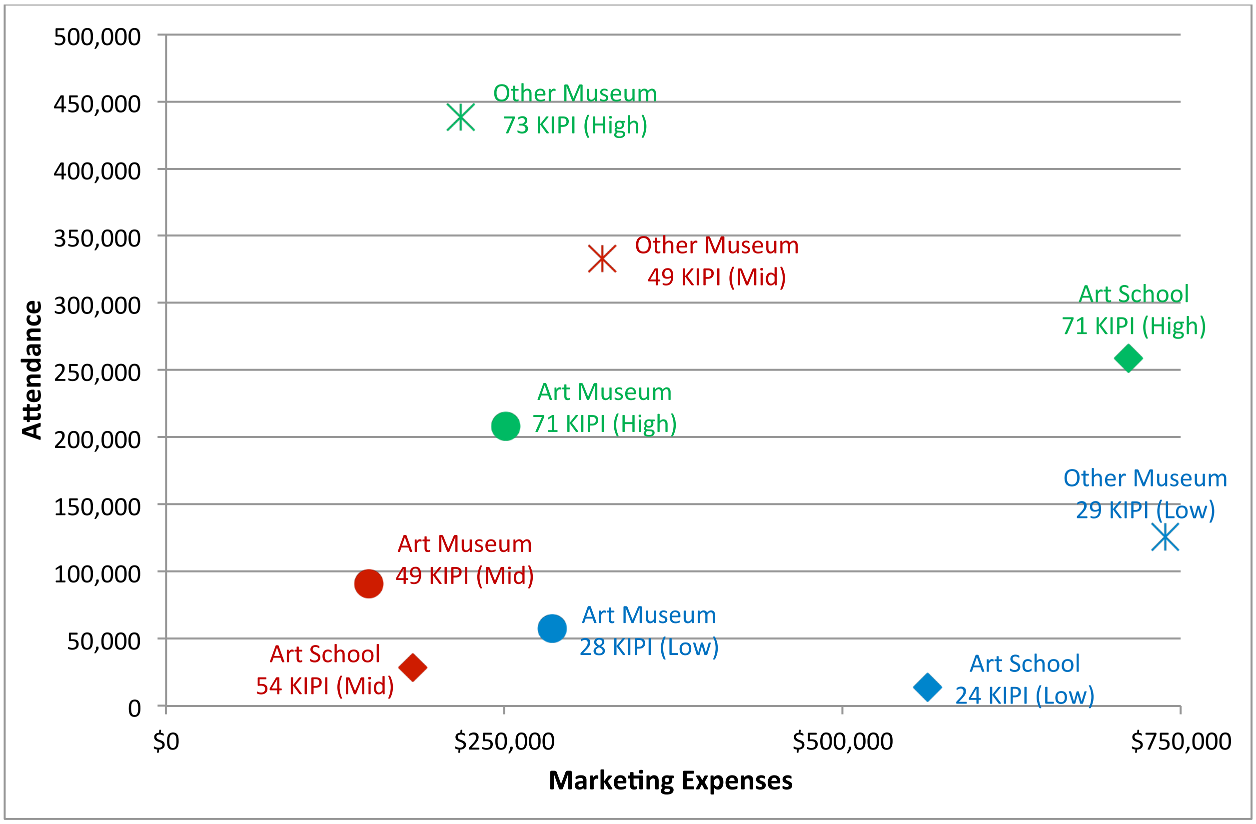
KIPIs Account for Community Characteristics

It also seems surprising at first glance that the 70-KIPI museum spends much more on marketing than the 73-KIPI museum, attracts a similar number of attendees, and receives nearly the same score. These similar KIPI scores for different Marketing Expense/Attendance ratios are attributable to both organizational and community characteristics. As with the mid-KIPI example above, the 70-KIPI museum has fewer exhibitions and charges higher prices than the 73-KIPI museum; these programming and pricing decisions place greater demands on marketing at the 70-KIPI museum to bring people in. Adding to this challenge, the 70-KIPI museum is located in a community with much weaker support for other museums as measured by the combined total program and contributed revenue generated by this sector. This figure is more than 13 times higher in the 73-KIPI museum's market than in the 70-KIPI museum's market. All else equal, a museum charging higher ticket prices in a community that provides less support for the arts has to allocate more marketing resources to attract the same number of visitors as a museum charging lower ticket prices in a community that provides less support for the arts. By including these community characteristics in the Driving Forces analysis, we have created a level playing field for these organizations that face very different marketing challenges.

KIPIs also Account for Sector Characteristics

In the following figure, we compare the first three Other Museums highlighted above with three Art Museums and three Arts Education organizations. We continue to use the same color coding; that is, low KIPIs in blue, mid-range KIPIs in red and high KIPIs in green. The symbols in the figure indicate the sector for each organization.

Comparing Other Museums, Arts Museums, and Arts Education



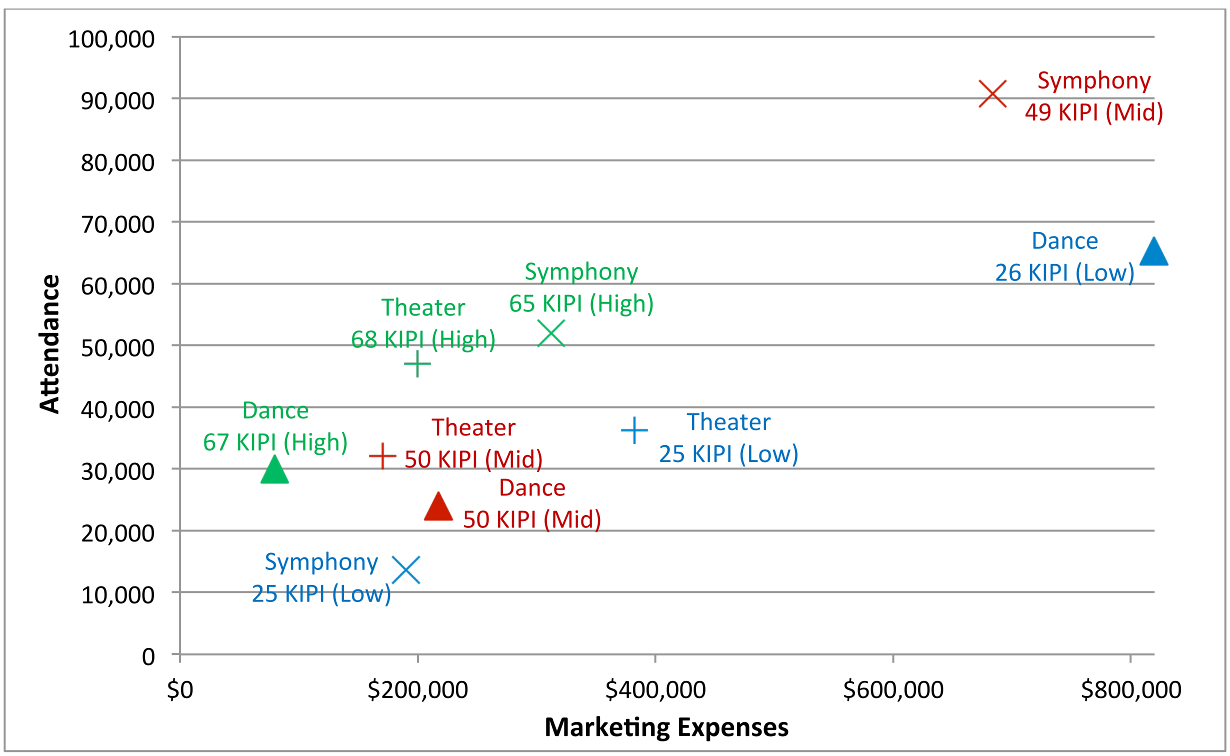
We already examined these three, simply-aligned Other Museums. In the Art Museum sector (the circles), the low-KIPI organization has relatively high marketing spend and low attendance; the mid-KIPI organization has lower marketing spend and slightly higher attendance; and the high-KIPI organization has medium marketing spend and medium-high attendance. In the Art School sector (the diamonds), the low-KIPI organization has high marketing spend and relatively low attendance; the mid-KIPI organization has lower marketing spend and slightly higher attendance; and the high-KIPI organization has high marketing spend and high attendance.

The key takeaway from this figure is how KIPIs are scaled differently for each sector. Managerial and artistic expertise and good decision-making manifests itself differently for different sectors given the inherently different sector characteristics, but it exists in all sectors nevertheless. Comparing the mid-KIPI Art School to the mid-KIPI Art Museum, we see that the Art School has a slightly higher KIPI than the Art Museum – 54 versus 49, respectively -- even though the Art School spends more to attract fewer people. Comparing the high-KIPI Art Museum and the high-KIPI Other Museum, which have nearly identical KIPIs (71 and 73, respectively), we see that the Art Museum spends slightly more on marketing to attract far fewer people (approximately half). These patterns are consistent with the sector Averages for Response to Marketing Efforts, which indicate that Other Museums ($2.17) have to spend much less per attendee than do Art Museums ($2.87) or Arts Education ($3.12). This doesn't mean that there is more expertise in high-KIPI Other Museums than high-KIPI Art Museums; it means that expertise produces different results for different sectors.

The previous figure demonstrates how Other Museums have to attract greater attendance per marketing dollar to earn the same KIPI on the Response to Marketing Efforts Index as an Art Museum or Art Education organization. These differences are even greater for Dance companies (that spend $7.81 per attendee), Symphonies (that spend $8.68 per attendee), and Theaters (that spend $7.43 per attendee). These differences in scale lead us to use a separate figure to map these sectors.

First, note that the Attendance axis peaks at 100,000 for these sectors compared to 500,000 in the previous figure. Again, these differences are factored into evaluating KIPIs for organizations in different sectors. For example, the mid-KIPI Symphony in the figure below (the red X) spent nearly $700,000 to attract around 90,000 customers and received an identical KIPI (49) as the mid-KIPI Art Museum (the red ● in the figure above) that spent less than $200,000 to attract approximately the same number of customers. It's just the nature of the different operating models in these different sectors.

Comparing Dance, Symphony and Theater Sectors



We see similarities and differences when we compare the patterns in this figure with the patterns for Arts Schools, Art Museums and Other Museums. Worth noting, in the Dance sector (the triangles) the low-KIPI organization spent a lot of money to attract a relatively large audience while the high-KIPI organization spent relatively little money to attract a much smaller audience. The pattern is much different in the Symphony sector, where the low-KIPI organization spent nearly $200,000 to attract around 14,000 people while the mid-KIPI organization spent nearly $700,000 to attract 90,000 people. The Theater sector (the '+' signs) features three organizations that are more similar in terms of Attendance and Marketing Expenses than organizations in the other sectors. The low-KIPI organization has relatively higher marketing spend and moderate attendance; the mid-KIPI organization has lower marketing spend and slightly lower attendance; and the high-KIPI organization achieves higher attendance with a marketing spend between the other two.

KIPIs Also Help Identify the Source of the High Performance

We would also like to point out another insightful feature of the KIPIs. Because one way to assess Marketing Impact is to examine Marketing Expenses (including personnel)/Attendance, the Response to Marketing Efforts Index KIPI is composed of two distinct KIPIs, one for Marketing Expenses and one for Attendance. This allows us to decompose a KIPI and identify whether a low (or high) score is attributable to attracting too few people or spending too much relative to other organizations. Attracting too few people could be caused by programming choices (relatively few people want to see what you are offering) or ineffective marketing (the target audience is not aware of the offering or the message fails to stimulate action). Spending too much money suggests that the marketing effort is either ineffectively allocated or focused on objectives other than increasing attendance.

We began the analysis by looking at KIPIs in 2012 for all dance companies, symphonies, operas and theaters. We defined low-KIPI organizations as all those scoring under 30, mid-KIPI organizations as 30-59, and high-KIPI organizations as 60 and above. We scaled the Attendance and Marketing Expense KIPIs so that 0 equals the average score, 1 equals one standard deviation above average, and -1 equals one standard deviation below average (a standard deviation is a measure of how spread out the numbers are from the average). This measure simply indicates to what extent an organization or group of organizations is above or below average.

The scores suggest interesting differences between the low-, mid-, and high-KIPI organizations. The high-KIPI organizations score 5 standard deviations above average on the Attendance KIPI and .3 standard deviations below average on the Marketing Expense KIPI. In other words, high-KIPI organizations tend to overspend a little on marketing but they far outperform the average in terms of attendance. The average Marketing Expense KIPI for mid-KIPI organizations is the same as the high-KIPI organizations (i.e., -.3) but they score much lower on the Attendance KIPI, although still 1.13 standard deviations above the average. We can infer that these organizations are spending enough on marketing but that they either need to increase the appeal of their program offerings or increase the effectiveness of their marketing to increase their Response to Marketing Efforts KIPIs. Low-KIPI organizations have a radically different profile. They score .30 standard deviations above average on the Marketing Expense KIPI but -2.2 standard deviations below average on the Attendance KIPI. We are left to wonder whether poor performance on the Attendance KIPI is driven by less popular program choices, ineffective marketing activity, insufficient allocation of resources to marketing, or a conscious decision not to try to bring in more people. A key takeaway from this analysis is that scoring high on a single dimension (in this case, Marketing Expenses) does not necessarily translate into high overall performance.

Finally, we more closely examine the mid-KIPI Dance company to see how the KIPI can be used to inform managerial decisions. Remember, the analyses that estimate the KIPIs control for all of the easy-to-observe-and-measure characteristics that can affect an organization's performance; specifically, the organizational, community, and cultural policy factors described in the Driving Forces section. Understanding and controlling for these influences, we can conclude that the mid-KIPI dance company actually performs much better than average on the Attendance dimension: 3.7 standard deviations above the average. Unfortunately, it also performs much worse than average on the Marketing Expense dimension: 3.7 standard deviations below the average. These results indicate that they're spending far too much on marketing. They may want to critically examine how they spend their marketing dollars and incrementally reduce spending in areas that reap little return without lowering attendance.

Would You Like to Know Your KIPIs?

As a service to arts and cultural leaders, we are working with IBM to create an online dashboard that will allow any arts and cultural organization to access or generate its own KIPIs. These indicators, ranging from 0-100 for each index, will situate your organization relative to all others, taking into account the characteristics of your organization, arts and cultural sector, community, and cultural policy. Over the next few months, we will be refining our analyses and adding indices. We hope to have the dashboard completed in summer 2014.

Where Do We Go from Here?

To come up with the insights essential to our mission, we started with questions. What are the important questions to ask about organizational health and impact? What general areas of an organization's activity should the questions address? Realistically, what areas can be examined with data? We identified the questions as well as the outcomes to examine in order to answer those questions.

In total, we have identified 184 indices to examine over time, each of which provides insights into one of the questions. We have data to answer 128 of them, or 70% of the questions, and we know what data we need to work towards gathering in order to answer the rest.

We have established an ambitious agenda and, in our enthusiasm to share our second report we must recognize the shortcomings. For example, some of performance drivers that came up as significant in the inaugural report are no longer significant due to the incorporation of new data and to refinements in the way we approach the analyses. Those drivers that are significant in both reports give us confidence in their robustness.

Going forward, we will continue to advance the sophistication of our methods in order to provide the most precise and useful findings that we can. We will integrate new data as they become available and provide semi-annual updates examining the additional indices that you are most interested in. And we are particularly excited to be working with IBM to bring you an online dashboard that will provide you with your organization's individual KIPI scores.

Periodic Updates

In this second report we took a deep dive on 26 of the 128 indices, presenting many as comparative measures (e.g., operating bottom line with and without depreciation). We re-examined the 8 indices from the inaugural report with updated data and we added new measures including one for the Staffing area, which was not addressed in the inaugural report. We will tackle new sets of questions and indices in future reports.

We'd like to hear from you. Please join the conversation by commenting on our blog, by following us on Twitter @artsresearch and on Facebook. What areas would you like to know more about? What did you find valuable? Intriguing? Are there content areas you'd like more focused detail on? What findings are you skeptical about? What insights or examples can you share with the field related to findings presented in this report?

We will update the data regularly so that we're reporting on the most recent facts available, and we will continue to add new sources of data.

Online Dashboard

We are working with IBM to create an online dashboard. The dashboard will allow any organization to get its Key Intangible Performance Indicator (KIPI) on each index. These scores, ranging from 0-100 for each index, will situate your organization relative to all others, taking into account the characteristics of your community, arts and cultural sector, size, etc.

If your organization already participates in the CDP survey, your scores will come up automatically unless you want to make adjustments to any of the line items to reflect updates. If your organization does not currently participate in the CDP survey, you'll receive scores after you enter information about your organization (or complete the CDP survey!). Any organization will be able to use the tool to model what/if scenarios to see how different decisions and resource allocations would affect its scores.

Resource Library

We provide links to a plethora of great resources relating to each of the index areas. We will continue to add resources on an ongoing basis.

Acknowledgments

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