

National Center for Arts Research: 2015 Earned Revenue, Marketing and Engagement Report



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WELCOME TO EDITION 3, OUR LATEST REPORT FINDINGS ON THE HEALTH OF THE U.S. ARTS AND CULTURAL SECTOR

This edition includes insights on trends as well as updates on seven performance indices key to assessing organizational health, all related to earned revenue, marketing and participation:

- Program revenue per attendee
- Total earned revenue
- Earned relational revenue (revenue from subscriptions and memberships)
- Response to marketing
- Return on marketing
- Community engagement (in-person and virtual touch points)
- People per program offering.

This third edition marks a shift in our reporting structure to release findings from new sets of data by focusing on particular content areas every four months.

Select insights of Edition 3 include:

- Total engagement increased substantially due to big growth in virtual participation in digital programs. Many sectors engage far more people through digital offerings than they do on-site; most notably, opera companies, symphony orchestras and art museums had explosive average growth in virtual participation. In-person participation remained fairly flat in all sectors.
- Across the field, NCAR found that the subscription and membership model is not dead.
- As arts organization go from Small to Medium to Large, the average program revenue they earn per attendee increases exponentially while their marketing expenses per attendee increase to a far lesser extent. This suggests that the increased investment in skilled marketing staff is a key element to growth in program revenue.
- The number of people engaged per offering declined for most sectors. Programmatic offerings are being added at a faster rate than audience/visitor growth.

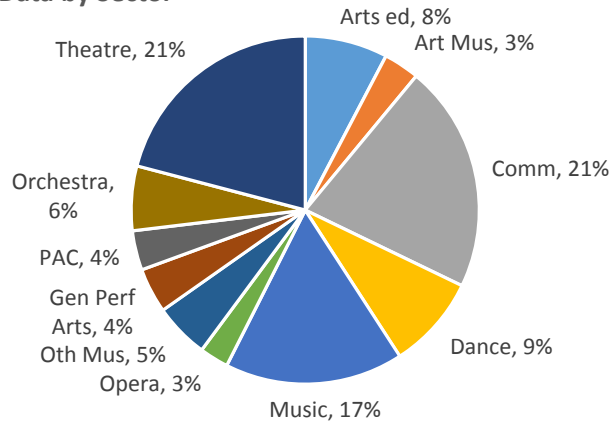
We hope you enjoy engaging with the data and welcome any comments, feedback, and suggestions you may have.

[smu.edu/artsresearch](https://www.smu.edu/artsresearch)

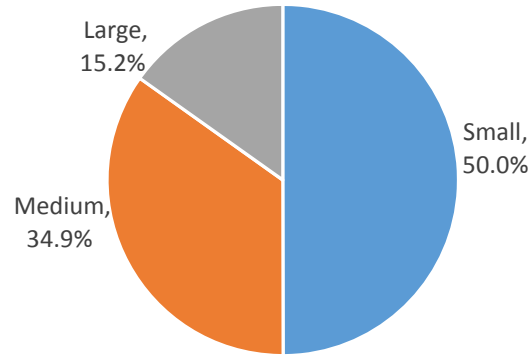
2013 Overall

Summary of Findings: 4,946 arts and cultural organizations

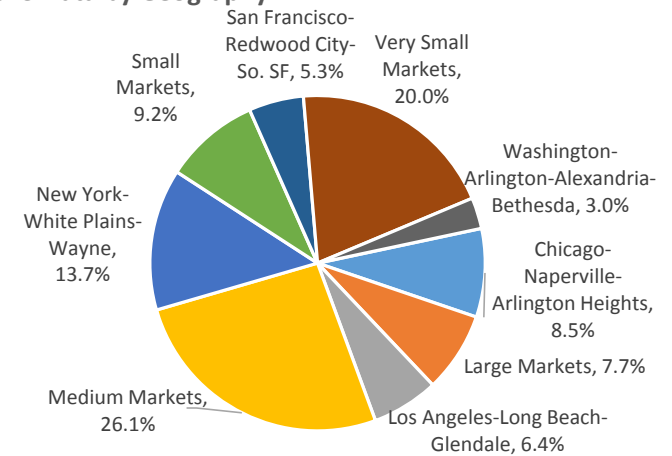
2013 Data by Sector



2013 Data by Budget Size



2013 Data by Geography



By Sector

The nature of the offerings of every arts and cultural sector are unique, and that uniqueness translates to differences in how the sectors finance their operations as well as their marketing, program activity, and reach of touch points.

Arts Education organizations...

- Many of which are heavily reliant on tuition, had the second highest level of earned revenue relative to total expenses at 61.8%.
- Marketing compensation accounts for 33% of total marketing expenses in Arts Education organizations, more than it does for other sectors.
- Earned a return of \$11.85 (\$17.81 without personnel costs) for each dollar spent on marketing, a good deal higher than other sectors.

Art Museums...

- Earned a return on marketing of \$7.67 (\$11.12 without personnel costs), the second highest of any sector.
- Community Engagement, or total touch points relative to the local population, was highest whether considering on-site attendance only or including virtual attendance for digital programming.
- Provided by far the highest number of average offerings annually and have the highest average attendance of the sectors.

Community Organizations...

- Had the second lowest level of expenses financed by earned revenue -- 41.7%.
- Which may offer high levels of programming free of charge or at a nominal fee, earn the lowest average program revenue per attendee, \$5.69.

Dance Organizations...

- Engage 1.8% of the local community on average and offer very little digital programming.

Music Organizations...

- Had the lowest level of earned revenue relative to expenses at 40.2%.

By Sector

Index Averages for Arts & Cultural Organizations by Sector (continued)

Opera Companies...

- At \$71.92, program revenue per attendee is nearly twice the level at Opera companies than for the next highest sectors, Arts Education (\$38.20) and Symphony Orchestras (\$37.49).
- Spent an average of \$13.32 in marketing expenses including staff costs (\$9.44 excluding personnel costs) to bring in each attendee, the highest of all sectors.

Performing Arts Centers (PACs)...

- Earned revenue relative to expenses was 72.8%, the highest of any sector.

Symphony Orchestras...

- Engage the highest number of people per offering -- 1,167 – as artists, audience members, volunteers, donors, and board members.

Theater Companies...

- Theatres have the highest percentage of expenses covered by revenue from subscriptions or memberships – what we term earned relational revenue -- at 14.3%.

The average Other Museum...

- Had second lowest marketing expenses relative to in-person attendance, whether considering all costs or only non-staff marketing expenses.

General Performing Arts Organizations...

- Had most indices fall in the mid-range among sectors.

By Sector

2013 Market-related 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
EARNED REVENUE	Unrestricted Earned Revenue (less cap. Gains)/Total Expenses (before depr.)	61.8%	48.8%	41.7%	60.3%	40.2%	45.0%	72.8%	49.8%	56.2%	42.7%	56.7%
	Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 960,382	\$ 6,451,263	\$ 325,641	\$ 736,496	\$ 142,470	\$ 2,838,169	\$ 4,761,432	\$ 1,561,161	\$ 826,853	\$ 1,949,489	\$ 565,712
	Ave. Total Expenses (before depreciation)	\$ 1,553,453	\$ 13,229,096	\$ 780,949	\$ 1,220,521	\$ 354,042	\$ 6,309,884	\$ 6,541,929	\$ 3,132,297	\$ 1,470,130	\$ 4,568,012	\$ 997,184
MEMBERSHIP-SUBSCRIPTION REVENUE/TOTAL EXPENSES (before depr.)	Membership-Subscription Revenue/Total Expenses (before depr.)	1.1%	6.1%	3.0%	5.6%	5.1%	13.3%	5.3%	12.6%	14.3%	5.7%	6.7%
	Ave. Membership/Subsc. Revenue	\$ 17,227	\$ 808,408	\$ 23,074	\$ 68,396	\$ 18,115	\$ 837,863	\$ 343,560	\$ 396,204	\$ 209,704	\$ 258,250	\$ 66,966
	Ave. Total Expenses (before depreciation)	\$ 1,553,453	\$ 13,229,096	\$ 780,949	\$ 1,220,521	\$ 354,042	\$ 6,309,884	\$ 6,541,929	\$ 3,132,297	\$ 1,470,130	\$ 4,568,012	\$ 997,184
PROGRAM REVENUE/TOTAL IN-PERSON ATTENDANCE	Program revenue/Total In-person Attendance	\$ 38.20	\$ 22.40	\$ 5.69	\$ 31.24	\$ 9.89	\$ 71.92	\$ 35.01	\$ 37.49	\$ 26.51	\$ 10.70	\$ 15.91
	Ave. Program revenue/	\$ 814,376	\$ 4,199,522	\$ 229,487	\$ 598,016	\$ 130,171	\$ 2,448,968	\$ 3,174,417	\$ 1,291,839	\$ 728,219	\$ 1,483,477	\$ 495,008
	Ave. Total In-person Attendance	21,318	187,498	40,312	19,143	13,158	34,051	90,671	34,462	27,469	138,607	31,118
MARKETING IMPACT	Marketing Expenses (incl. personnel)/Total In-person Attendance	\$ 3.22	\$ 2.92	\$ 1.51	\$ 6.82	\$ 2.73	\$ 13.32	\$ 6.28	\$ 8.72	\$ 6.96	\$ 2.34	\$ 4.56
	Ave. Marketing Expenses (incl. personnel)/	\$ 68,742	\$ 547,302	\$ 60,901	\$ 130,485	\$ 35,950	\$ 453,643	\$ 569,658	\$ 300,511	\$ 191,048	\$ 323,881	\$ 142,003
	Ave. In-person Attendance	21,318	187,498	40,312	19,143	13,158	34,051	90,671	34,462	27,469	138,607	31,118
MARKETING IMPACT	Marketing Expenses (excl. personnel)/Total In-person Attendance	\$ 2.15	\$ 2.01	\$ 1.17	\$ 5.42	\$ 2.24	\$ 9.44	\$ 4.58	\$ 6.35	\$ 4.95	\$ 1.63	\$ 3.70
	Ave. Marketing Expenses (excl. personnel)/	\$ 45,736	\$ 377,632	\$ 47,301	\$ 103,731	\$ 29,452	\$ 321,493	\$ 414,919	\$ 218,751	\$ 136,062	\$ 226,257	\$ 115,111
	Ave. In-person Attendance	21,318	187,498	40,312	19,143	13,158	34,051	90,671	34,462	27,469	138,607	31,118
PROGRAM REVENUE/ MARKETING EXPENSES (incl. personnel)	Program Revenue/ Marketing Expenses (incl. personnel)	\$ 11.85	\$ 7.67	\$ 3.77	\$ 4.58	\$ 3.62	\$ 5.40	\$ 5.57	\$ 4.30	\$ 3.81	\$ 4.58	\$ 3.49
	Ave. Total Program Revenue/	\$ 814,376	\$ 4,199,522	\$ 229,487	\$ 598,016	\$ 130,171	\$ 2,448,968	\$ 3,174,417	\$ 1,291,839	\$ 728,219	\$ 1,483,477	\$ 495,008
	Ave. Marketing Expenses (incl. personnel)	\$ 68,742	\$ 547,302	\$ 60,901	\$ 130,485	\$ 35,950	\$ 453,643	\$ 569,658	\$ 300,511	\$ 191,048	\$ 323,881	\$ 142,003
PROGRAM REVENUE/ MARKETING EXPENSES (excl. personnel)	Program Revenue/ Marketing Expenses (excl. personnel)	\$ 17.81	\$ 11.12	\$ 4.85	\$ 5.77	\$ 4.42	\$ 7.62	\$ 7.65	\$ 5.91	\$ 5.35	\$ 6.56	\$ 4.30
	Ave. Total Program Revenue/	\$ 814,376	\$ 4,199,522	\$ 229,487	\$ 598,016	\$ 130,171	\$ 2,448,968	\$ 3,174,417	\$ 1,291,839	\$ 728,219	\$ 1,483,477	\$ 495,008
	Ave. Marketing Expenses (excl. personnel)	45,736	377,632	47,301	103,731	29,452	321,493	414,919	218,751	136,062	226,257	115,111
COMMUNITY ENGAGEMENT	Total Touch Points (incl. virtual)/ Population	6.8%	50.6%	9.9%	2.1%	6.0%	45.6%	26.5%	49.7%	6.9%	25.7%	12.5%
	Ave. Total Touch Points (incl. virtual)/	60,346	373,795	67,345	23,154	45,976	303,341	176,084	294,032	70,521	187,714	100,639
	Ave. Population	885,287	739,239	678,932	1,077,768	766,017	665,042	665,685	591,380	1,025,754	730,555	807,008
COMMUNITY ENGAGEMENT	Total Touch Points (in-person only)/ Population	2.5%	26.1%	6.0%	1.8%	1.8%	5.3%	13.8%	6.0%	2.8%	19.2%	3.9%
	Ave. Total Touch Points (in-person only)/	21,863	192,681	40,830	19,445	13,462	35,577	92,057	35,352	29,217	140,139	31,602
	Ave. Population	885,287	739,239	678,932	1,077,768	766,017	665,042	665,685	591,380	1,025,754	730,555	807,008
PROGRAM ACTIVITY	Total Total Touch Points (in-person only)/ Total Offerings	171	753	428	322	468	1,081	741	1,167	826	919	454
	Ave. Total Touch Points (in-person only)/	21,863	192,681	40,830	19,445	13,462	35,577	92,057	35,352	29,217	140,139	31,602
	Ave. Total Offerings	128	256	95	60	29	33	124	30	35	153	70

By Size

2013 Market-related Performance Index Averages for All Arts & Cultural Organizations by Size

		Small	Medium	Large
EARNED REVENUE	Unrestricted Earned Revenue (less cap. Gains)/Total Expenses (before depr.)	43.8%	42.9%	53.8%
	Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 48,233	\$ 371,311	\$ 5,725,993
	Ave. Total Expenses (before depreciation)	\$ 110,234	\$ 864,861	\$ 10,642,747
	Membership/Subscription Revenue/Total Expenses (before depr.)	5.0%	5.5%	8.1%
	Ave. Membership/Subsc. Revenue	\$ 5,466	\$ 47,558	\$ 859,939
	Ave. Total Expenses (before depreciation)	\$ 110,234	\$ 864,861	\$ 10,642,747
	Program revenue/Total In-person Attendance	\$ 4.48	\$ 10.08	\$ 25.85
	Ave. Program revenue/	\$ 40,862	\$ 304,681	\$ 4,302,328
	Ave. Total In-person Attendance	9,120	30,214	166,461
MARKETING IMPACT	Marketing Expenses (incl. personnel)/Total In-person Attendance	\$ 1.22	\$ 2.65	\$ 4.95
	Ave. Marketing Expenses (incl. personnel)/	\$ 11,147	\$ 80,217	\$ 824,162
	Ave. In-person Attendance	9,120	30,214	166,461
	Marketing Expenses (excl. personnel)/Total In-person Attendance	\$ 1.16	\$ 2.09	\$ 3.52
	Ave. Marketing Expenses (excl. personnel)/	\$ 10,565	\$ 63,144	\$ 585,360
	Ave. In-person Attendance	9,120	30,214	166,461
	Program Revenue/ Marketing Expenses (incl. personnel)	\$ 3.67	\$ 3.80	\$ 5.22
	Ave. Total Program Revenue/	\$ 40,862	\$ 304,681	\$ 4,302,328
	Ave. Marketing Expenses (incl. personnel)	\$ 11,147	\$ 80,217	\$ 824,162
	Program Revenue/ Marketing Expenses (excl. personnel)	\$ 3.87	\$ 4.83	\$ 7.35
	Ave. Total Program Revenue/	\$ 40,862	\$ 304,681	\$ 4,302,328
	Ave. Marketing Expenses (excl. personnel)	10,565	63,144	585,360
COMMUNITY ENGAGEMENT	Total Touch Points (incl. virtual)/ Population	4.1%	8.4%	43.4%
	Ave. Total Touch Points (incl. virtual)/	30,625	69,170	473,896
	Ave. Population	752,717	827,736	1,092,430
	Total Touch Points (in-person only)/ Population	1.2%	3.8%	15.6%
	Ave. Total Touch Points (in-person only)/	9,357	31,183	170,822
	Ave. Population	752,717	827,736	1,092,430
PROGRAM ACTIVITY	Total Total Touch Points (in-person only)/ Total Offerings	286	360	851
	Ave. Total Touch Points (in-person only)/	9,357	31,183	170,822
	Ave. Total Offerings	33	87	201

Highlights 2013, All Organizations:

- As budget size increases, the average program revenue earned per attendee increases exponentially while marketing expenses per attendee increase to a far lesser extent. Small organizations tend to spend only 5% of their total marketing expenses on personnel while Medium organizations average 21% and Large organizations 29%. Perhaps the increased investment in skilled marketing staff is a key element to growth in program revenue.
- The amount of program revenue earned for each dollar spent on marketing expands as organizations go from Medium to Large. Small organizations earn a return of \$3.67 (\$3.87 without personnel costs), Medium organizations \$3.80 (\$4.83 without personnel costs), and Large organizations \$5.22 (\$7.35 excluding personnel).
- Small and Medium organizations cover 5% and 5.5%, respectively, of their total expenses with earned revenue from subscriptions and memberships. This figure rises to 8.1% for Large organizations.
- The percentage of people an organization touches relative to the local population doubles on average as organizations go from Small to Medium. It increases four-fold as organizations go from Medium to Large when considering in-person attendance only, and five-fold when we include virtual attendance.
- The number of offering per organization more than doubles with each increase in organizational size. The number of people engaged per offering also increases with size, rising more sharply from Medium to Large organizations than from Small to Medium.

By Geography

- Arts organizations in the Washington, DC, area have higher earned revenue as a percentage of expenses – 69.4% -- than organizations in other markets, followed by Chicago at 61.9%. In DC, average earned revenue is 34% higher than in the next highest market whereas in Chicago average expenses are lower than all Market Clusters except Small and Very Small markets. Organizations in San Francisco and Large Markets are on the other end of the spectrum, with earned revenue supporting 43.6% and 43.8% of expenses on average.
- Subscription/membership revenue relative to expenses is highest in Los Angeles at 11.4%. Average subscription/membership revenue is higher there than in other markets. Subscription/ membership revenue relative to expenses is lowest in DC at 4.4%, due to higher average expenses rather than lower average relational earned revenue.
- Average program revenue per attendee in DC was more than double that of Small Markets: \$31.24 compared with \$14.73. The high level in DC is driven by the high level of average program revenue, which is 28% higher than that of the next highest market, New York. Larger Markets had the highest level of average annual attendance but those attendees generate less program revenue per person than the average organization in DC, New York, Los Angeles, Chicago, or Medium Markets.
- It costs more in total marketing expenses (including marketing personnel) to bring in one attendee in Los Angeles than in other markets: \$6.23. The next costliest market is DC at \$5.90. In all other markets, the total marketing dollars to bring in each person is within the 70 cent range of \$3.41 to \$4.11. The same pattern holds if we net out marketing personnel costs. In Los Angeles, San Francisco, DC, and Large Markets, an average of 29% of total marketing costs go to paying marketing personnel. That percentage is 31% for Chicago, 28% for Medium Markets, 25% for Very Small Markets, 26% for Small Markets, and only 22% for New York.
- Return on marketing – the amount of program revenue generated by each dollar of marketing expense (including personnel) – was highest in Chicago at \$7.32 and lowest in Los Angeles at \$3.85. In New York, average Return on Marketing was \$5.93 and in DC it was \$5.30. In all other markets it was between \$4.08 and \$4.85. If we exclude marketing personnel costs the same pattern holds with Chicago having highest returns followed by New York, then DC, with L.A. reporting the lowest.
- Community engagement – whether or not virtual attendance at digital programming is included – is highest in Very Small Markets. These communities engage an average of 22% of their spatially adjusted local population in person, whether as attendees, staff members, board members, volunteers or donors. This figure climbs to 46.1% when engagement through electronic means is taken into account. Not surprisingly, it is lowest in the high-population density markets of New York, L.A., and Chicago, where 2%-3.1% of the local population is engaged by arts and cultural organizations in-person. For Chicago, the figure climbs to 15.4% when we add in virtual participation in digital programming, for L.A. it rises to 8.7% and in New York 3.4%.
- While organizations in New York and Chicago have relatively fewer touch points as compared with their local population than most other markets, they engage more people per offering (in-person only) than other markets. The reverse is true for Very Small Markets, which engage more of the local community but fewer people on a per-offering basis than other markets. The average number of programmatic offerings per organization was lowest in Chicago at 48, and highest in Large Markets at 117. Program offerings include all produced or presented productions, exhibitions, lectures, films, tours, education programs, and publications.

By Geography

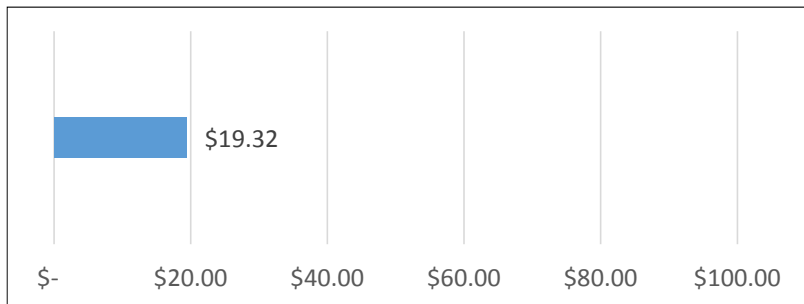
2013 Market-related Performance Index Averages for All Arts & Cultural Organizations by Market Cluster

AREA	INDEX	New York- White Plains- Wayne, NY-NJ	Los Angeles- Long Beach- Glendale, CA	Chicago- Naperville- Arlington Hghts, IL	San Francisco- Redwood City- South SF, CA	Washington- Arlington- Alexandria; Bethesda- Rockville- Fredericksbu rg, DC-VA	Larger Markets	Medium Markets	Small Markets	Very Small Markets
EARNED REVENUE	Unrestricted Earned Revenue (less cap. Gains)/Total Expenses (before depr.)	52.9%	48.6%	61.9%	43.6%	69.4%	43.8%	50.3%	52.4%	52.6%
	Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 1,784,662	\$ 1,053,893	\$ 1,075,790	\$ 964,150	\$ 2,387,027	\$ 1,181,188	\$ 1,002,427	\$ 643,780	\$ 416,087
	Ave. Total Expenses (before depreciation)	\$ 3,373,655	\$ 2,168,771	\$ 1,738,233	\$ 2,211,274	\$ 3,441,957	\$ 2,699,158	\$ 1,994,081	\$ 1,229,136	\$ 791,374
	Membership-Subscription Revenue/Total Expenses (before depr.)	5.7%	11.4%	8.1%	9.5%	4.4%	7.8%	7.8%	10.8%	7.0%
	Ave. Membership/Subsc. Revenue	\$ 193,125	\$ 246,432	\$ 140,696	\$ 209,607	\$ 151,967	\$ 209,587	\$ 154,577	\$ 132,148	\$ 55,102
	Ave. Total Expenses (before depreciation)	\$ 3,373,655	\$ 2,168,771	\$ 1,738,233	\$ 2,211,274	\$ 3,441,957	\$ 2,699,158	\$ 1,994,081	\$ 1,229,136	\$ 791,374
	Program revenue/Total In-person Attendance	\$ 23.78	\$ 23.98	\$ 27.97	\$ 15.42	\$ 31.24	\$ 16.76	\$ 16.99	\$ 14.73	\$ 15.22
	Ave. Program revenue/	\$ 1,265,815	\$ 787,764	\$ 829,822	\$ 745,380	\$ 1,618,126	\$ 965,141	\$ 789,809	\$ 549,916	\$ 324,827
	Ave. Total In-person Attendance	53,231	32,856	29,669	48,345	51,790	57,575	46,473	37,338	21,339
MARKETING IMPACT	Marketing Expenses (incl. personnel)/Total In-person Attendance	\$ 4.01	\$ 6.23	\$ 3.82	\$ 3.73	\$ 5.90	\$ 4.11	\$ 3.50	\$ 3.41	\$ 3.57
	Ave. Marketing Expenses (incl. personnel)/	\$ 213,556	\$ 204,544	\$ 113,423	\$ 180,232	\$ 216,217	\$ 236,493	\$ 162,786	\$ 127,492	\$ 76,095
	Ave. In-person Attendance	53,231	32,856	29,669	48,345	51,790	57,575	46,473	37,338	21,339
	Marketing Expenses (excl. personnel)/Total In-person Attendance	\$ 3.12	\$ 4.45	\$ 2.65	\$ 2.64	\$ 4.17	\$ 2.92	\$ 2.53	\$ 2.59	\$ 2.66
	Ave. Marketing Expenses (excl. personnel)/	\$ 166,172	\$ 146,248	\$ 78,515	\$ 127,867	\$ 305,385	\$ 168,020	\$ 117,637	\$ 96,533	\$ 56,802
	Ave. In-person Attendance	53,231	32,856	29,669	48,345	51,790	57,575	46,473	37,338	21,339
	Program Revenue/ Marketing Expenses (incl. personnel)	\$ 5.93	\$ 3.85	\$ 7.32	\$ 4.14	\$ 5.30	\$ 4.08	\$ 4.85	\$ 4.31	\$ 4.27
	Ave. Total Program Revenue/	\$ 1,265,815	\$ 787,764	\$ 829,822	\$ 745,380	\$ 1,618,126	\$ 965,141	\$ 789,809	\$ 549,916	\$ 324,827
	Ave. Marketing Expenses (incl. personnel)	\$ 213,556	\$ 204,544	\$ 113,423	\$ 180,232	\$ 305,385	\$ 236,493	\$ 162,786	\$ 127,492	\$ 76,095
	Program Revenue/ Marketing Expenses (excl. personnel)	\$ 7.62	\$ 5.39	\$ 10.57	\$ 5.83	\$ 7.48	\$ 5.74	\$ 6.71	\$ 5.70	\$ 5.72
	Ave. Total Program Revenue/	\$ 1,265,815	\$ 787,764	\$ 829,822	\$ 745,380	\$ 1,618,126	\$ 965,141	\$ 789,809	\$ 549,916	\$ 324,827
	Ave. Marketing Expenses (excl. personnel)	166,172	146,248	78,515	127,867	216,217	168,020	117,637	96,533	56,802
COMMUNITY ENGAGEMENT	Total Touch Points (incl. virtual)/ Population	6.4%	8.7%	15.4%	14.5%	18.1%	23.6%	24.1%	16.6%	46.1%
	Ave. Total Touch Points (incl. virtual)/	176,207	98,442	149,963	106,953	147,803	112,096	134,686	52,952	46,232
	Ave. Population	2,769,345	1,133,190	975,284	737,470	816,216	475,193	559,093	318,284	100,300
	In-person Touch Points (in-person only)/ Population	2.0%	3.0%	3.1%	6.9%	6.5%	12.5%	8.5%	12.1%	22.0%
	Ave. Total Touch Points (in-person only)/	54,212	33,667	30,389	50,862	53,185	59,232	47,645	38,537	22,088
	Ave. Population	2,769,345	1,133,190	975,284	737,470	816,216	475,193	559,093	318,284	100,300
PROGRAM ACTIVITY	Total Total Touch Points (in-person only)/Total Offerings	650	532	638	546	485	507	627	458	351
	Ave. Total Touch Points (in-person only)/	54,212	33,667	30,389	50,862	53,185	59,232	47,645	38,537	22,088
	Ave. Total Offerings	83	63	48	93	110	117	76	84	63

Program Revenue per Attendee Index

“What is program revenue
per attendee?”

View averages by: 2013 Overall



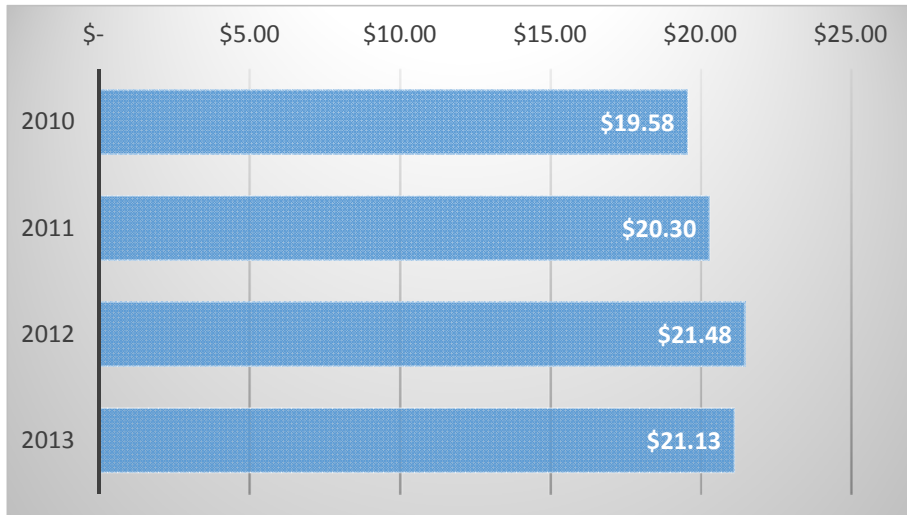
What we learned.

Arts and cultural organizations earned an average of \$19.32 per person who participated in the organization's program offerings.

Average program revenue for all organizations in 2013 was \$779,019 and the total in-person attendance average was 40,331.

Ave. Program revenue/	\$ <u>779,019</u>
Ave. Total In-person Attendance	40,331

Overall, Trends 2010-2013*



What we learned.

- **Program revenue per attendee** has had trended upward over time.
- The slightly higher level seen in 2012 was driven by a slight decrease in attendance that year, not an unusually sharp rise in program revenue.

Trend table

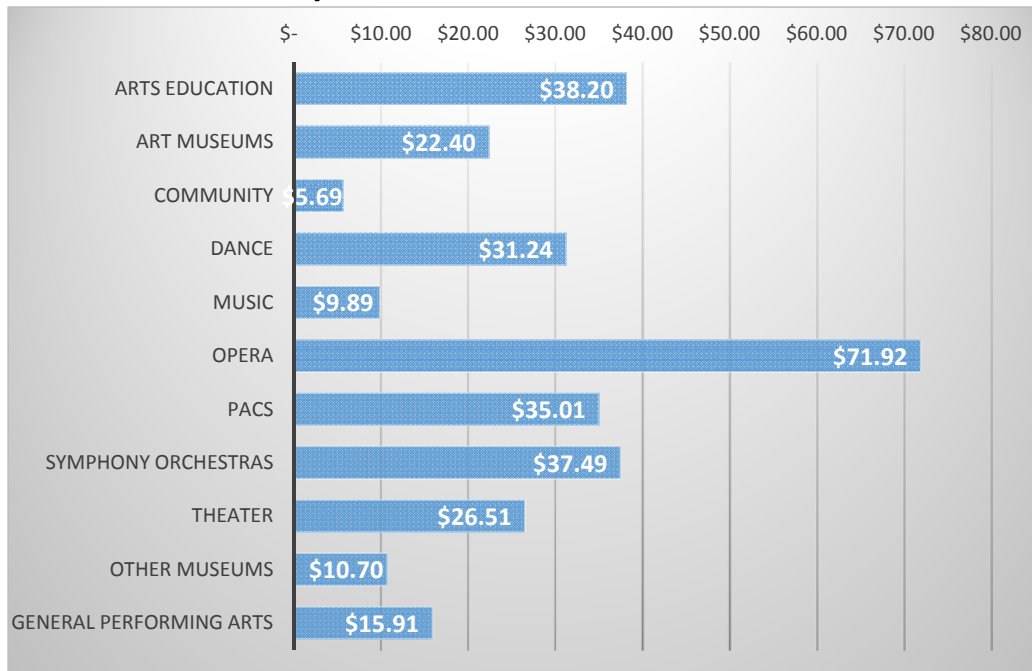
TOTAL EARNED REVENUE INDEX TREND (3,115 ORGANIZATIONS)					2010- 2013 change	2010-2013 change, adjusted for inflation
	2010	2011	2012	2013		
Program revenue/Total In-person Attendance	\$ 19.58	\$ 20.30	\$ 21.48	\$ 21.13	7.9%	0.9%
Ave. Program revenue/	\$ 909,515	\$ 945,054	\$ 994,732	\$ 1,000,761	10.0%	2.8%
Ave. Total In-person Attendance	46,457	46,552	46,302	47,368	2.0%	

What we learned.

- **In-person attendance was at its highest level of the 4 years in 2013**, 2% higher than in 2010.
- **Program revenue rose annually** and, after adjusting for inflation, **it was nearly 3% higher in 2013 than in 2010**.
- The net results was an inflation-adjusted .9% increase in program revenue relative to attendance.

*3,115 organizations that provided data each of the 4 years.

2013, By Sector

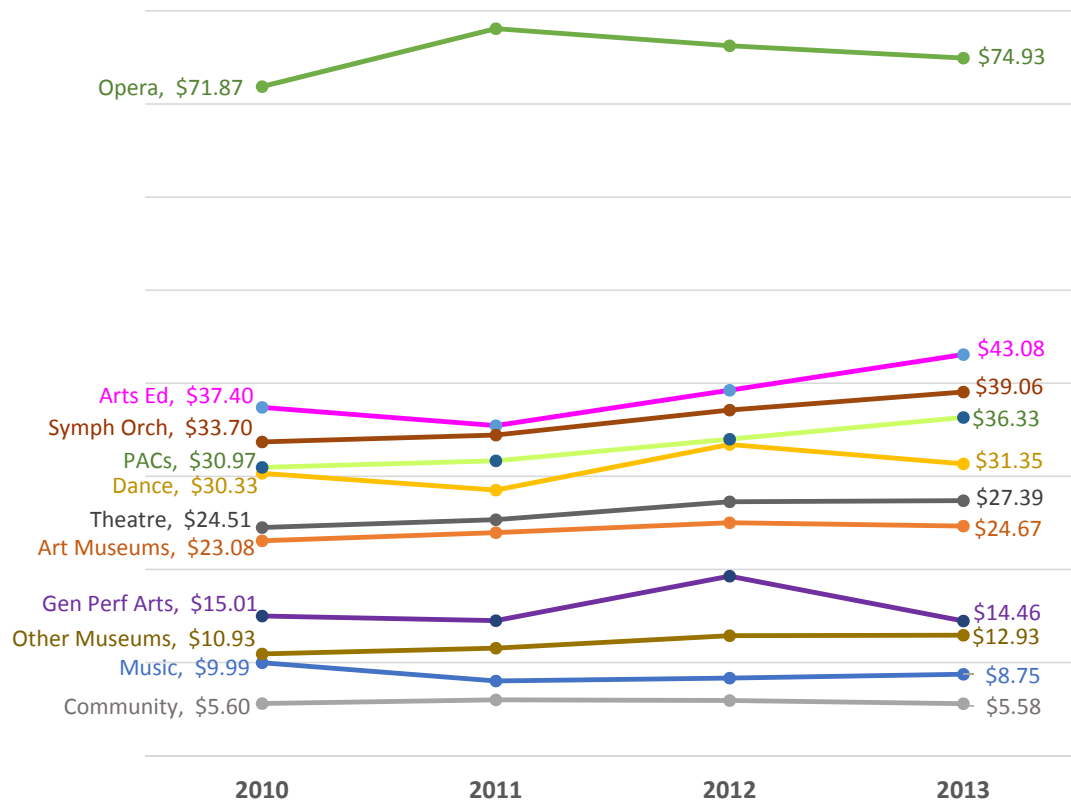


What we learned.

- At \$71.92, **program revenue per attendee is nearly twice the level at Opera companies than for the next highest sectors**, Arts Education (\$38.20) and Symphony Orchestras (\$37.49).
- PACS had higher average program revenue but attracted more attendees annually than Opera.
- The lowest average program revenue per attendee, \$5.69, was reported by Community organizations, which may offer most programming free of charge or for a nominal fee. Music organizations were not far behind at \$9.89.

	Arts Education	Art Museums	Community	Dance	Music	Opera	PACS	Symphony Orchestras	Theater	Other Museums	General Performing Arts
Ave. Program revenue/	\$ 814,376	\$4,199,522	\$ 229,487	\$ 598,016	\$130,171	\$2,448,968	\$3,174,417	\$1,291,839	\$ 728,219	\$1,483,477	\$495,008
Ave. Total In-person Attendance	21,318	187,498	40,312	19,143	13,158	34,051	90,671	34,462	27,469	138,607	31,118

By Sector, Trends 2010-2013*



*3,115 organizations that provided data each of the 4 years.

What we learned.

- **Despite changes over time, each arts and cultural sector remained in the same position relative to all other sectors annually on this index.** This is reflective of no sector undergoing substantial volatility in this index over time.
- While the trend was upward for all sectors except Community, Music, and General Performing Arts, **only the Arts Education, PAC, Orchestra, Theatre, and Other Museum sectors experienced growth in this index that surpassed inflation.** Some sectors may want to keep their program revenue per attendee low for mission-related purposes.
- Whereas there are sectors in which Small or Medium organizations have higher results on an index than Large organizations (e.g., they earn more relational revenue or total earned revenue compared with expenses), Large organizations' program revenue per attendee is highest in every sector.

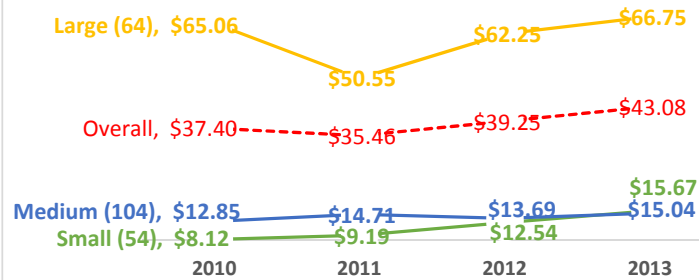
Trend table

PROGRAM REVENUE PER ATTENDEE INDEX TREND, BY SECTOR (3,115 ORGANIZATIONS)	2010	2011	2012	2013	2010-2013 change	2010-2013 change, adjusted for inflation
Arts Education	\$ 37.40	\$ 35.46	\$ 39.25	\$ 43.08	15.2%	7.6%
Ave. Program revenue/	\$ 809,967	\$ 838,447	\$ 861,971	\$ 883,018	9.0%	1.9%
Ave. Total In-person Attendance	21,654	23,647	21,964	20,499	-5.3%	
Art Museums	\$ 23.08	\$ 23.96	\$ 25.02	\$ 24.67	6.9%	-0.1%
Ave. Program revenue/	\$ 4,332,992	\$ 4,751,981	\$ 4,928,839	\$ 4,850,421	11.9%	4.6%
Ave. Total In-person Attendance	187,767	198,293	197,020	196,638	4.7%	
Community	\$ 5.60	\$ 6.00	\$ 5.93	\$ 5.58	-0.3%	-6.8%
Ave. Program revenue/	\$ 257,735	\$ 277,171	\$ 283,196	\$ 292,443	13.5%	6.0%
Ave. Total In-person Attendance	46,054	46,214	47,774	52,405	13.8%	
Dance	\$ 30.33	\$ 28.54	\$ 33.43	\$ 31.35	3.4%	-3.4%
Ave. Program revenue/	\$ 589,292	\$ 608,848	\$ 649,829	\$ 688,454	16.8%	9.2%
Ave. Total In-person Attendance	19,430	21,337	19,438	21,962	13.0%	
Music	\$ 9.99	\$ 8.03	\$ 8.34	\$ 8.75	-12.4%	-18.2%
Ave. Program revenue/	\$ 117,215	\$ 124,519	\$ 128,703	\$ 133,712	14.1%	6.6%
Ave. Total In-person Attendance	11,735	15,503	15,435	15,287	30.3%	
Opera	\$ 71.87	\$ 78.09	\$ 76.25	\$ 74.93	4.2%	-2.6%
Ave. Program revenue/	\$ 3,791,298	\$ 3,881,497	\$ 3,703,774	\$ 3,622,644	-4.4%	-10.7%
Ave. Total In-person Attendance	52,750	49,706	48,574	48,350	-8.3%	
PACs	\$ 30.97	\$ 31.67	\$ 33.99	\$ 36.33	17.3%	9.7%
Ave. Program revenue/	\$ 2,976,797	\$ 3,124,835	\$ 3,292,075	\$ 3,488,828	17.2%	9.5%
Ave. Total In-person Attendance	96,133	98,661	96,855	96,021	-0.1%	
Symphony Orchestras	\$ 33.70	\$ 34.43	\$ 37.12	\$ 39.06	15.9%	8.3%
Ave. Program revenue/	\$ 1,692,827	\$ 1,677,120	\$ 1,814,296	\$ 1,831,848	8.2%	1.1%
Ave. Total In-person Attendance	50,235	48,707	48,873	46,900	-6.6%	
Theatre	\$ 24.51	\$ 25.34	\$ 27.28	\$ 27.39	11.7%	4.4%
Ave. Program revenue/	\$ 898,662	\$ 912,502	\$ 986,861	\$ 976,865	8.7%	1.6%
Ave. Total In-person Attendance	36,661	36,005	36,177	35,671	-2.7%	
Other Museums	\$ 10.93	\$ 11.56	\$ 12.90	\$ 12.93	18.3%	10.6%
Ave. Program revenue/	\$ 1,631,639	\$ 1,717,699	\$ 1,933,869	\$ 1,882,248	15.4%	7.8%
Ave. Total In-person Attendance	149,267	148,639	149,945	145,553	-2.5%	
General Performing Arts	\$ 15.01	\$ 14.51	\$ 19.28	\$ 14.46	-3.6%	-9.9%
Ave. Program revenue/	\$ 656,805	\$ 591,359	\$ 688,176	\$ 627,088	-4.5%	-10.8%
Ave. Total In-person Attendance	43,764	40,755	35,694	43,354	-0.9%	

What we learned.

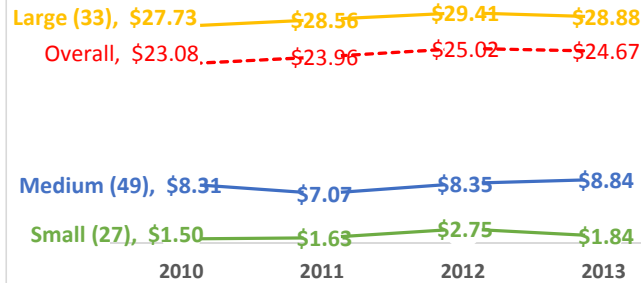
- Program revenue growth topped inflation for all sectors except Opera and General Performing Arts, both of which also experienced declines in on-site attendance. In 2013, attendance at General Performing Arts recovered nearly to the 2010 level after 2 years of declines. It could be that more people are opting to virtually attend Opera's digital programming as in-person attendance decreased annually.
- Only Art Museums, Community organizations, Dance, and Music reported higher attendance in 2013 than in 2010. Community organizations increased their average attendance annually.
- Music organizations served 30% more people but increased program revenue by only 6.6% more than inflation.

ARTS EDUCATION



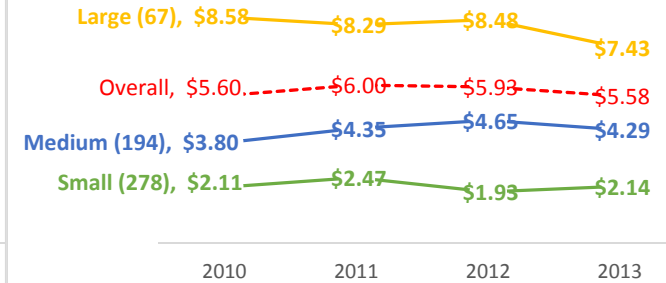
- Arts Education organizations of every size had higher program revenue per attendee in 2013 than in 2010.
- There is a big swing in program revenue per attendee between Medium and Large organizations
- **Small organizations increased program revenue per attendee by 80%** in inflation-adjusted figures, and **Medium organizations 9.4%**. In 2013, Small organizations' earned slightly more program revenue per attendee than Medium organizations. This is only one of two cases across all sectors where the average on this index was higher for Small organizations than for Medium.
- Growth in this index fell short of inflation by 4.1% for Large organizations. The large dip experienced by this budget group in 2011 was due to a surge in attendance that year, not a drop in program revenue.

ART MUSEUM



- The overall trend for Art Museums is driven by Large organizations.
- As is the case with Arts Education organizations, the **growth in the Art Museum sector on this index came from Small organizations**, which began the period with program revenue per attendee at next to nothing. The low levels for Small organizations may be reflective of free admission policies and no ancillary, paid services offered.
- Medium and Large Art Museums' program revenue growth was shy of inflation.
- **Small and Medium Art Museums** saw attendance diminish over time while **Large organizations' attendance increased slightly**.

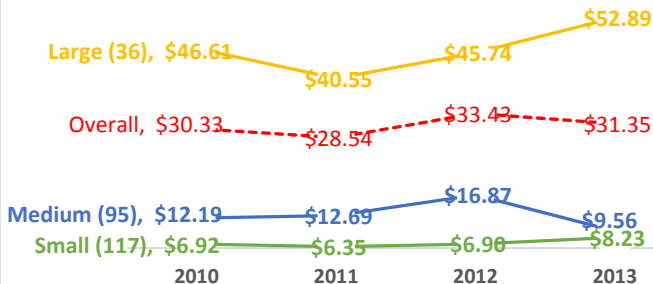
COMMUNITY



- The span of program revenue per attendee is more narrow across different size Community organizations than is the case for other sectors.
- **Large community organizations saw a 20% increase in attendance coupled by a program revenue decrease of 2.4% after adjusting for inflation.**
- **Small and Medium organizations saw slight, inflation-adjusted drops in program revenue over time.** Small organizations saw attendance increase and Medium organizations experienced an attendance decrease.

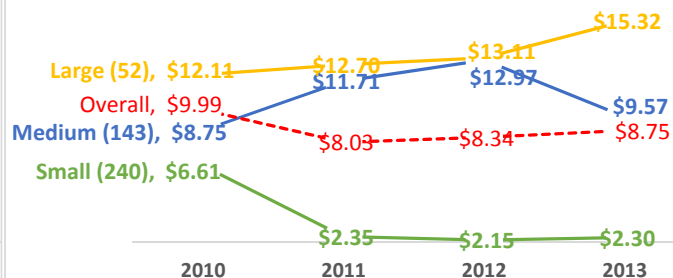
The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

DANCE



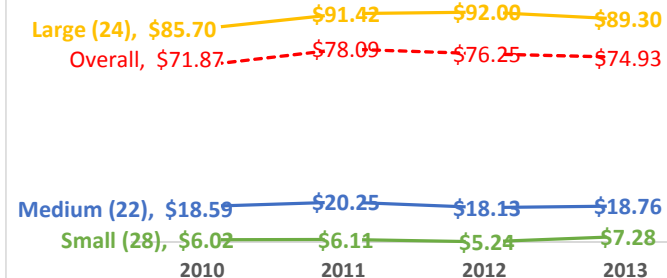
- **Large Dance companies saw an upward spike in this index in 2013.** Over the period, their program revenue grew 5.2% more than inflation while attendance in 2013 was at nearly the same level as in 2010.
- **Medium Dance companies** had a spike in program revenue in 2012 that diminished in 2013. Overall, their program revenue growth was 1.1% higher than inflation. At the same time, their attendance fell considerably in 2012 and ended at a 4-year high in 2013. **The net effect is a program revenue per attendee index that was 26.7% lower in 2013 than 2010 after adjusting for inflation.**
- **Small Dance companies experienced a nearly 10% drop in attendance and flat program revenue growth over the period.**

MUSIC



- Like the Community sector, the Music sector has a relatively narrow range of program revenue per attendee across organizational sizes. However, the **gap widened over time as Large organizations saw consistent growth and Small organizations a decline.**
- **Small Music organizations tripled their level of average attendance from 2010 to 2011** and held that higher average for the next 2 years. At the same time, their **program revenue decreased from 2011 to 2012 and again in 2013**, leaving growth over the period lagging inflation by 11.5%. This pattern is commensurate with a strategy of increasing attendance by lowering program revenue through pricing.
- Medium organizations' spikes are driven more by erratic average attendance than big changes in program revenue.
- **Large organizations' attendance was 4% lower in 2013 than 2010 while program revenue was 13.6% higher in inflation-adjusted figures, producing an 18% rise in the index.**

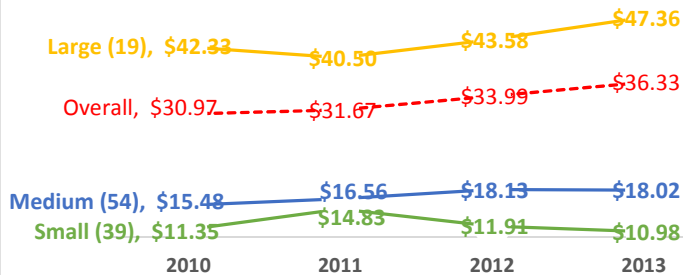
OPERA



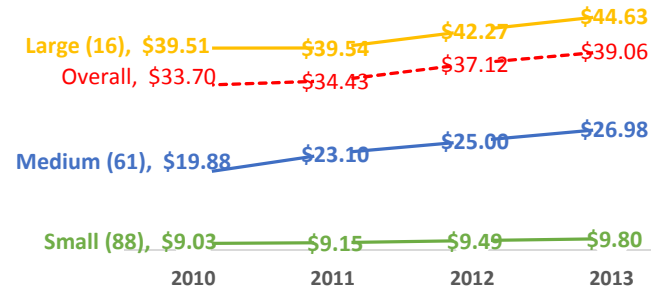
- The largest range of program revenue per attendee across budget sizes is in the Opera sector.
- **Average program revenue growth fell short of inflation for organizations in each of the three budget sizes, with the severity of the shortfall greatest for Small organizations and least for Large organizations.**
- Small and Large Opera companies experienced attendance declines while Medium organizations' growth in attendance was 1.9%.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

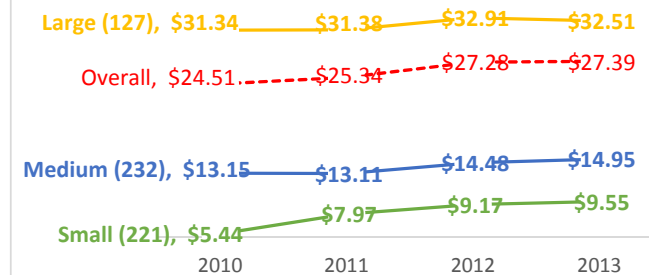
PAC



SYMPHONY ORCHESTRA



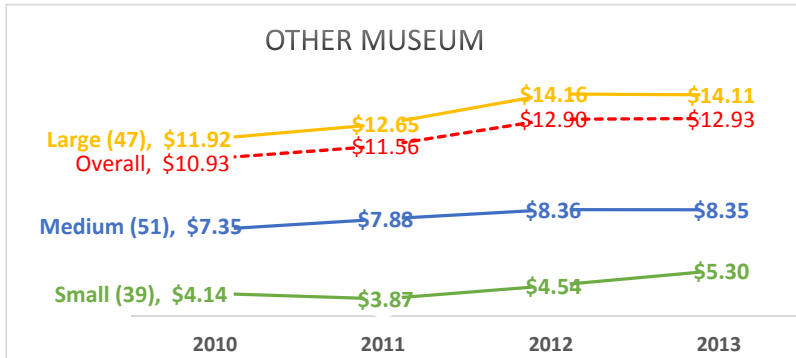
THEATRE



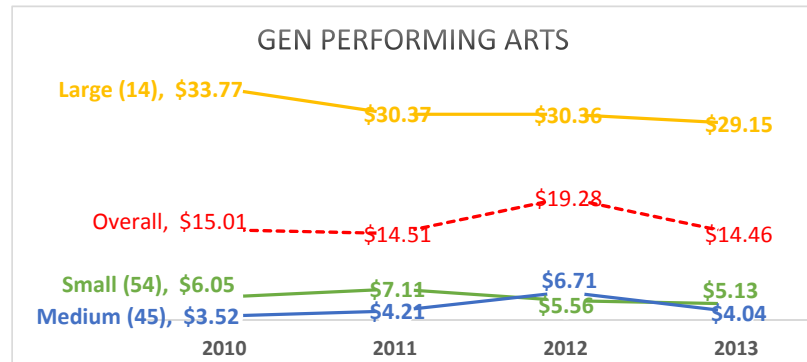
- **Medium and Large PACs** had an upward trend over time. In both cases, a **decrease in attendance was met with a less severe decrease in program revenue.**
- **Small PACs** also experienced drops in both areas. However, for them, **the decline in program revenue was greater than that for attendance.** Their upward spike in 2011 was due to lower attendance rather than higher program revenue.

- **Large Orchestras** had a 1% increase in attendance over time and **Small Orchestras** a 1% decrease.
- **Program revenue growth exceeded inflation for the average organizations in every budget size,** being greatest for Medium Orchestras at 26.7% and lowest for Small Orchestras at 1.4%.

- **There was contraction in program revenue and attendance for Theatres of every size even though these changes had little effect on the program revenue per attendee for Medium and Large Theatres.**
- **Small Theatres** saw annual increases in this index, **primarily driven by annual decreases in attendance** which was down 40% in 2013 from its 2010 level. Medium and Large Theatres averaged attendance decreases of 10.6% and 7.1%, respectively.
- **Program revenue growth fell shy of inflation for the average organizations in every budget size,** being greatest for Large Theatres at 10% and lowest for Small Theatres at 1.7%.

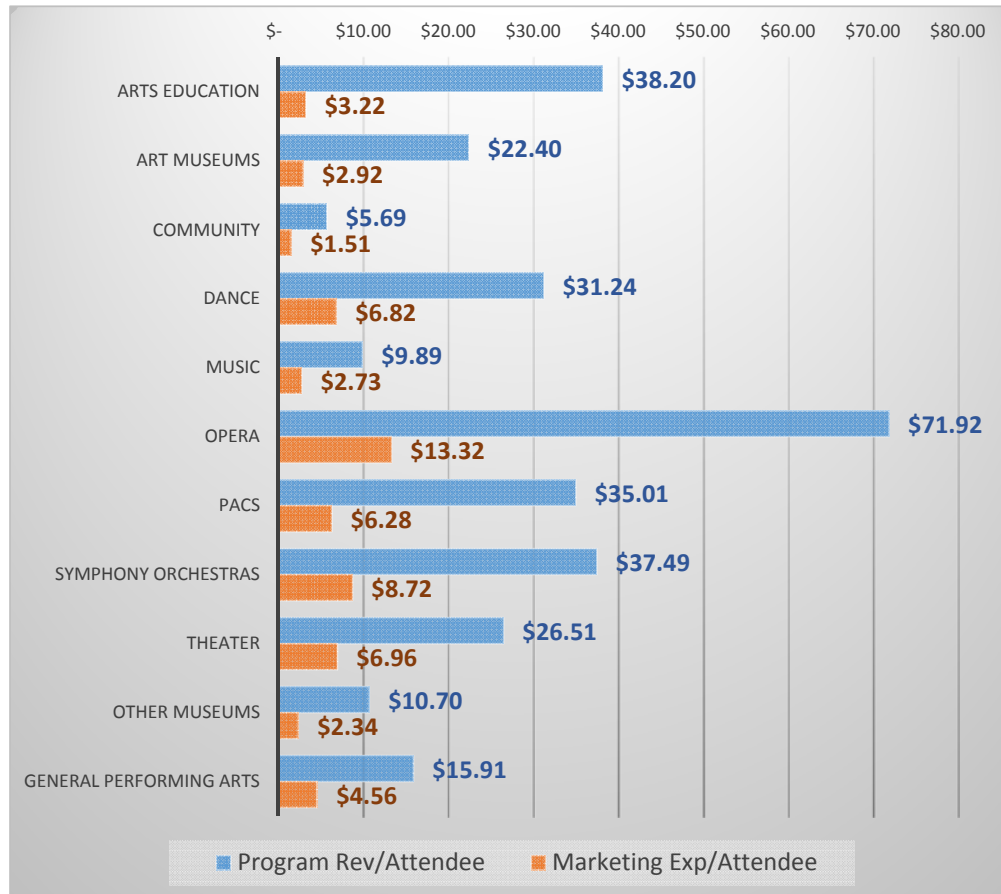


- Other Museums of every size had growth both in program revenue and in program revenue per attendee that topped inflation over the period.
- **Small organizations had the greatest growth on this index**, due to a 1.6% increase in attendance and a corresponding 21% increase in program revenue above inflation.
- **Large Other Museums had an attendance decrease of 7.9% over time while that of Medium organizations was flat.**



- In most years, program revenue per attendee was higher for Small organizations than for Medium. This is only one of two such cases across all sectors.
- After adjusting for inflation, **program revenue was lower in 2013 than in 2010 for the average organization of every budget size.**
- **Small organizations had flat attendance over time while Medium organizations' attendance dropped 17%.** The spike in Medium organizations' performance on this index in 2012 was due to a substantial drop in attendance that year coupled with a slight bump in program revenue.

Sidebar: Program Revenue vs. Marketing Dollars per Attendee, by Sector



What we learned.

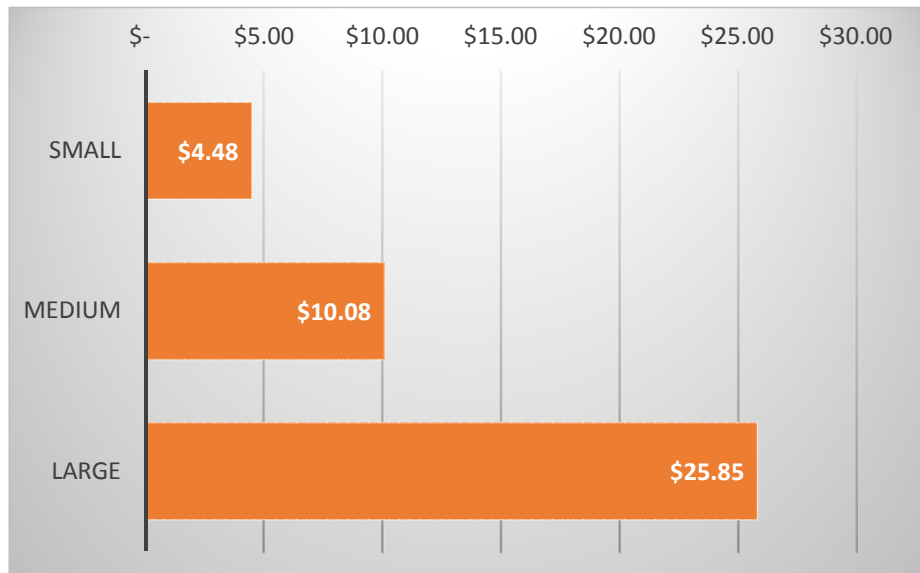
We also stop to compare the total market dollars spent per attendee and the total program revenue earned per attendee – in other words, **what it cost on average in marketing to attract someone to come, and the average amount that person spends with the organization once they're there.**

- 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 to attract that person.
- Art museums and 'Other' museums spend between \$2 and \$3 to bring in each person, yet art museums earn an average of \$22.40 in program revenue per person whereas 'Other' museums earn an average of \$10.70. The **net revenue per person is \$19.48 for art museums and \$8.36 for 'other' museums.**
- **PACs and Symphony Orchestras average \$28.73 in net program revenue** despite having different levels of program revenue and marketing expenses per attendee.
- **Music had the lowest net program revenue at \$4.18 and Opera the highest at \$58.60.** These sectors also had the lowest and highest program revenue and marketing expenses per attendee.

Budget ranges by sector

Arts Sector	Small	Medium	Large
Arts Education	\$236,182 or less	\$236,183 - \$1,296,200	\$1,296,201 or more
Art Museums	\$845,228 or less	\$845,229 - \$6,749,293	\$6,749,294 or more
Community	\$295,777 or less	\$295,778 - \$1,623,261	\$1,623,262 or more
Dance Companies	\$188,595 or less	\$188,596 - \$1,296,200	\$1,296,201 or more
Music	\$154,047 or less	\$154,048 - \$612,281	\$612,282 or more
Opera Companies	\$463,871 or less	\$463,872 - \$3,436,445	\$3,436,446 or more
Performing Arts Centers	\$845,228 or less	\$845,229 - \$8,452,293	\$8,452,294 or more
Symphony Orchestras	\$430,353 or less	\$430,354 - \$4,303,539	\$4,303,540 or more
Theater	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more
Other Museums	\$580,916 or less	\$580,917 - \$4,638,716	\$4,638,717 or more
General Performing Arts	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more

2013, By Size

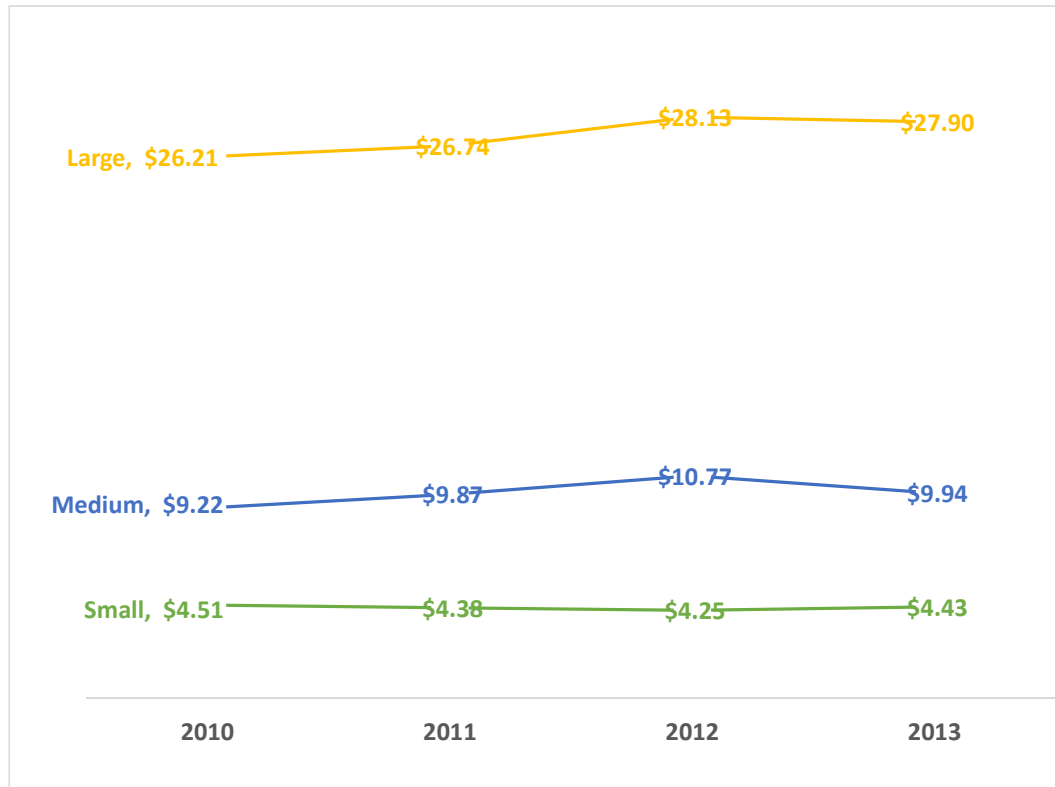


What we learned.

- There is more than a doubling of the average program revenue per attendee as organizations go from Small to Medium and Medium to Large.
- If we combine these findings with those of the return on marketing and response to marketing indices, we see that **as organizations grow it takes more marketing dollars to attract each attendee, yet once an attendee comes, organizations tend to earn much more program revenue from that attendee as they become larger.** The net result is an increase in return on marketing with size, with greater difference as organizations go from Medium to Large than from Small to Medium.
- **The ability to generate higher levels of program revenue for each person who attends is a hallmark of budget growth.**

	Small	Medium	Large
Ave. Program revenue/	\$ 40,862	\$ 304,681	\$ 4,302,328
Ave. Total In-person Attendance	9,120	30,214	166,461

By Size, Trends 2010-2013*



What we learned.

- There were not big variations in program revenue per attendee over time for the average organization in any budget size.
- **Large and Medium organizations had upward trends but growth basically kept up with inflation over time.**

**3,115 organizations that provided data each of the 4 years.*

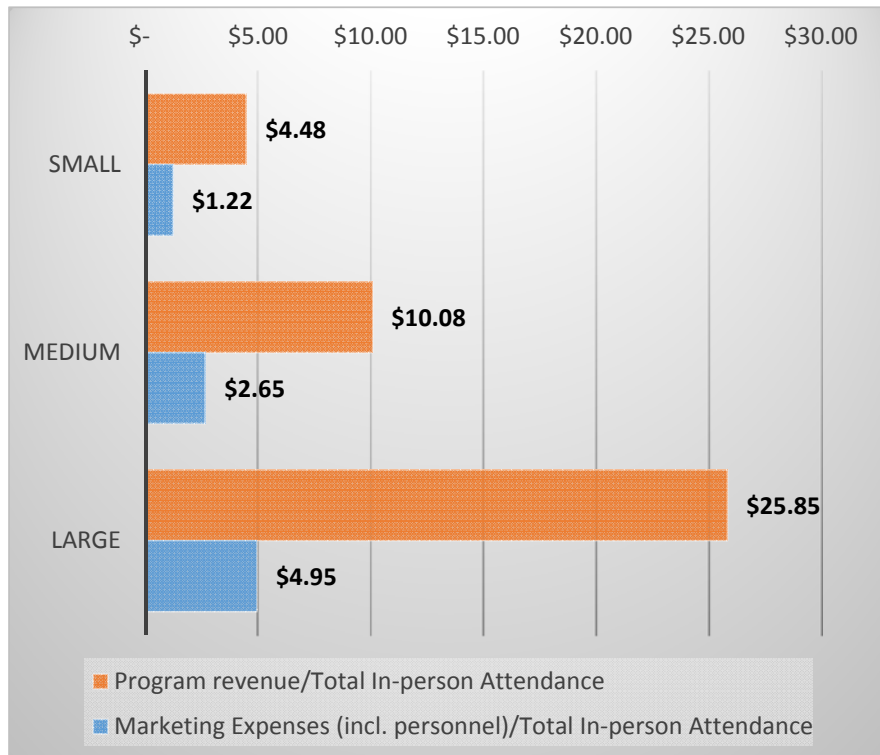
Trend table

PROGRAM REVENUE PER ATTENDEE INDEX TREND, BY SIZE (3,115 ORGANIZATIONS)					2010-2013	2010-2013
	2010	2011	2012	2013	change	change, adjusted for inflation
Small						
Ave. Program revenue/	\$ 4.51	\$ 4.38	\$ 4.25	\$ 4.43	-1.8%	-8.2%
	\$ 42,677	\$ 43,276	\$ 43,076	\$ 43,809	2.7%	-4.1%
Ave. Total In-person Attendance	9,466	9,888	10,129	9,893	4.5%	
Medium						
Ave. Program revenue/	\$ 9.22	\$ 9.87	\$ 10.77	\$ 9.94	7.8%	0.8%
	\$ 310,113	\$ 308,536	\$ 322,807	\$ 313,592	1.1%	-5.5%
Ave. Total In-person Attendance	33,649	31,260	29,978	31,560	-6.2%	
Large						
Ave. Program revenue/	\$ 26.21	\$ 26.74	\$ 28.13	\$ 27.90	6.4%	-0.5%
	\$ 4,560,168	\$ 4,705,285	\$ 4,855,451	\$ 4,726,669	3.7%	-3.1%
Ave. Total In-person Attendance	173,995	175,946	172,609	169,428	-2.6%	

What we learned.

- In inflation-adjusted figures, average program revenue was lower for every size organization in 2013 than in 2010.
- Large and Medium organizations experienced fairly commensurate program revenue growth declines and attendance declines over time. This resulted in program revenue per attendee that was fairly flat over time.
- Small organizations saw attendance growth. This, coupled with the loss in program revenue, led to a program revenue per attendee index that was 8.2% lower in 2013 than in 2010 in inflation adjusted figures.

Sidebar: Program Revenue vs. Marketing Dollars per Attendee, by Size

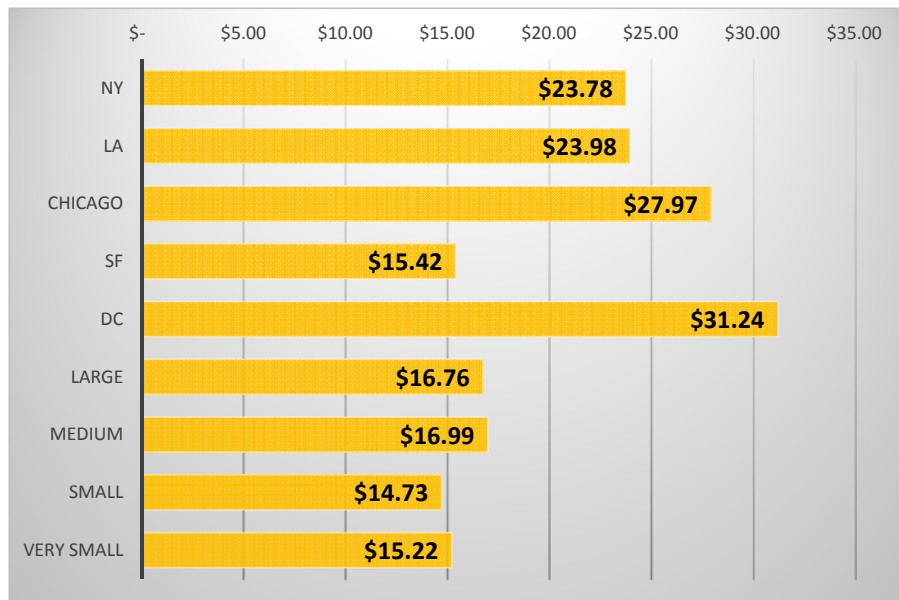


What we learned.

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.**

- **As arts organization go from Small to Medium to Large, the average program revenue they earn per attendee increases exponentially while their marketing expenses per attendee increase to a far lesser extent.**
- Small organizations tend to spend only 5% of their total marketing expenses on personnel while Medium organizations average 21% and Large organizations 29%. **Perhaps the increased investment in skilled marketing staff is a key element to growth in program revenue.**

2013, By Geography

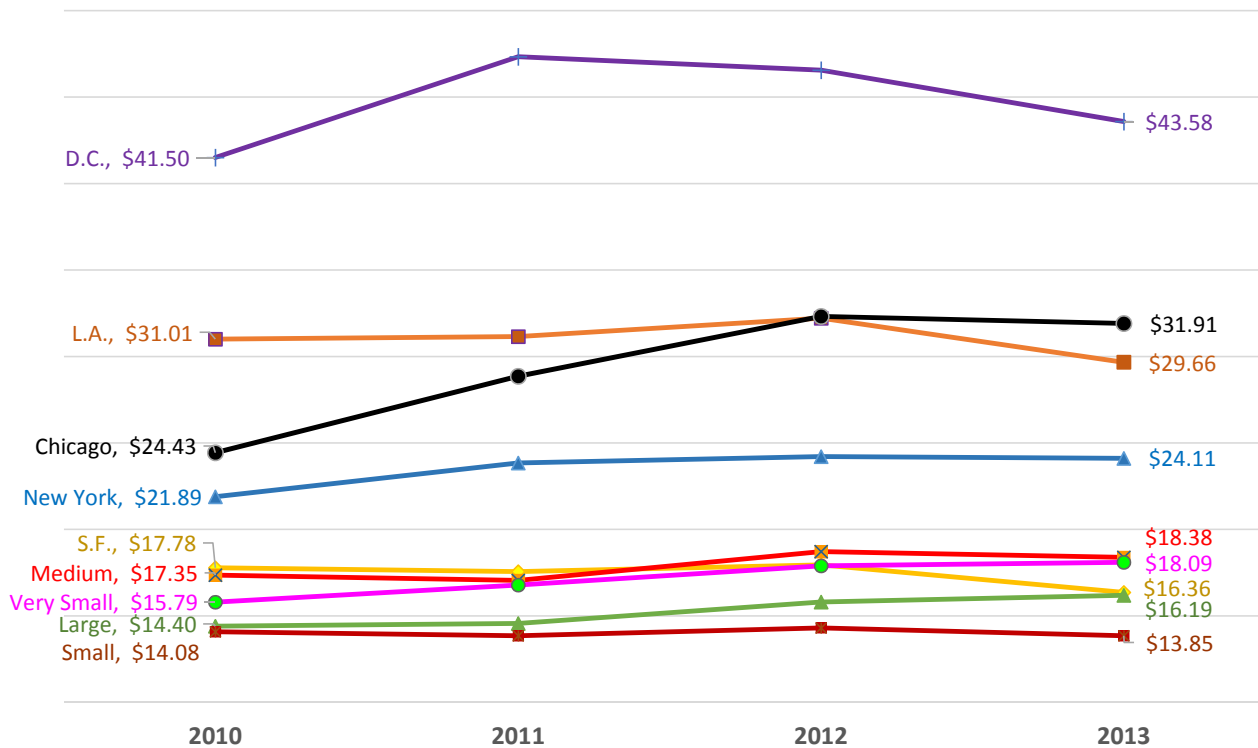


What we learned.

- Average **program revenue per attendee in DC was more than double that of Small Markets**: \$31.24 compared with \$14.73. The high level in DC is driven by the high level of average program revenue, which is 28% higher than that of the next highest market, New York.
- **Larger Markets had the highest level of average annual attendance but those attendees generate less program revenue per person** than the average organization in DC, New York, Los Angeles, Chicago, or Medium Markets.

	New York-White Plains-Wayne, NY-NJ	Los Angeles-Long Beach-Glendale	Chicago-Naperville-Arlington Heights	San Francisco-Redwood City-So. S.F.	Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg	Larger Markets	Medium Markets	Small Markets	Very Small Markets
Ave. Program revenue/	\$1,265,815	\$ 787,764	\$ 829,822	\$ 745,380	\$ 1,618,126	\$965,141	\$ 789,809	\$ 549,916	\$ 324,827
Ave. Total In-person Attendance	53,231	32,856	29,669	48,345	51,790	57,575	46,473	37,338	21,339

By Geography, Trends 2010-2013*



What we learned.

- DC organizations have higher program revenue per attendee annually.
- **Program revenue per attendee was higher in 2013 than in 2010 after adjusting for inflation in New York, Chicago, Large Markets and Very Small Markets.**
- DC and Medium Markets saw upward trends but not enough to keep pace with inflation.
- The trend was downward in L.A., San Francisco, and Small Markets.

*3,115 organizations that provided data each of the 4 years.

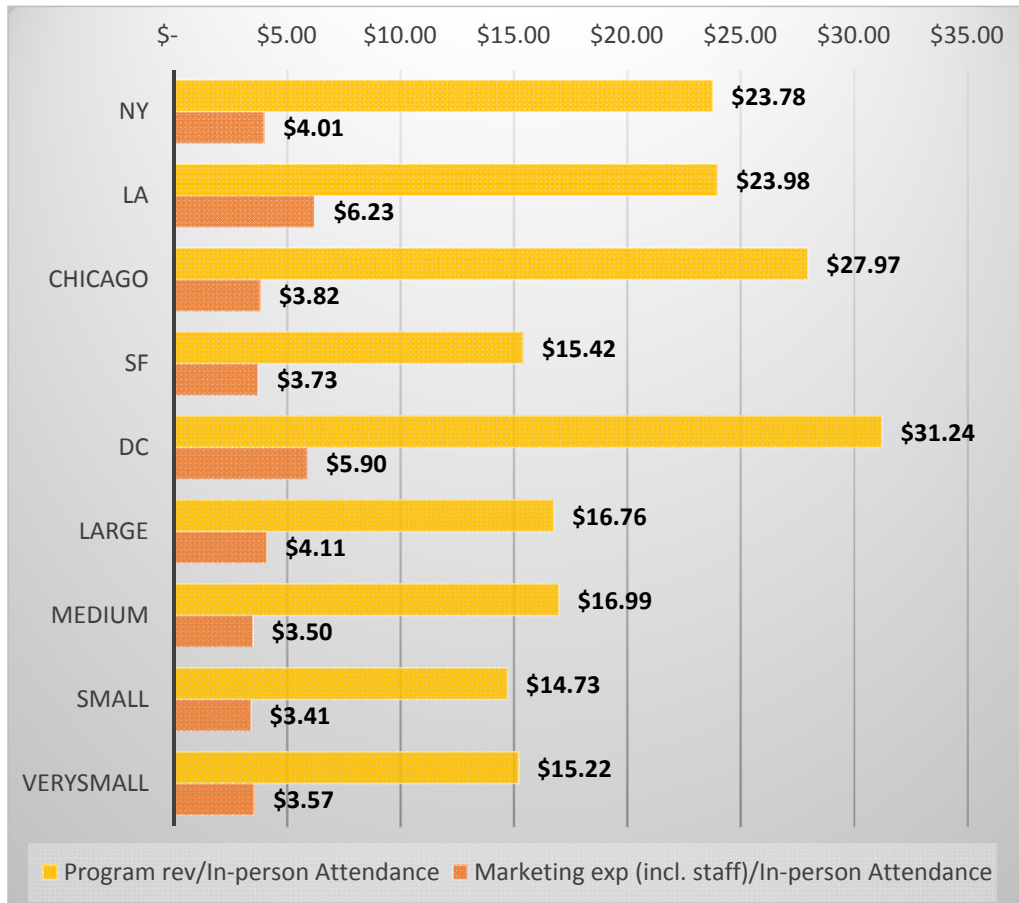
Trend table

PROGRAM REVENUE PER ATTENDEE TRENDS, BY GEOGRAPHY (3,115 ORGANIZATIONS)	2010	2011	2012	2013	2010-2013 change	2010-2013 change, adjusted for inflation
New York-White Plains-Wayne, NY-NJ	\$ 21.89	\$ 23.84	\$ 24.21	\$ 24.11	10.2%	3.0%
Ave. Program revenue/	\$ 1,512,174	\$ 1,556,089	\$ 1,636,746	\$ 1,584,298	4.8%	-2.1%
Ave. Total In-person Attendance	69,086	65,259	67,608	65,699	-4.9%	
Los Angeles-Long Beach-Glendale, CA	\$ 31.01	\$ 31.15	\$ 32.21	\$ 29.66	-4.3%	-10.6%
Ave. Program revenue/	\$ 961,908	\$ 922,695	\$ 980,026	\$ 1,006,494	4.6%	-2.2%
Ave. Total In-person Attendance	31,021	29,617	30,424	33,929	9.4%	
Chicago-Naperville-Arlington Hgts, IL	\$ 24.43	\$ 28.86	\$ 32.32	\$ 31.91	30.6%	22.1%
Ave. Program revenue/	\$ 1,008,232	\$ 1,044,626	\$ 1,106,585	\$ 1,137,661	12.8%	5.5%
Ave. Total In-person Attendance	41,266	36,194	34,241	35,655	-13.6%	
San Francisco-Redwood City- South SF, CA	\$ 17.78	\$ 17.56	\$ 17.95	\$ 16.36	-8.0%	-14.0%
Ave. Program revenue/	\$ 935,793	\$ 1,087,437	\$ 1,036,411	\$ 1,056,117	12.9%	5.5%
Ave. Total In-person Attendance	52,628	61,932	57,748	64,573	22.7%	
Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg, DC-VA	\$ 41.50	\$ 47.33	\$ 46.56	\$ 43.58	5.0%	-1.9%
Ave. Program revenue/	\$ 2,103,264	\$ 2,496,119	\$ 2,427,948	\$ 2,580,389	22.7%	14.7%
Ave. Total In-person Attendance	50,675	52,735	52,149	59,204	16.8%	
Larger Markets	\$ 14.40	\$ 14.56	\$ 15.80	\$ 16.19	12.4%	5.1%
Ave. Program revenue/	\$ 932,886	\$ 964,756	\$ 1,011,578	\$ 1,044,669	12.0%	4.7%
Ave. Total In-person Attendance	64,764	66,260	64,031	64,509	-0.4%	
Medium Markets	\$ 17.35	\$ 17.05	\$ 18.72	\$ 18.38	5.9%	-1.0%
Ave. Program revenue/	\$ 907,813	\$ 925,811	\$ 1,006,158	\$ 1,015,768	11.9%	4.6%
Ave. Total In-person Attendance	52,314	54,297	53,747	55,265	5.6%	
Small Markets	\$ 14.08	\$ 13.85	\$ 14.31	\$ 13.85	-1.6%	-8.1%
Ave. Program revenue/	\$ 523,415	\$ 545,086	\$ 570,001	\$ 554,959	6.0%	-0.9%
Ave. Total In-person Attendance	37,169	39,346	39,843	40,061	7.8%	
Very Small Markets	\$ 15.79	\$ 16.78	\$ 17.89	\$ 18.09	14.6%	7.1%
Ave. Program revenue/	\$ 371,516	\$ 383,628	\$ 408,238	\$ 416,390	12.1%	4.7%
Ave. Total In-person Attendance	23,525	22,859	22,818	23,015	-2.2%	

What we learned.

- The biggest decrease in this index occurred in **San Francisco**. It should be noted that the drop was due to a 22.7% rise in attendance that was met with an increase in program revenue 5.5% above inflation. **More people came but paid less in total per person.**
- The biggest increase in this index was in **Chicago**, where average attendance went down 13.6% over time while program revenue rose 5.5% above inflation, as it did in San Francisco. **Fewer people came and paid more per person.**
- The 2011 and 2012 peak in DC program revenue per attendee can be attributed to slight attendance increases that were met with larger jumps in program revenue. In 2013 there was a bump in attendance and a smaller rise in program revenue. Overall, **attendance growth outpaced program revenue growth.**
- **Attendance was higher in L.A. and Small Markets while program revenue growth fell short of inflation in both markets.** The net result was a drop in program revenue per attendee.

Sidebar: Program Revenue vs. Marketing Dollars per Attendee, by Geography



What we learned.

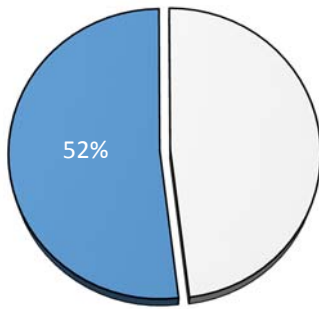
We also stop to compare the total market dollars spent per attendee and the total program revenue earned per attendee – in other words, **what it cost on average in marketing to attract someone to come, and the average amount that person spends with the organization once they're there.**

- The chart shows **how diverse the geographic market clusters are in terms of net revenue**, or the difference between program revenue per person and the cost of marketing efforts to attract that person, which ranges from \$11.32 in Small markets to \$25.34 in DC.
- **Like Small and Very Small markets, San Francisco's net program revenue per person is under \$12.**
- **Chicago has the second highest level of program revenue per attendee, due both to a relatively high level of program revenue per attendee and a fairly low level of marketing expenses per attendee.**

Total Earned Revenue Index

“What is the relationship of unrestricted earned revenue to expenses, not including either capital gains (realized and unrealized) or depreciation?”

View averages by: 2013 Overall

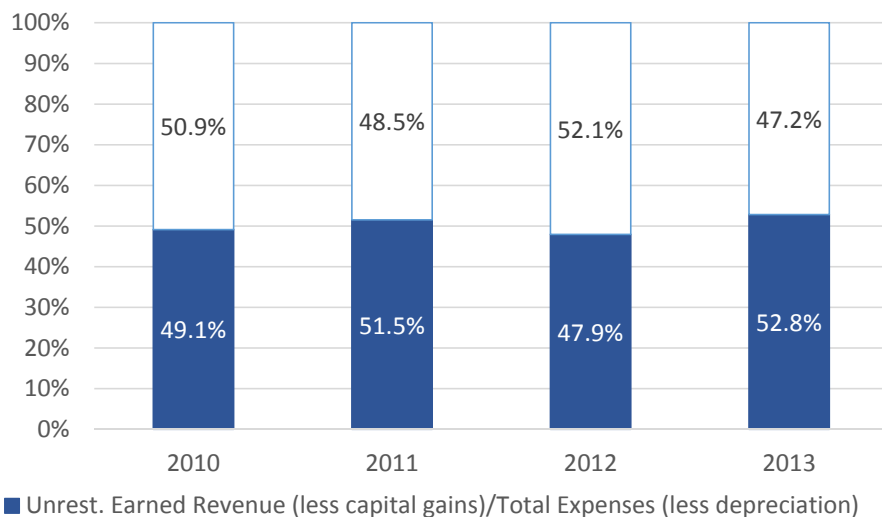


What we learned.

Unrestricted earned revenue (aside from capital gains) supported 52% of expenses (before depreciation).

Ave. Unrestricted Earned Revenue (less cap. gains)/\$	<u>1,021,809</u>
Ave. Total Expenses (before depreciation) \$	1,970,396

Overall, Trends 2010-2013*



What we learned.

- **Earned revenue** has fluctuated over time in proportion to expenses but **was higher in 2013 than in the 3 prior years.**

Trend table

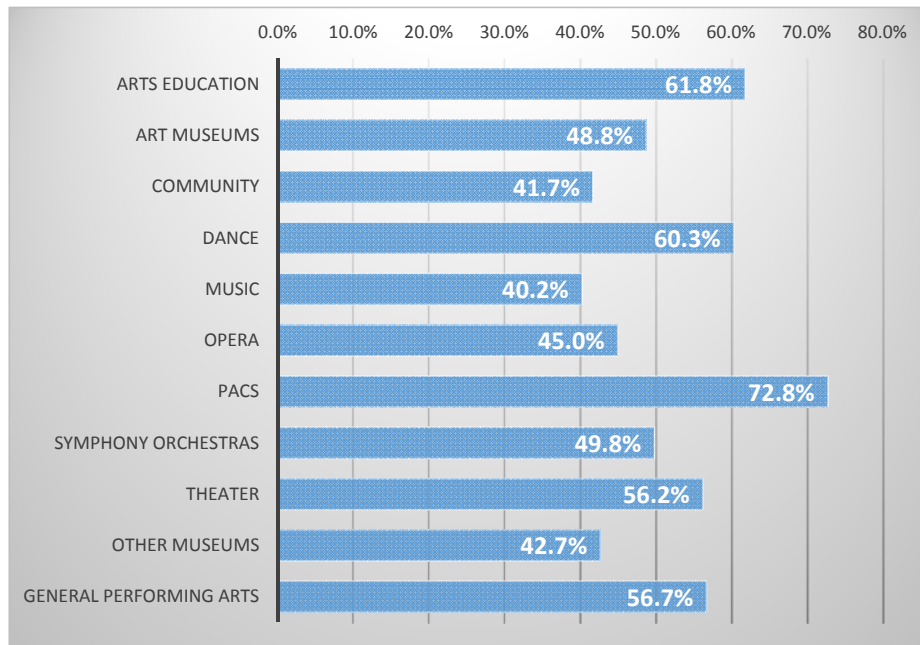
TOTAL EARNED REVENUE INDEX TREND (3,115 ORGANIZATIONS)	2010	2011	2012	2013	2010-2013 change	2010-2013 change, adjusted for inflation
Unrestricted Earned Revenue (less cap. Gains)/Total Expenses (before depr.)	49.1%	51.5%	47.9%	52.8%	3.7%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 1,136,007	\$ 1,234,502	\$ 1,207,333	\$ 1,311,024	15.4%	7.9%
Ave. Total Expenses (before depreciation)	\$ 2,312,779	\$ 2,396,605	\$ 2,518,920	\$ 2,481,409	7.3%	0.3%

What we learned.

- After adjusting for inflation, **growth in earned revenue was nearly 8% while expenses rose less than 1%.** The net results was a 3.7% increase in earned revenue relative to expenses.

*3,115 organizations that provided data each of the 4 years.

2013, By Sector

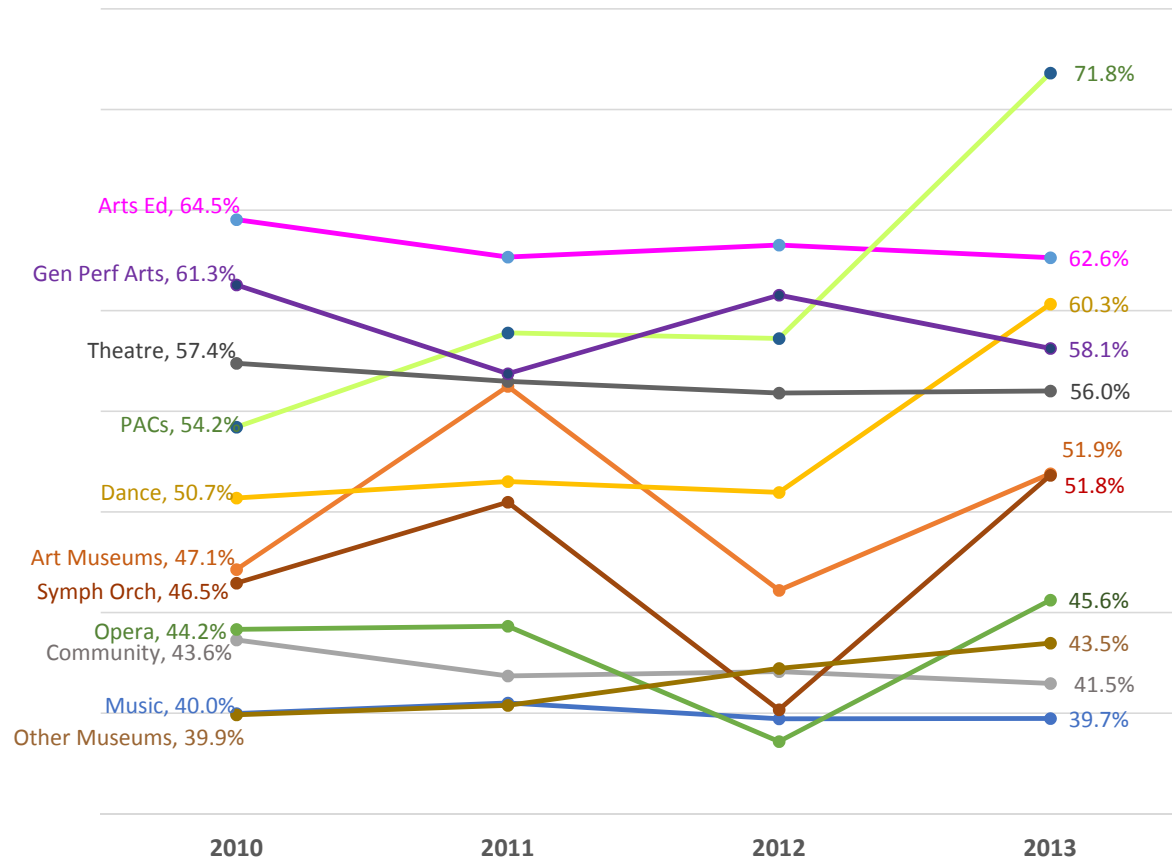


What we learned.

- **Performing Arts Centers have the highest percentage of expenses covered by earned revenue** at 72.8%. PACs were followed by Arts Education organizations – many of which are heavily reliant on tuition – at 61.8%.
- Earned revenue covered over half of expense for the Arts Education, Dance, PAC, Theater, and General Performing Arts sectors.
- **Other Museums as well as Music and Community Organizations are the least reliant on earned revenue compared to other sectors.**

	Arts Education	Art Museums	Community	Dance	Music	Opera	PACs	Symphony Orchestras	Theater	Other Museums	General Performing Arts
Ave. Unrestricted Earned Revenue (less cap. gains)/	\$ 960,382	\$ 6,451,263	\$ 325,641	\$ 736,496	\$ 142,470	\$ 2,838,169	\$ 4,761,432	\$ 1,561,161	\$ 826,853	\$ 1,949,489	\$ 565,712
Ave. Total Expenses (before depreciation)	\$ 1,553,453	\$ 13,229,096	\$ 780,949	\$ 1,220,521	\$ 354,042	\$ 6,309,884	\$ 6,541,929	\$ 3,132,297	\$ 1,470,130	\$ 4,568,012	\$ 997,184

By Sector, Trends 2010-2013*



*3,115 organizations that provided data each of the 4 years.

What we learned.

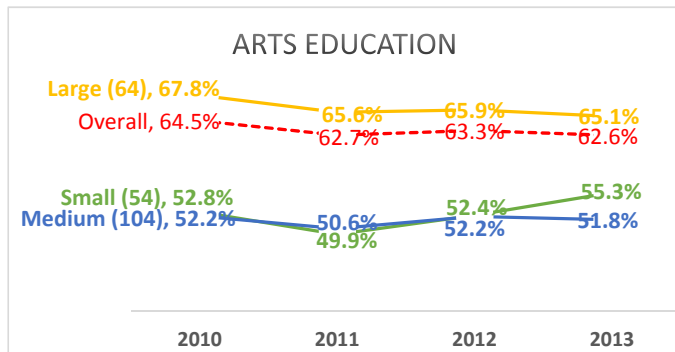
- **The high level of revenue earned by PACs relative to their expenses is a recent phenomenon.** Prior to 2013, PACs' earned revenue was between 50-60% of expenses. The 2013 spike to nearly 72% is no more or less attributable to an outlier than the levels reported for the 3 prior years.
- **The Art Museum, Dance, Opera, PAC, Symphony, and Other Museum sectors saw their total earned revenue index rise over time,** although not always in a smooth trajectory.
- **The Art Museum and Symphony Orchestra sectors' earned revenue index were erratic.** They spiked relative to expenses in 2011 then took a sharp dip along with Opera in 2012, recovering in 2013.
- The variation over time in earned revenue relative to expense was 1.5% or less for the **Theatre and Music sectors, creating a relatively flat trend.**

Trend table

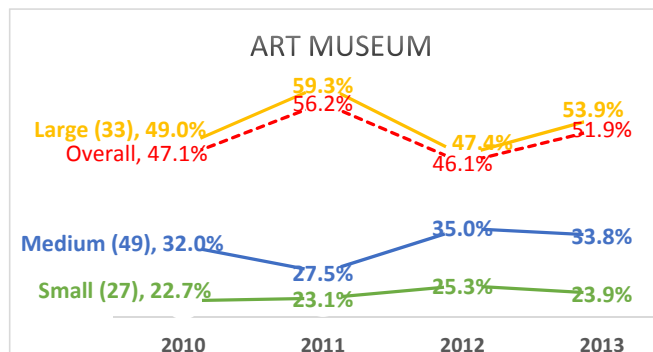
EARNED REVENUE INDEX TREND, BY SECTOR (3,115 ORGANIZATIONS)					2010-2013 change, adjusted for inflation	
	2010	2011	2012	2013	2010-2013 change	2010-2013 adjusted for inflation
Arts Education	64.5%	62.7%	63.3%	62.6%	-1.9%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 896,435	\$ 926,917	\$ 956,341	\$ 991,176	10.6%	3.3%
Ave. Total Expenses (before depreciation)	\$ 1,389,226	\$ 1,479,036	\$ 1,511,703	\$ 1,582,560	13.9%	6.5%
Art Museums	47.1%	56.2%	46.1%	51.9%	4.8%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 6,028,169	\$ 7,659,402	\$ 6,580,517	\$ 7,212,376	19.6%	11.8%
Ave. Total Expenses (before depreciation)	\$ 12,789,186	\$ 13,617,852	\$ 14,273,021	\$ 13,895,897	8.7%	1.5%
Community	43.6%	41.8%	42.1%	41.5%	-2.2%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 385,667	\$ 376,145	\$ 389,220	\$ 409,905	6.3%	-0.7%
Ave. Total Expenses (before depreciation)	\$ 883,783	\$ 898,801	\$ 925,318	\$ 988,347	11.8%	4.5%
Dance	50.7%	51.5%	51.0%	60.3%	9.6%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 642,380	\$ 663,336	\$ 712,374	\$ 858,362	33.6%	24.9%
Ave. Total Expenses (before depreciation)	\$ 1,267,290	\$ 1,287,699	\$ 1,397,573	\$ 1,422,807	12.3%	4.9%
Music	40.0%	40.5%	39.7%	39.7%	-0.2%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 128,330	\$ 136,032	\$ 139,904	\$ 144,546	12.6%	5.3%
Ave. Total Expenses (before depreciation)	\$ 320,977	\$ 335,829	\$ 352,248	\$ 363,797	13.3%	5.9%
Opera	44.2%	44.3%	38.6%	45.6%	1.5%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 4,256,002	\$ 4,273,510	\$ 4,063,740	\$ 4,141,670	-2.7%	-9.1%
Ave. Total Expenses (before depreciation)	\$ 9,637,663	\$ 9,640,987	\$ 10,531,511	\$ 9,078,102	-5.8%	-12.0%
PACs	54.2%	58.9%	58.6%	71.8%	17.6%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 4,242,276	\$ 4,764,223	\$ 4,510,068	\$ 5,529,174	30.3%	21.8%
Ave. Total Expenses (before depreciation)	\$ 7,824,715	\$ 8,089,120	\$ 7,693,278	\$ 7,699,548	-1.6%	-8.0%
Symphony Orchestras	46.5%	50.5%	40.2%	51.8%	5.4%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 1,913,048	\$ 2,062,756	\$ 1,888,380	\$ 2,245,953	17.4%	9.7%
Ave. Total Expenses (before depreciation)	\$ 4,117,262	\$ 4,085,690	\$ 4,700,323	\$ 4,334,026	5.3%	-1.6%
Theatre	57.4%	56.5%	55.9%	56.0%	-1.4%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 1,032,878	\$ 1,056,664	\$ 1,108,092	\$ 1,115,564	8.0%	0.9%
Ave. Total Expenses (before depreciation)	\$ 1,799,762	\$ 1,870,473	\$ 1,982,102	\$ 1,991,686	10.7%	3.4%
Other Museums	39.9%	40.4%	42.2%	43.5%	3.6%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 2,081,669	\$ 2,210,861	\$ 2,415,498	\$ 2,481,867	19.2%	11.4%
Ave. Total Expenses (before depreciation)	\$ 5,214,927	\$ 5,474,561	\$ 5,720,199	\$ 5,707,648	9.4%	2.3%
General Performing Arts	61.3%	56.9%	60.8%	58.1%	-3.2%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 719,237	\$ 649,932	\$ 761,887	\$ 701,783	-2.4%	-8.8%
Ave. Total Expenses (before depreciation)	\$ 1,173,661	\$ 1,142,814	\$ 1,253,659	\$ 1,207,317	2.9%	-3.9%

What we learned.

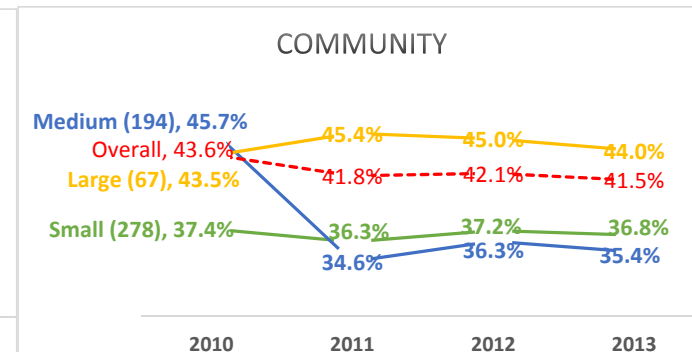
- **Dance had the highest earned revenue growth – 24.9% after adjusting for inflation.**
- **The Community, Opera, and General Performing Arts sectors ‘ had lower earned revenue in 2013 than in 2010 after adjusting for inflation; Opera’s earned revenue was lower even before adjusting for inflation but had recovered somewhat in 2013 from a low in 2012.**
- **In inflation-adjusted figures, total expenses were lower in 2013 than in 2010 in the Opera, PAC, Symphony Orchestra and General Performing Arts Sectors.**
- **In the Community sector expenses grew while earned revenue declined, driving down the earned revenue index. In the PAC and Symphony Orchestra sector the reverse was true, driving the earned revenue index higher over time.**



- The overall slight decrease in the earned revenue index was experienced by Large but not **Small Arts Ed organizations**, which **saw growth in earned revenue** which outpaced growth in expenses. It remained relatively flat for Medium organizations
- Large Arts Ed organizations tend to earn more of the budget from earned revenue. Medium and Small organizations' earned revenue indices were nearly identical until 2013.



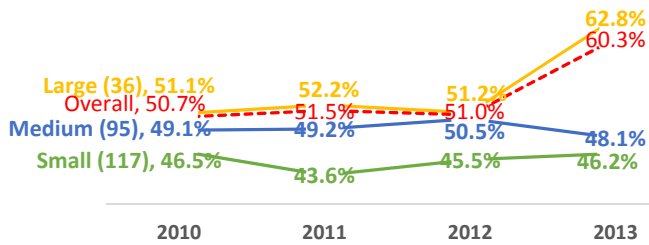
- The overall trend for Art Museums is driven by Large organizations, which earn more revenue relative to expenses than do either Medium or Small organizations.
- **Small and Large Art Museums saw growth in earned revenue that outpaced inflation by 10.9% and 6.2%, respectively.** For Small organizations, expense growth exceeded inflation by 5.3% whereas it fell short of inflation 3.4% for Large organizations.
- Medium Art Museums saw fluctuations in earned revenue over the years, ending the period close to where it began.



- **Medium Community organizations had a big drop in the earned revenue index from 2010 to 2011, after which time their levels were fairly indistinguishable from those of Small organizations.**
- **Expenses were lower for every size Community organization in 2013 than in 2010, as was earned revenue.** For Large organizations, the contraction of expenses exceeded that of earned revenue whereas the reverse was true for Small and Medium organizations.

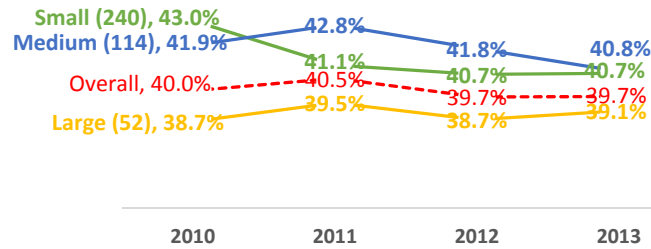
The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

DANCE



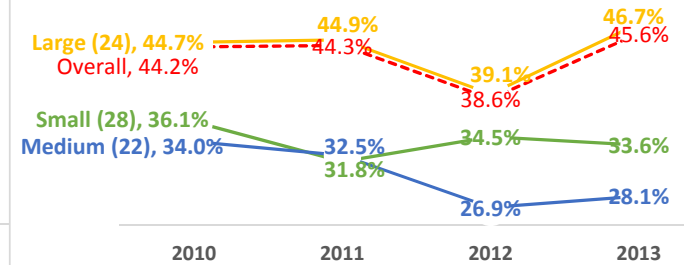
- The overall trend for Dance is driven by **Large organizations, which had an earned revenue index very similar to that of Medium organizations from 2010 to 2012**. In 2013 the index spiked for Large organizations due to growth in earned revenue and a reduction in expenses from 2012 to 2013. The growth was *not* due to an outlier.
- Despite a dip in 2011, Small Dance companies saw little change in this index over time.

MUSIC



- The overall trend for Music follows that of both Large and Medium organizations.
- **In all years but 2010, Medium Music groups had a higher earned revenue index than those that are Small and Large.**
- Small and Medium Music organizations had lower earned revenue and lower expenses in 2013 than in 2010 even before adjusting for inflation. Large Music organizations had growth in both areas that exceeded inflation.

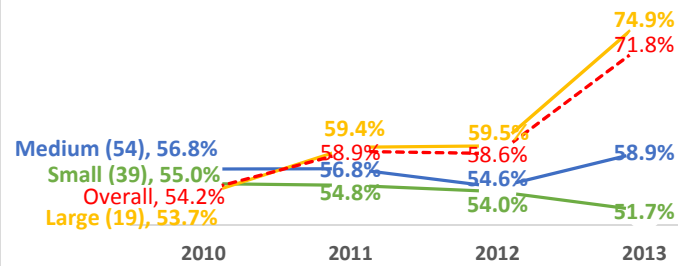
OPERA, EARNED REVENUE INDEX



- Large Opera companies support more of their budget with earned revenue than do those of other sizes
- **Large and Medium Opera companies both regained ground in this index in 2013 after a dip in 2012.**
- The overall trend for the Opera sector is mainly driven by Large organizations, whose earned revenue growth fell short of inflation 5% while expense growth lagged inflation by 9%.
- For **Medium organizations, the drop in the earned revenue index in 2012 was due to an increase in expenses**, which rose 9% more than inflation over the period while earned revenue growth fell shy of inflation by nearly 10%.

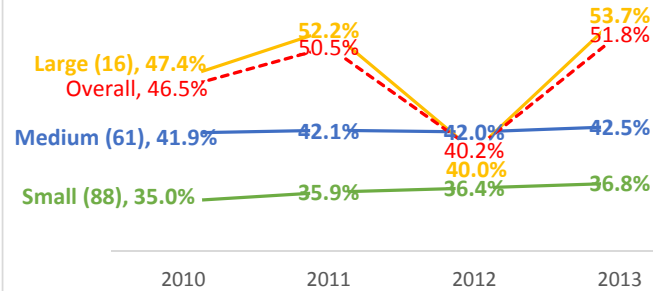
The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

PAC



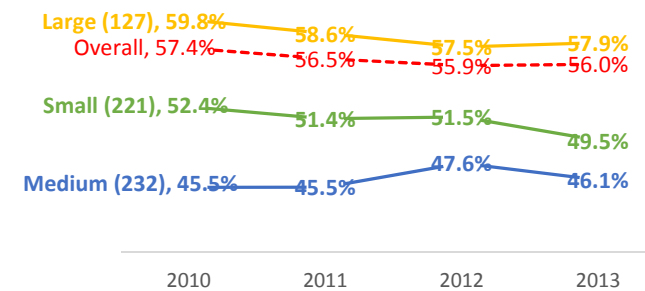
- **PACs showed little distinction in the earned revenue index until 2013, when Large and Medium organizations boosted and Small organizations dropped their level of earned revenue relative to expenses.**
- The large increase in this index for Large organizations is driven by an inflation-adjusted 7.3% increase in earned revenue coupled with a 23% reduction in expenses.
- Medium organizations decreased their expenses by a larger percentage than their earned revenue and the reverse was true for Small organizations.
- PACs of every size experienced average expense reductions over time.

SYMPHONY ORCHESTRA

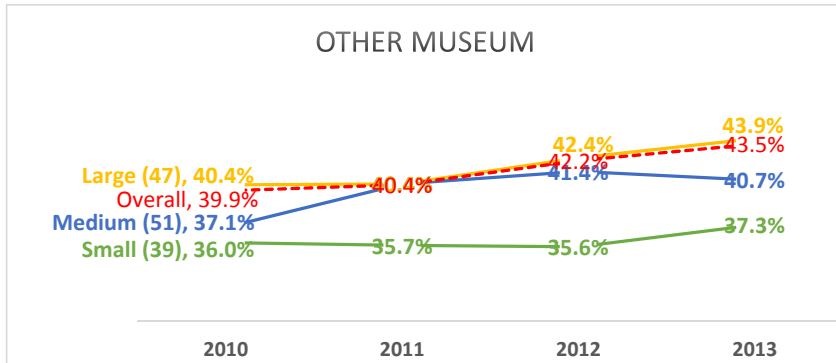


- Large Orchestras had a higher earned revenue index most years; in 2012 Large Orchestras' average earned revenue dipped.
- **Orchestras of every size averaged earned income growth in excess of inflation.**
- **Despite the fluctuations, Large organizations' earned revenue grew 16.5% and expenses rose 2.8% above inflation over the period.**
- Overall, Small and Medium organizations experienced steady growth in earned revenue and expenses.

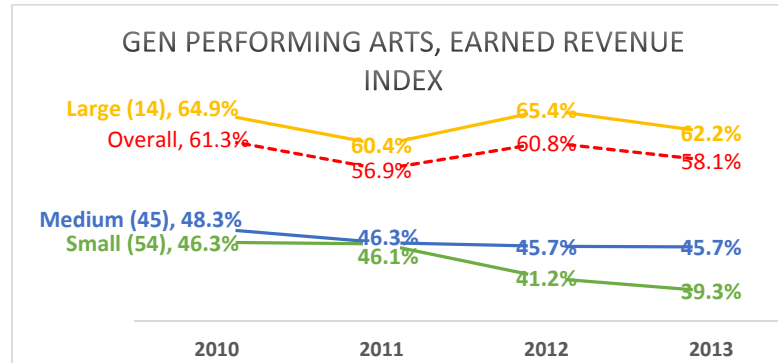
THEATRE



- Large Theatres consistently cover more of their budget from earned revenue than do those that are Medium, which cover more through earned revenue than those that are Small.
- The overall trend was mirrored by both Large and Small organizations.
- **For Large Theatres, a decrease in expenses was met with an even greater drop in earned revenue.**
- **Medium Theatres' earned revenue growth fell short of inflation by 4% while their expenses growth lagged inflation by 5%.**

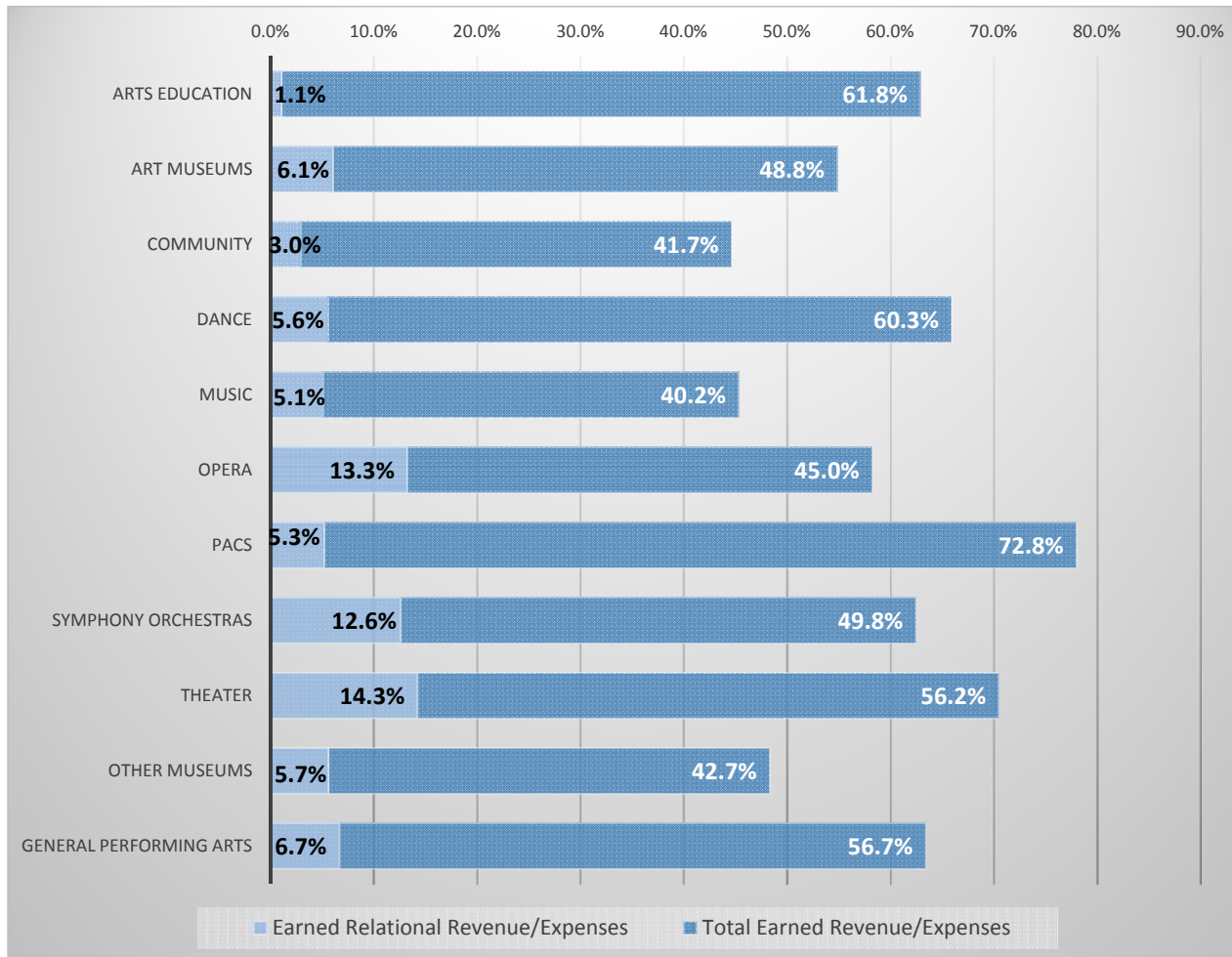


- In 2011 and 2012, Large and Medium Other Museums' earned revenue index was fairly indistinguishable; in fact, it was identical in 2011 at 40.4%.
- The slightly upward trend was experienced by both Large and Small organizations.
- **Other Museums of every size averaged earned income growth that exceeded inflation.**
- Medium organizations had an increase in 2011 that held fairly steady for the next two years.



- Large General Performing Arts organizations cover more of their budget from earned revenue than do those that are Medium or Small.
- After adjusting for inflation, organizations of every size averaged an earned revenue decrease that was greater than its expense decrease over time.
- The **biggest decrease over time** was experienced by **Small organizations, whose earned revenue was at its lowest 4-year level in 2013 with growth lagging inflation by 21%.**

Sidebar: Earned Relational Revenue vs. Total Earned Revenue, by Sector



What we learned.

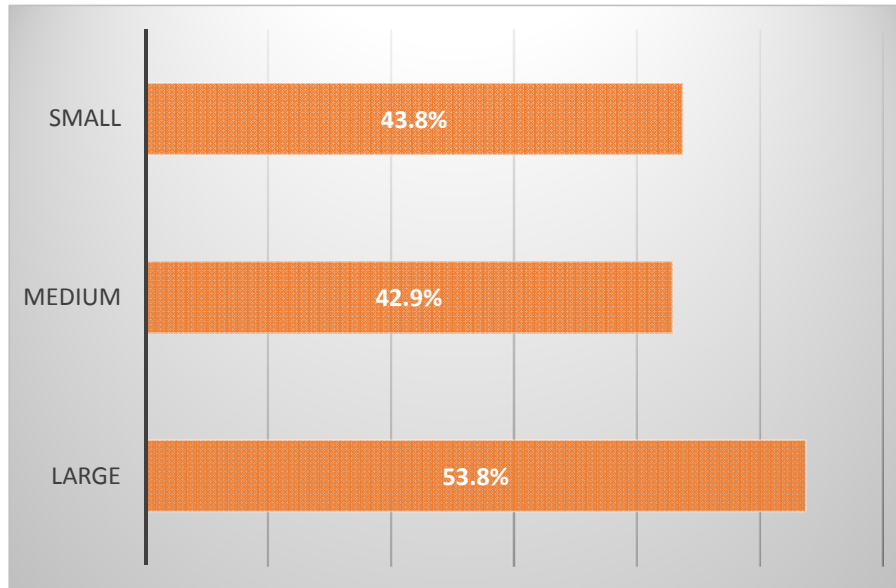
We also stop to show the relationship between total earned revenue and earned revenue from subscriptions and memberships, both as a percentage of expenses.

- The chart shows that **sectors relatively high in relational revenue are not necessarily the same as those with high total earned revenue.** This is the case for Theatre but not Arts Education, Dance, or PACs. These sectors apparently earn more revenue from non-relational customers.
- **Opera brings in 30% of its earned revenue through subscriptions. Symphony orchestras and theatres both earn 25% of their revenue through subscriptions and memberships.**

Budget ranges by sector

Arts Sector	Small	Medium	Large
Arts Education	\$236,182 or less	\$236,183 - \$1,296,200	\$1,296,201 or more
Art Museums	\$845,228 or less	\$845,229 - \$6,749,293	\$6,749,294 or more
Community	\$295,777 or less	\$295,778 - \$1,623,261	\$1,623,262 or more
Dance Companies	\$188,595 or less	\$188,596 - \$1,296,200	\$1,296,201 or more
Music	\$154,047 or less	\$154,048 - \$612,281	\$612,282 or more
Opera Companies	\$463,871 or less	\$463,872 - \$3,436,445	\$3,436,446 or more
Performing Arts Centers	\$845,228 or less	\$845,229 - \$8,452,293	\$8,452,294 or more
Symphony Orchestras	\$430,353 or less	\$430,354 - \$4,303,539	\$4,303,540 or more
Theater	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more
Other Museums	\$580,916 or less	\$580,917 - \$4,638,716	\$4,638,717 or more
General Performing Arts	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more

2013, By Size

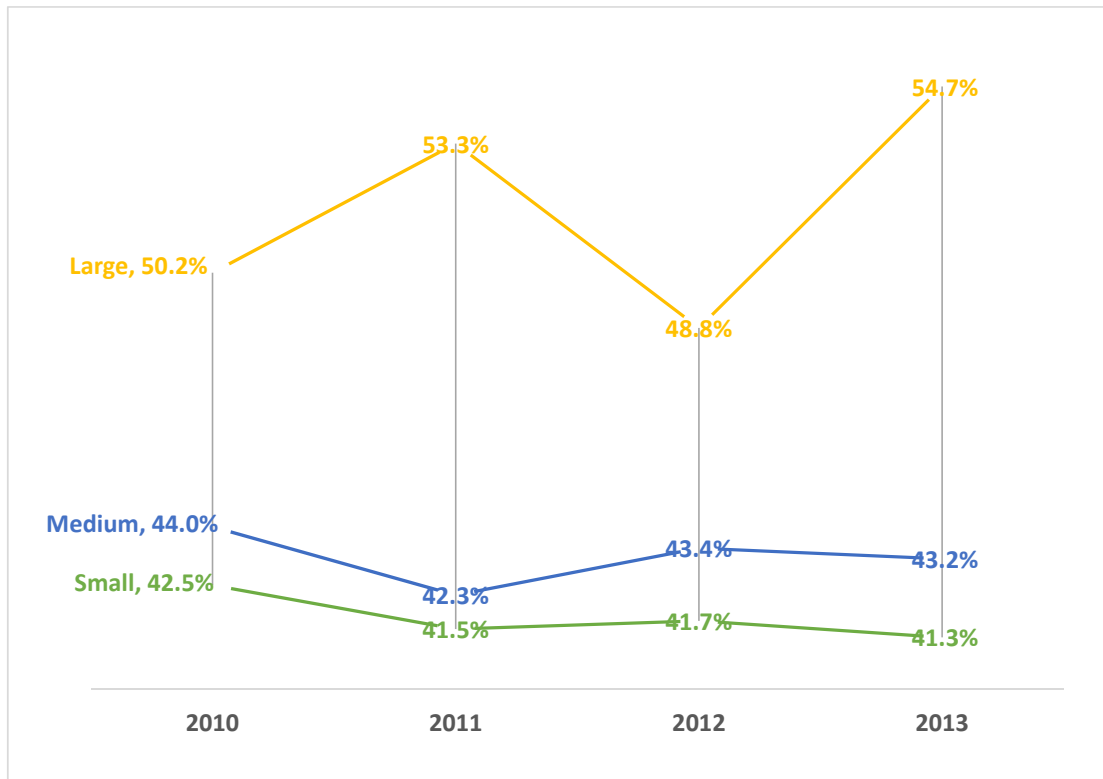


What we learned.

- Small and Medium organizations cover 43.8% and 42.9%, respectively, of their total expenses with earned revenue. The similarity persists despite considerable variation in the levels of average earned revenue and average expenses.
- **There is a bigger jump in the earned revenue index between Medium and Large organizations, which average 53.8%.** This discrepancy is similar to the one we see when looking at earned revenue from subscriptions and memberships relative to expenses.

	Small	Medium	Large
Ave. Unrestricted Earned Revenue (before capital gains)	\$ 48,233	\$ 371,311	\$ 5,725,993
Ave. Total Expenses (before depreciation)	\$ 110,234	\$ 864,861	\$ 10,642,747

By Size, Trends 2010-2013*



*3,115 organizations that provided data each of the 4 years.

What we learned.

- On an annual basis, Large organizations cover more of their budgets with earned revenue than do Small and Medium organizations.
- Large organizations had an upward trajectory overall despite a large dip in 2012, due more to an expense spike that year than a drop in earned revenue.
- Small and Medium organizations had their lowest earned revenue index level in 2011 followed by a slight bump in 2012 and a tapering off in 2013.

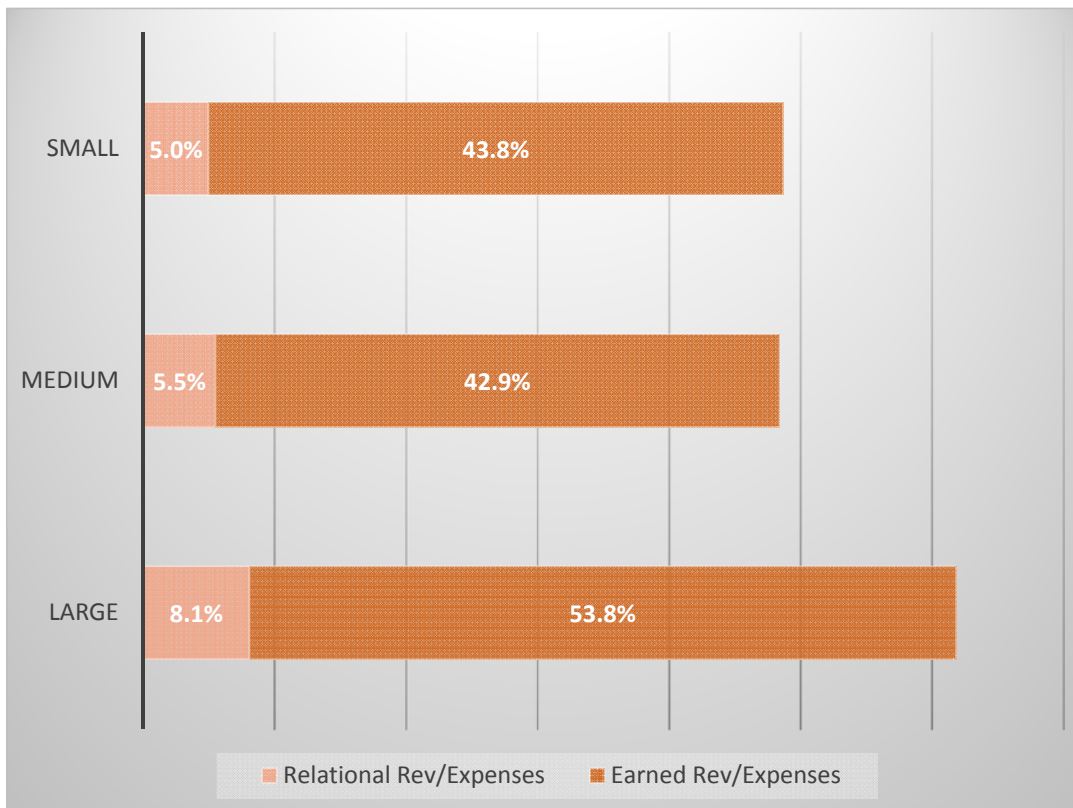
Trend table

TOTAL EARNED REVENUE INDEX TREND, BY SIZE (3,115 ORGANIZATIONS)					2010-2013 change, adjusted for inflation	
	2010	2011	2012	2013	2010-2013 change	
Small	42.5%	41.5%	41.7%	41.3%	-1.3%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 49,820	\$ 50,270	\$ 51,006	\$ 51,090	2.5%	-4.2%
Ave. Total Expenses (before depreciation)	\$ 117,098	\$ 121,210	\$ 122,389	\$ 123,793	5.7%	-1.2%
Medium	44.0%	42.3%	43.4%	43.2%	-0.8%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 389,244	\$ 376,660	\$ 393,504	\$ 384,079	-1.3%	-7.8%
Ave. Total Expenses (before depreciation)	\$ 885,162	\$ 890,374	\$ 905,677	\$ 889,256	0.5%	-6.1%
Large	50.2%	53.3%	48.8%	54.7%	4.6%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 5,700,894	\$ 6,221,218	\$ 5,892,594	\$ 6,264,305	9.9%	2.7%
Ave. Total Expenses (before depreciation)	\$ 11,359,258	\$ 11,663,000	\$ 12,066,391	\$ 11,444,275	0.7%	-5.8%

What we learned.

- In inflation-adjusted figures, average total expenses were lower for every size organization in 2013 than in 2010.
- Small and Medium organizations both experienced earned revenue and expense growth that fell short of inflation, with the drop in the former higher than the drop in the latter.

Sidebar: Earned Relational Revenue vs. Total Earned Revenue, by Size

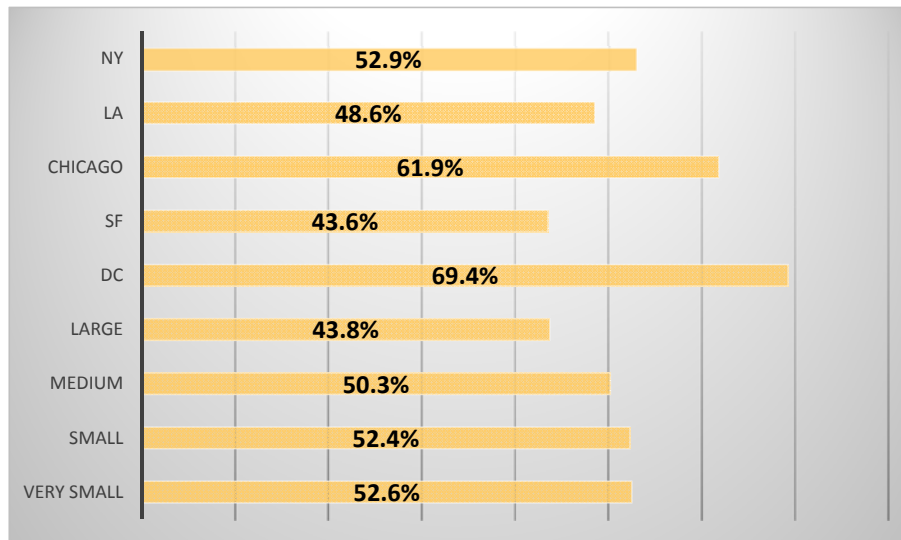


What we learned.

We also stop to show the relationship between total earned revenue and earned revenue from subscriptions and memberships, both as a percentage of expenses.

- The chart shows that **Small and Medium organizations have very similar levels of relational and total earned revenue.**
- **Small organizations tend to bring in 11% of total earned revenue with subscriptions/members. That figure is 13% for Medium organizations and 15% for Large.**

2013, By Geography

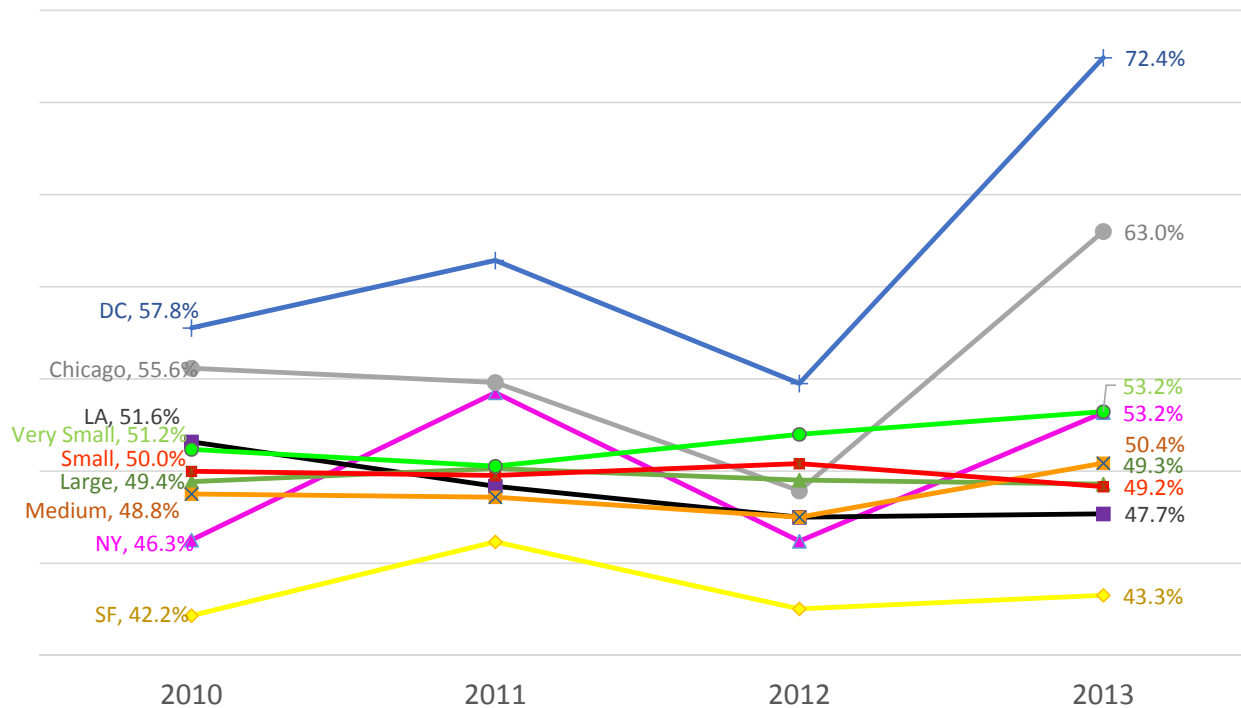


What we learned.

- Arts organizations in the Washington, DC, area have higher earned revenue as a percentage of expenses – 69.4% -- than organizations in other markets, followed by Chicago at 61.9%.
- In DC, average earned revenue is 34% higher than in the next highest market whereas in Chicago average expenses are lower than all Market Clusters except Small and Very Small markets. This makes sense given that roughly 2/3rds of Chicago organizations in our data have a budget under \$250,000.
- Organizations in **San Francisco** and **Large Markets** are on the low end of the spectrum, with earned revenue supporting 43.6% and 43.8% of expenses on average.

	New York-White Plains-Wayne, NY-NJ	Los Angeles-Long Beach-Glendale	Chicago-Naperville-Arlington Heights	San Francisco-Redwood City-So. S.F.	Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg	Larger Markets	Medium Markets	Small Markets	Very Small Markets
Ave. Unrestricted Earned Revenue (before capital gains)	\$ 1,784,662	\$ 1,053,893	\$ 1,075,790	\$ 964,150	\$ 2,387,027	\$1,181,188	\$ 1,002,427	\$ 643,780	\$ 416,087
Ave. Total Expenses (before depreciation)	\$ 3,373,655	\$ 2,168,771	\$1,738,233	\$2,211,274	\$ 3,441,957	\$2,699,158	\$ 1,994,081	\$ 1,229,136	\$ 791,374

By Geography, Trends 2010-2013*



What we learned.

- DC organizations tend to cover more of their budgets with earned annually.
- DC, Chicago, and New York organizations all dipped in the percentage of expenses covered by earned revenue in 2012, only to recover substantially in 2013.
- Los Angeles' earned revenue index slipped over time.
- Aside from DC, Chicago and San Francisco, the remaining markets had very similar levels of the earned revenue index until 2013.
- **In San Francisco as well as Large, Medium, Small and Very Small markets, the earned revenue index has shifted relatively little – less than 2% - over time.**

*3,115 organizations that provided data each of the 4 years.

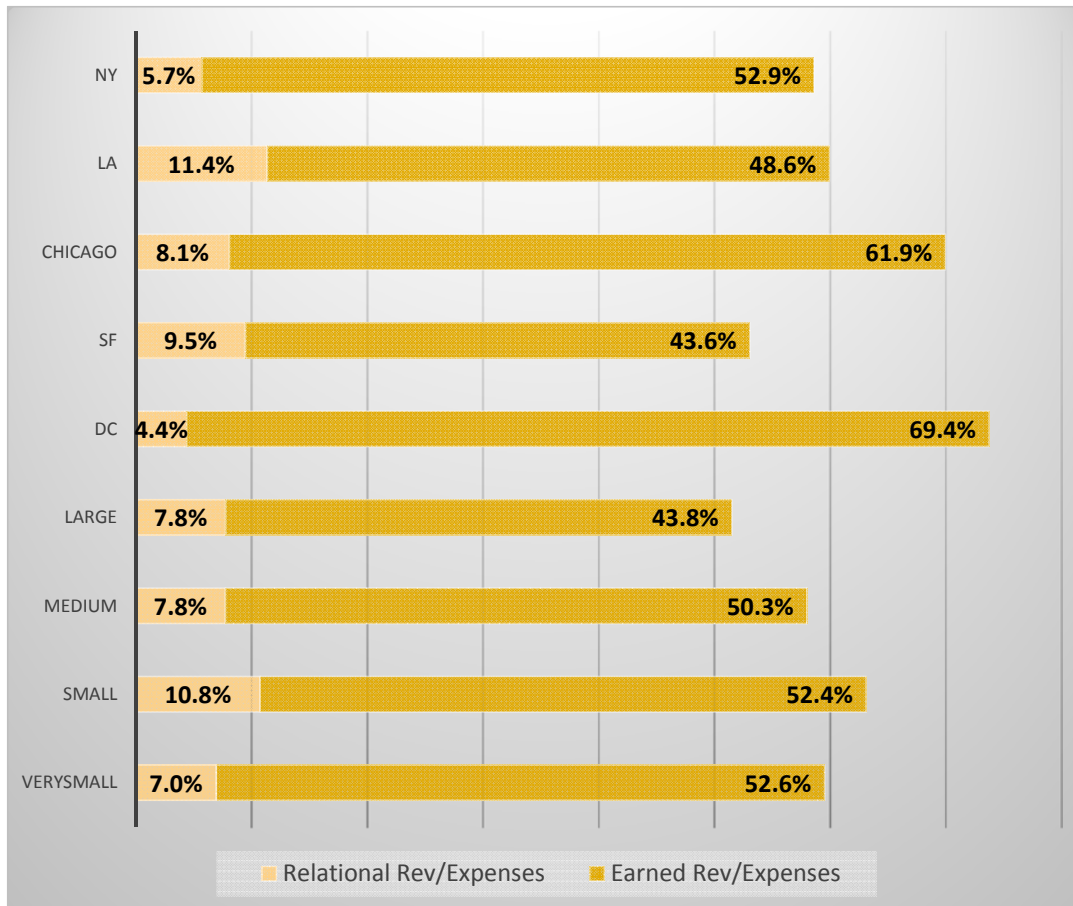
Trend table

TOTAL EARNED REVENUE INDEX TRENDS, BY GEOGRAPHY (3,115 ORGANIZATIONS)	2010	2011	2012	2013	2010-2013 change	2010-2013 change, adjusted for inflation
New York-White Plains-Wayne, NY-NJ	46.3%	54.2%	46.2%	53.2%	6.9%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 1,966,681	\$ 2,286,562	\$ 2,110,159	\$ 2,272,504	15.6%	8.0%
Ave. Total Expenses (before depreciation)	\$ 4,251,880	\$ 4,214,903	\$ 4,567,539	\$ 4,273,160	0.5%	-6.1%
Los Angeles-Long Beach-Glendale, CA	51.6%	49.2%	47.5%	47.7%	-3.9%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 1,117,664	\$ 1,082,632	\$ 1,118,135	\$ 1,162,353	4.0%	-2.8%
Ave. Total Expenses (before depreciation)	\$ 2,166,637	\$ 2,201,770	\$ 2,353,813	\$ 2,437,520	12.5%	5.1%
Chicago-Naperville-Arlington Hgts, IL	55.6%	54.8%	48.9%	63.0%	7.4%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 1,113,138	\$ 1,274,736	\$ 1,078,894	\$ 1,475,199	32.5%	23.9%
Ave. Total Expenses (before depreciation)	\$ 2,002,813	\$ 2,325,615	\$ 2,204,827	\$ 2,341,560	16.9%	9.3%
San Francisco-Redwood City- South SF, CA	42.2%	46.2%	42.5%	43.3%	1.1%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 1,138,364	\$ 1,312,020	\$ 1,265,284	\$ 1,320,679	16.0%	8.4%
Ave. Total Expenses (before depreciation)	\$ 2,699,852	\$ 2,841,911	\$ 2,975,470	\$ 3,052,682	13.1%	5.7%
Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg, DC-VA	57.8%	61.4%	54.8%	72.4%	14.7%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 2,826,735	\$ 3,305,102	\$ 3,131,280	\$ 3,765,299	33.2%	24.5%
Ave. Total Expenses (before depreciation)	\$ 4,892,909	\$ 5,380,257	\$ 5,718,736	\$ 5,198,518	6.2%	-0.7%
Larger Markets	49.4%	50.1%	49.5%	49.3%	-0.1%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 1,139,919	\$ 1,225,208	\$ 1,228,293	\$ 1,265,583	11.0%	3.8%
Ave. Total Expenses (before depreciation)	\$ 2,306,439	\$ 2,443,683	\$ 2,480,659	\$ 2,567,089	11.3%	4.0%
Medium Markets	48.8%	48.6%	47.5%	50.4%	1.7%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 1,166,409	\$ 1,190,163	\$ 1,238,899	\$ 1,291,831	10.8%	3.5%
Ave. Total Expenses (before depreciation)	\$ 2,392,046	\$ 2,449,458	\$ 2,608,059	\$ 2,561,461	7.1%	0.1%
Small Markets	50.0%	49.8%	50.4%	49.2%	-0.8%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 620,092	\$ 640,919	\$ 664,234	\$ 659,395	6.3%	-0.6%
Ave. Total Expenses (before depreciation)	\$ 1,240,429	\$ 1,287,834	\$ 1,317,826	\$ 1,341,444	8.1%	1.1%
Very Small Markets	51.2%	50.3%	52.0%	53.2%	2.0%	
Ave. Unrestricted Earned Revenue (less cap. Gains)/	\$ 460,796	\$ 478,851	\$ 514,304	\$ 537,082	16.6%	8.9%
Ave. Total Expenses (before depreciation)	\$ 900,305	\$ 952,595	\$ 989,116	\$ 1,009,059	12.1%	4.7%

What we learned.

- Growth in earned revenue lagged inflation for the average organization in Los Angeles and Small Markets, while expense growth exceeded it.
- The greatest growth was in DC, where earned revenue rose 24.5% more than inflation while expenses remained flat.
- In L.A., earned relational revenue was at nearly the same level in 2013 as in 2010 despite dips in interim years, and nearly 7% lower over time when inflation is taken into account.
- Chicago organizations saw the greatest growth in total expenses. Growth in earned revenue was 23.95 higher than inflation, driving up the trend.
- In New York, the positive trend was driven by positive earned revenue growth and an expense decrease.

Sidebar: Earned Relational Revenue vs. Total Earned Revenue, by Geography



What we learned.

We also stop to show the relationship between total earned revenue and earned revenue from subscriptions and memberships, both as a percentage of expenses.

- While **D.C. covers the highest level of expenses with total earned revenue, its relational revenue is lowest.** By contrast, San Francisco has a comparatively low level of total earned revenue relative to expenses and yet its relational revenue is fairly high.
- **Organizations in Los Angeles tend to bring in 23% of total earned revenue with subscriptions/members.** That figure is **22% for San Francisco organizations and 11% for Small Markets.**

Relational Earned Revenue Index*

“What is the relationship of
earned relational revenue to
expenses (before
depreciation)?”

*Since this Edition marks the introduction of the Relational Earned Revenue Index, we provide both Averages and Driving Forces for this new metric.

Methodology: Our Formula

Our Formula

$$\frac{\text{Subscription and Membership Earned Revenue}}{\text{Total Expenses (before depreciation)}}$$

Earned Relational Revenue

Earned relational revenue includes revenue earned from subscriptions and memberships.

Total Expenses

Following Nonprofit Finance Fund's encouragement to examine performance on a strictly operating basis, we look at expenses before depreciation since depreciation is a non-cash expense that accounts for the reduced value of assets due to their use over the year.

What CDP Survey Line Items Did We Use?

Earned Relational Revenue Index:

Subscription and Membership Earned Revenue/Total Expenses (before depreciation)

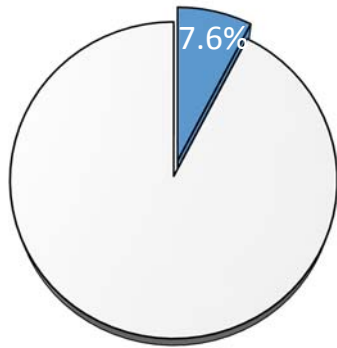
Subscription and Membership Earned Revenue:

Section 3 Line 9 Unrestricted and Section 3 Line 10 Unrestricted

Total Expenses (before depreciation):

(Section 6 Line 45 Total - Section 6 Line 14 Total)

View averages by: 2013 Overall



What we learned.

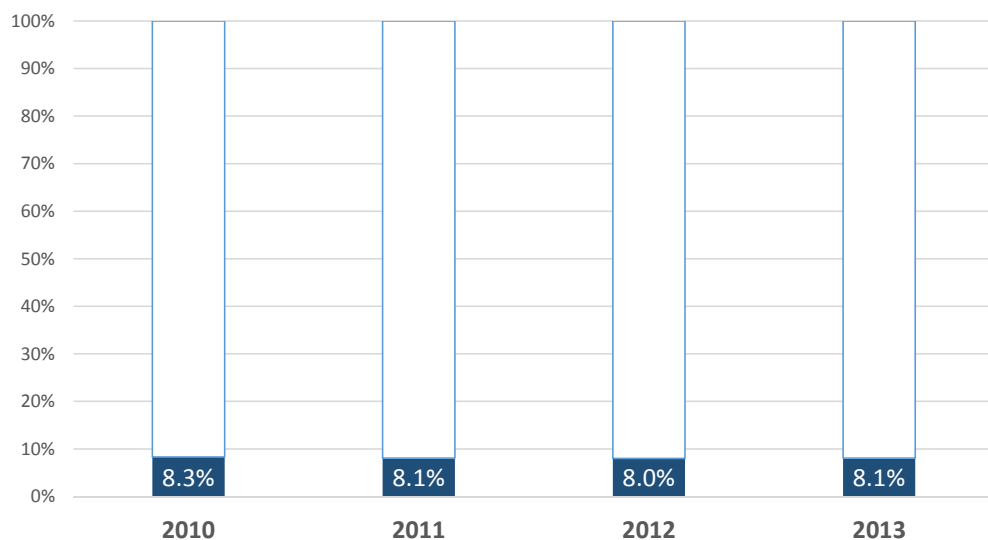
Earned revenue from subscriptions and memberships supported an average of 7.6% of expenses (before depreciation).

While the subscription model is not dead for the arts and cultural field as a whole, its robustness varies not only between the sectors but also among various organizational budget sizes within each sector. Each is experiencing relational revenue differently.

Ave. Membership-Subscription Revenue \$ 149,708

Ave. Total Expenses (before depreciation) \$ 1,970,396

Overall, Trends 2010-2013*



Trend table

RELATIONAL EARNED REVENUE INDEX TREND (3,115 ORGANIZATIONS)					2010-2013 change	2010-2013 change, adjusted for inflation
	2010	2011	2012	2013		
Membership/Subscription Revenue/Total Expenses (before depr.)	8.3%	8.1%	8.0%	8.1%	-0.2%	
Ave. Membership/Subsc. Revenue	\$ 192,008	\$ 192,990	\$ 201,201	\$ 200,431	4.4%	-2.4%
Ave. Total Expenses (before depreciation)	\$ 2,312,779	\$ 2,396,605	\$ 2,518,920	\$ 2,481,409	7.3%	0.3%

What we learned.

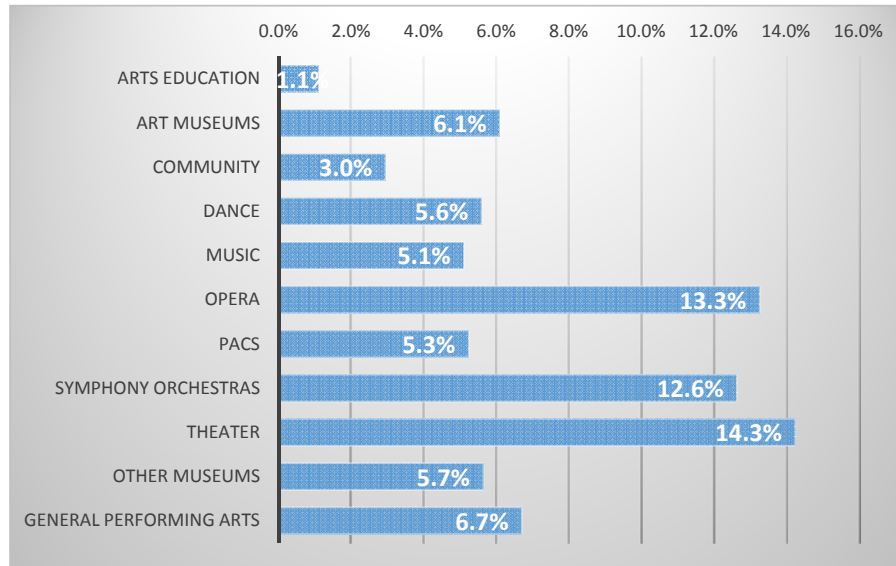
- **The subscription and membership model is not dead.** Earned revenue from subscriptions and memberships remained virtually unchanged relative to expenses over time.

What we learned.

- Although growth did not keep pace with inflation, earned **revenue from subscriptions and memberships increased 4.4% in absolute terms** between 2010 and 2013. Growth in expenses exceeded inflation by less than 1%.

*3,115 organizations that provided data each of the 4 years.

2013, By Sector

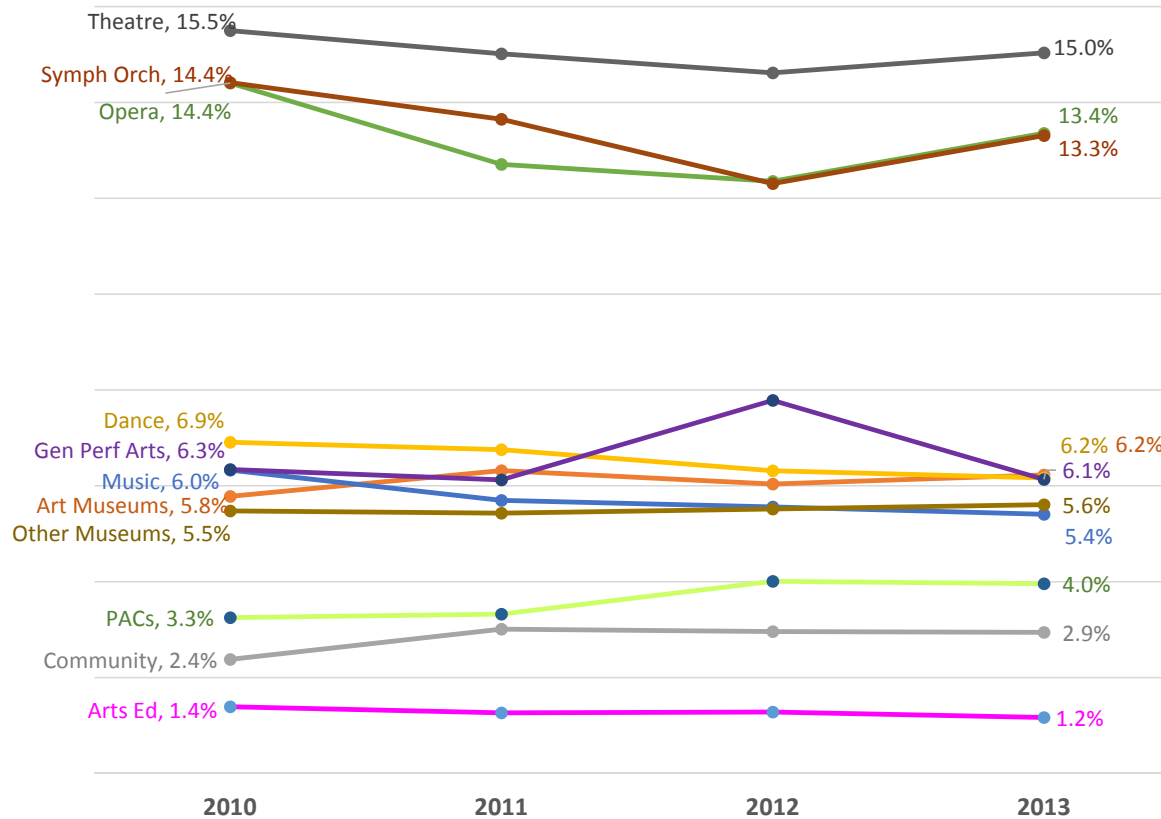


What we learned.

- **Theatres have the highest percentage of expenses covered by revenue from subscriptions or memberships** – what we term earned relational revenue -- at 14.3%. Close behind are Opera companies at 13.3% and Symphony Orchestras at 12.6%.
- **Art Museums, Dance, Music, PACS, Other Museums, and General Performing Arts organizations were all in the 5%-7% range.** Although the relationship between earned relational revenue and expenses was very similar for these sectors, there was considerable variation in the levels of average relational revenue and average expenses between the sectors.

	Arts Education	Art Museums	Community	Dance	Music	Opera	PACs	Symphony Orchestras	Theater	Other Museums	General Performing Arts
Ave. Membership-Subscription Revenue	\$ 17,227	\$ 808,408	\$ 23,074	\$ 68,396	\$ 18,115	\$ 837,863	\$ 343,560	\$ 396,204	\$ 209,704	\$ 258,250	\$ 66,966
Ave. Total Expenses (before depreciation)	\$ 1,553,453	\$ 13,229,096	\$ 780,949	\$ 1,220,521	\$ 354,042	\$ 6,309,884	\$ 6,541,929	\$ 3,132,297	\$ 1,470,130	\$ 4,568,012	\$ 997,184

By Sector, Trends 2010-2013*



*3,115 organizations that provided data each of the 4 years.

What we learned.

- PACs, Community organizations, Art Museums and Other Museums increased their earned relational revenue index over time.
- Opera and Symphony Orchestras saw average decreases of 1% and 1.1%, respectively. All other sectors saw decreases of less than 1% from 2010 to 2013.
- On an annual basis, Theatres, Symphony Orchestras and Opera companies tend to earn more revenue from subscribers and members relative to expenses than do other sectors.

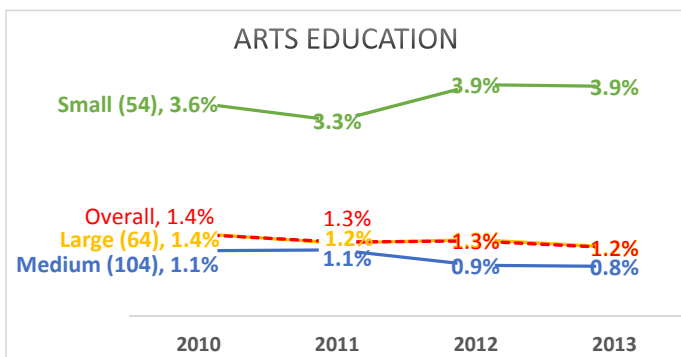
Trend table

RELATIONAL EARNED REVENUE INDEX TREND, BY SECTOR (3,115 ORGANIZATIONS)	2010	2011	2012	2013	2010-2013 change	2010-2013 change, adjusted for inflation
Arts Education	1.4%	1.3%	1.3%	1.2%	-0.2%	
Ave. Membership/Subsc. Revenue	\$ 19,348	\$ 18,706	\$ 19,380	\$ 18,469	-4.5%	-10.8%
Ave. Total Expenses (before depreciation)	\$ 1,389,226	\$ 1,479,036	\$ 1,511,703	\$ 1,582,560	13.9%	6.5%
Art Museums	5.8%	6.3%	6.0%	6.2%	0.4%	
Ave. Membership/Subsc. Revenue	\$ 739,261	\$ 860,298	\$ 861,835	\$ 865,699	17.1%	9.4%
Ave. Total Expenses (before depreciation)	\$ 12,789,186	\$ 13,617,852	\$ 14,273,021	\$ 13,895,897	8.7%	1.5%
Community	2.4%	3.0%	3.0%	2.9%	0.6%	
Ave. Membership/Subsc. Revenue	\$ 21,027	\$ 27,054	\$ 27,383	\$ 29,090	38.3%	29.3%
Ave. Total Expenses (before depreciation)	\$ 883,783	\$ 898,801	\$ 925,318	\$ 988,347	11.8%	4.5%
Dance	6.9%	6.8%	6.3%	6.2%	-0.7%	
Ave. Membership/Subsc. Revenue	\$ 87,553	\$ 87,008	\$ 88,260	\$ 87,697	0.2%	-6.4%
Ave. Total Expenses (before depreciation)	\$ 1,267,290	\$ 1,287,699	\$ 1,397,573	\$ 1,422,807	12.3%	4.9%
Music	6.3%	5.7%	5.6%	5.4%	-0.9%	
Ave. Membership/Subsc. Revenue	\$ 20,312	\$ 19,140	\$ 19,590	\$ 19,673	-3.1%	-9.5%
Ave. Total Expenses (before depreciation)	\$ 320,977	\$ 335,829	\$ 352,248	\$ 363,797	13.3%	5.9%
Opera	14.4%	12.7%	12.4%	13.4%	-1.0%	
Ave. Membership/Subsc. Revenue	\$ 1,388,102	\$ 1,225,281	\$ 1,301,161	\$ 1,212,418	-12.7%	-18.4%
Ave. Total Expenses (before depreciation)	\$ 9,637,663	\$ 9,640,987	\$ 10,531,511	\$ 9,078,102	-5.8%	-12.0%
PACs	3.3%	3.3%	4.0%	4.0%	0.7%	
Ave. Membership/Subsc. Revenue	\$ 254,443	\$ 268,942	\$ 308,470	\$ 304,709	19.8%	11.9%
Ave. Total Expenses (before depreciation)	\$ 7,824,715	\$ 8,089,120	\$ 7,693,278	\$ 7,699,548	-1.6%	-8.0%
Symphony Orchestras	14.4%	13.6%	12.3%	13.3%	-1.1%	
Ave. Membership/Subsc. Revenue	\$ 593,357	\$ 557,595	\$ 578,476	\$ 576,778	-2.8%	-9.2%
Ave. Total Expenses (before depreciation)	\$ 4,117,262	\$ 4,085,690	\$ 4,700,323	\$ 4,334,026	5.3%	-1.6%
Theatre	15.5%	15.0%	14.6%	15.0%	-0.5%	
Ave. Membership/Subsc. Revenue	\$ 278,910	\$ 280,805	\$ 289,733	\$ 299,421	7.4%	0.3%
Ave. Total Expenses (before depreciation)	\$ 1,799,762	\$ 1,870,473	\$ 1,982,102	\$ 1,991,686	10.7%	3.4%
Other Museums	5.5%	5.4%	5.5%	5.6%	0.1%	
Ave. Membership/Subsc. Revenue	\$ 285,580	\$ 297,301	\$ 315,564	\$ 319,987	12.0%	4.7%
Ave. Total Expenses (before depreciation)	\$ 5,214,927	\$ 5,474,561	\$ 5,720,199	\$ 5,707,648	9.4%	2.3%
General Performing Arts	6.3%	6.1%	7.8%	6.1%	-0.2%	
Ave. Membership/Subsc. Revenue	\$ 74,435	\$ 69,999	\$ 97,575	\$ 74,062	-0.5%	-7.0%
Ave. Total Expenses (before depreciation)	\$ 1,173,661	\$ 1,142,814	\$ 1,253,659	\$ 1,207,317	2.9%	-3.9%

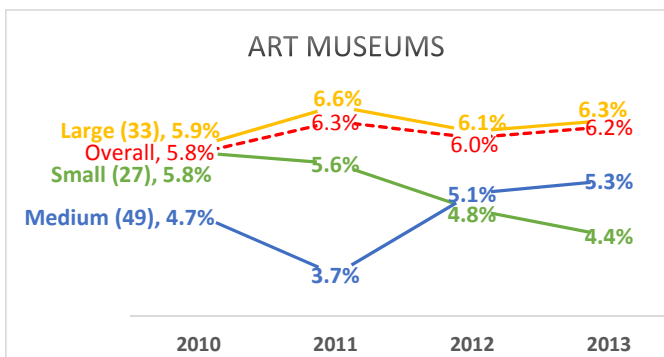
What we learned.

- PACs, Community organizations, Art Museums and Other Museums, and Theatres saw growth in subscription and membership revenue that outpaced inflation over time.
- Subscription and membership revenue declined over time in the Arts Education, Music, Opera, Symphony Orchestra, and General Performing Arts sectors.
- While subscription and membership revenue was higher in 2013 than in 2010 for the Dance sector, growth did not keep pace with inflation.
- In inflation-adjusted figures, total expenses were lower in 2013 than in 2010 in the Opera, PAC, Symphony Orchestra and General Performing Arts Sectors. In Music, Dance, and Arts Education, expenses grew while subscription and membership revenue declined.

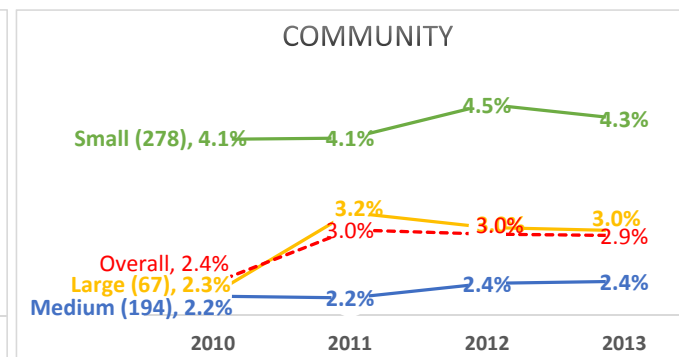
Go deeper into trends by sector.



- The overall slight decrease in the earned relational revenue index was experienced by Medium and Large but not **Small Arts Ed organizations**, which **saw growth in relational revenue** which outpaced growth in expenses.
- Small Arts Ed organizations tend to earn more of the budget from relational revenue than Large organizations, which earn more than Medium organizations.



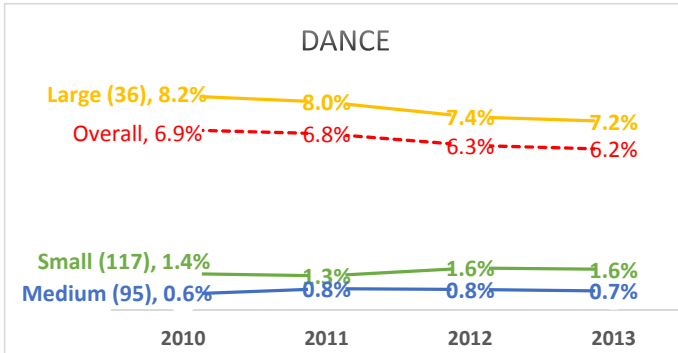
- The overall trend for Art Museums is driven by Large organizations, which earn more of the revenue from members than do either Small or Medium organizations.
- Small Art Museums' earned relational average revenue dropped 21% while their expenses grew 5% in inflation-adjusted figures.
- **Medium Art Museums saw growth in earned relational revenue that outpaced inflation 6%** while expenses decreased by the same percentage.



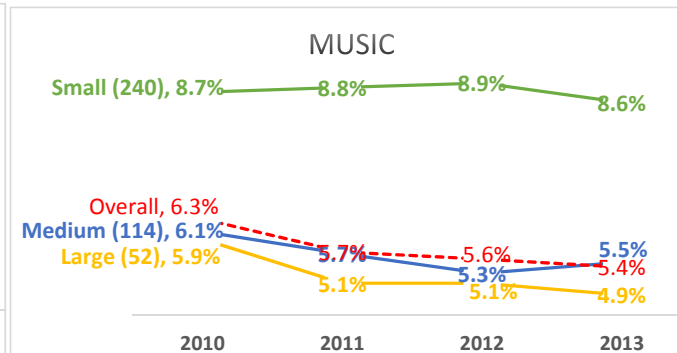
- Small Community organizations earn more of their budget from relational revenue than those that are Medium and Large.
- **Community organizations of every size averaged growth in the Earned Relational Revenue Index over time.**
- Large Community organizations averaged 29% growth in earned relational revenue after adjusting for inflation. Every size averaged growth in earned relational revenue that outpaced inflation.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

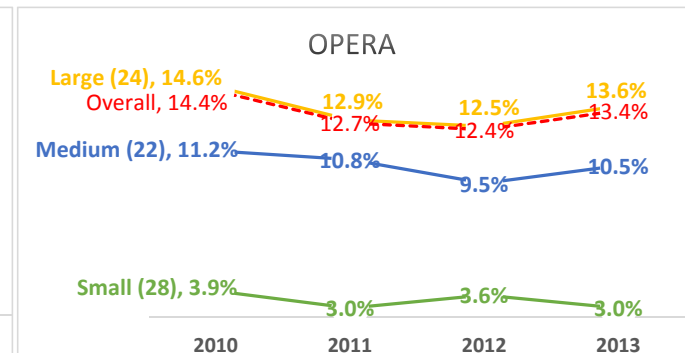
Go deeper into trends by sector.



- The overall trend for Dance is driven by Large organizations, which earn more of the revenue from subscribers than do either Small or Medium organizations.
- **Small Dance companies saw a very slight bump in this index** due to a 12% increase in earned relational revenue, which was quite low in 2010.
- Earned relational revenue provides very minimal support of expenses for Medium Dance companies each year.



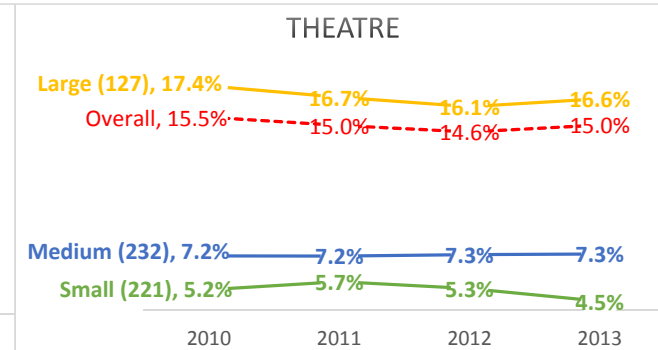
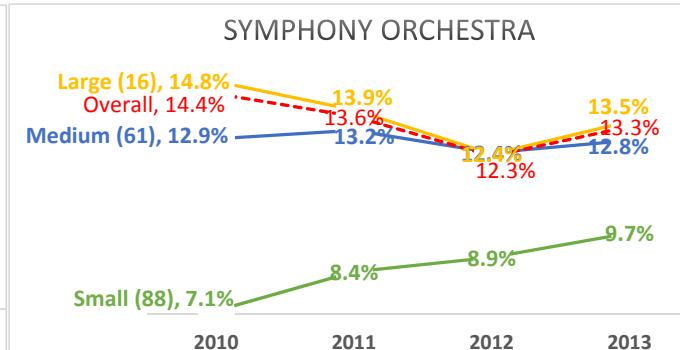
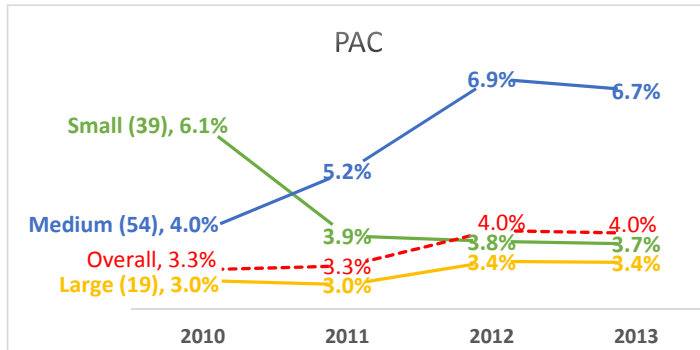
- **Small Music groups earn more of their budget from relational revenue than those that are Medium and Large.**
- Over time Small organizations decreased their total expenses and subscription revenue at roughly the same levels.
- The overall trend for the Music sector is mainly driven by Large organizations, whose expense growth outpaced inflation 11% while earned relational revenue growth fell short of inflation by 9%.
- For Medium organization, the shrinking of earned relational revenue was greater than the decline in total expenses.



- Large Opera companies earn more of their budget from relational revenue than do those that are Medium, which cover more through relational revenue than those that are Small.
- **Large and Medium Opera companies both regained ground in this index in 2013 after a 2-year dip.**
- The overall trend for the Opera sector is mainly driven by Large organizations, whose subscription revenue growth fell short of inflation 16% while expense growth lagged inflation by 9%. Small Opera companies experienced a similar pattern overall despite a temporary bump in 2012.
- For Medium organization, the growth of total expenses was greater than the growth in subscription revenue.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

Go deeper into trends by sector.

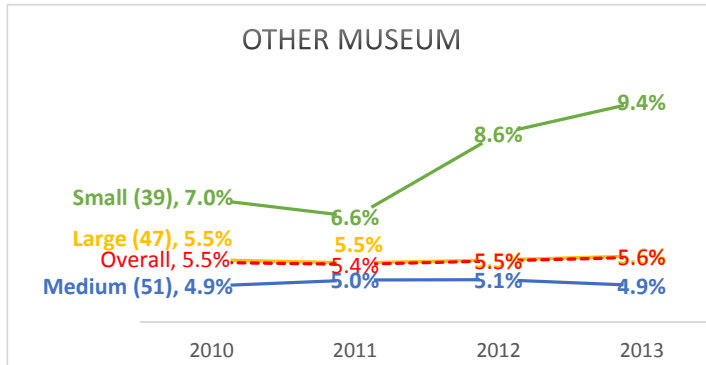


- PACs of every size saw an average decrease in expenses. **Medium PACs saw 52% growth over inflation in subscription revenue.**
- Small PACs saw the reverse of the overall upward trend for the sector, with the drop in average subscription revenue higher than the decrease in expenses.
- For Large PACs, the drop in expenses was greater than the drop in subscription revenue.

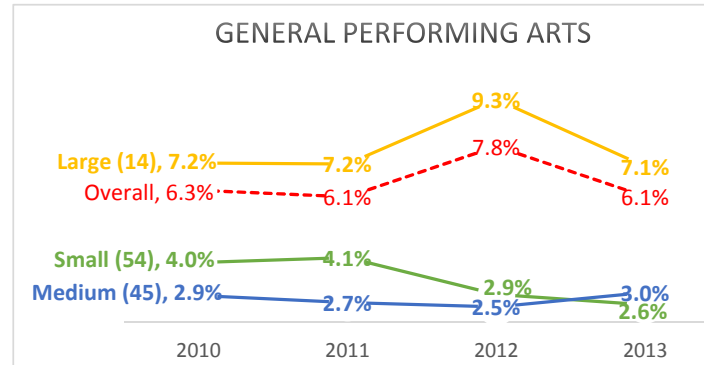
- Large Orchestras earn more of their budget from relational revenue than do those that are Medium, which cover more through relational revenue than those that are Small.
- In 2012 Large and Medium Orchestras had the identical index level of 12.4%; in 2013 they had similar increases in subscription revenue but Large Orchestras had an average decrease in expenses and Medium Orchestras an increase.
- **Earned relational revenue has become increasingly important to Small Orchestras**, rising 34% more than inflation while expenses have been reduced 3% over time.

- Large Theatres earn more of their budget from relational revenue than do those that are Medium, which cover more through relational revenue than those that are Small.
- For Large Theatres, a decrease in expenses was met with an even greater drop in subscription and membership revenue.
- The earned relational revenue index remained fairly flat for **Medium Theatres** as **subscription and membership revenue contracted at virtually the same rate as expenses over time.**
- Small Theatres' earned relationship revenue growth fell short of inflation by 11% while expense growth outpaced inflation by 3%.

Go deeper into trends by sector.

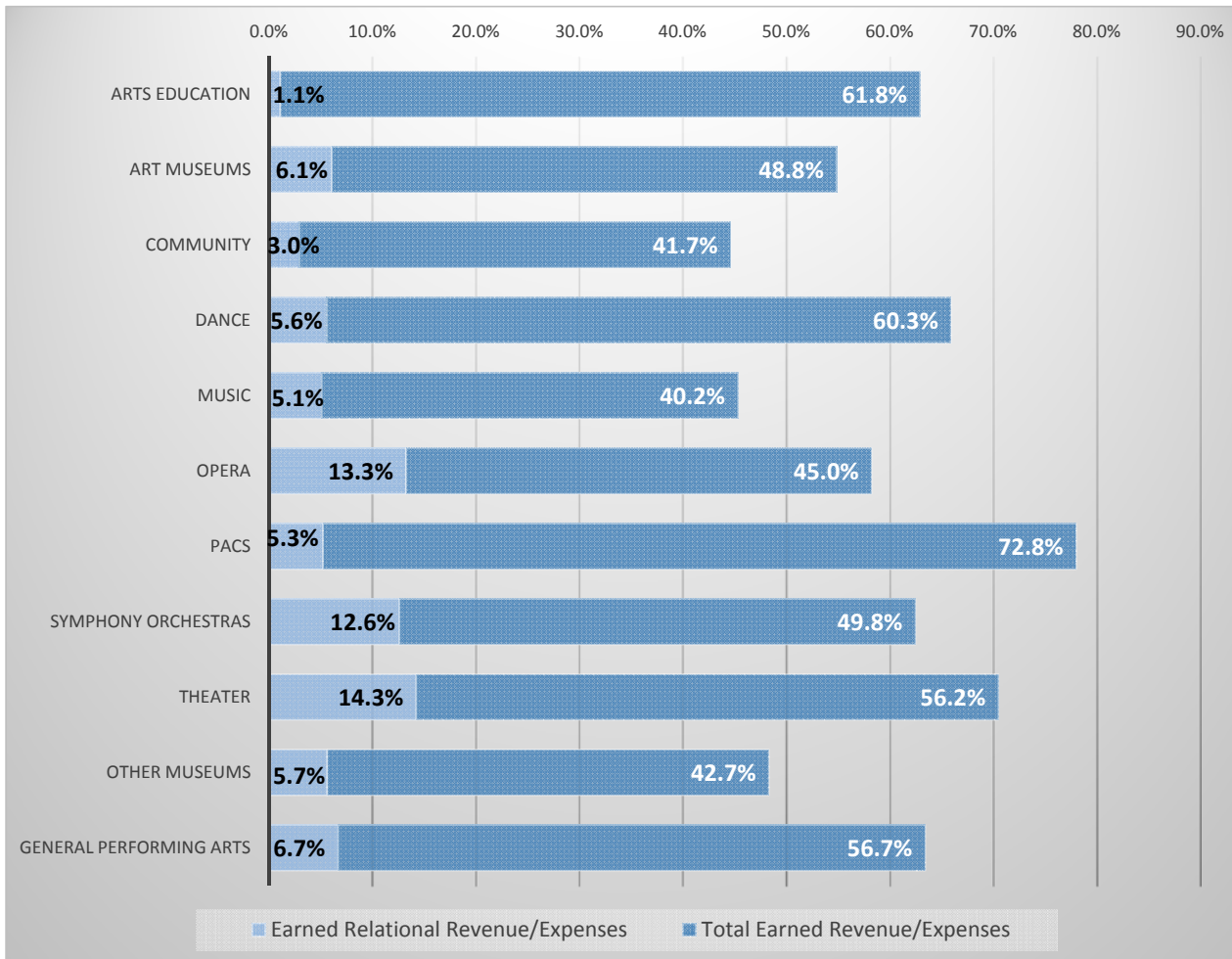


- Small Other Museums earn more of their budget from relational revenue than do those that are Medium or Large.
- The overall trend is virtually identical to that of Large organizations in the sector and very similar to the trend for Medium organizations. Large and Medium Other Museums saw inflation-adjusted contraction in both earned membership revenue and expenses.
- **Small Other Museums experienced average growth in earned membership revenue** that outpaced inflation by 44% and expense growth that exceeded inflation by 7%, creating an upward trend in the index.



- Large General Performing Arts organizations earn more of their budget from relational revenue than do those that are Small or Medium.
- In 2012 Large organizations had a bump in the earned relational revenue index, which returned to previous levels in 2013. This was reflected in the Overall trend.
- **Small organizations experienced an average inflation-adjusted decline in earned relational revenue** of nearly 40% over time and a 7% decrease in expenses.
- Earned relational revenue was 1% higher in 2013 than 2010 for Medium organizations while expenses fell 2% over the same period.

Sidebar: Earned Relational Revenue vs. Total Earned Revenue, by Sector



What we learned.

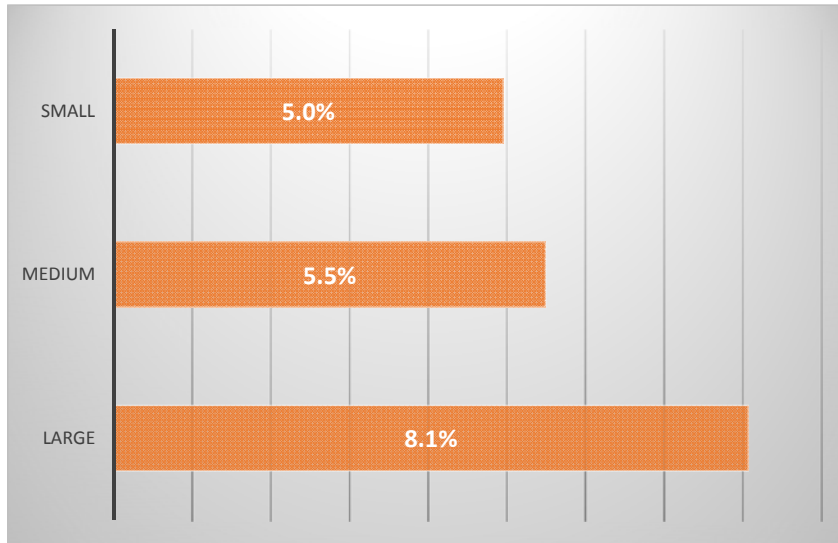
We also stop to show the relationship between total earned revenue and earned revenue from subscriptions and memberships, both as a percentage of expenses.

- The chart shows that **sectors relatively high in relational revenue are not necessarily the same as those with high total earned revenue.** This is the case for Theatre but not Arts Education, Dance, or PACs. These sectors apparently earn more revenue from non-relational customers.
- **Opera brings in 30% of its earned revenue through subscriptions. Symphony orchestras and theatres both earn 25% of their revenue through subscriptions and memberships.**

Budget ranges by sector

Arts Sector	Small	Medium	Large
Arts Education	\$236,182 or less	\$236,183 - \$1,296,200	\$1,296,201 or more
Art Museums	\$845,228 or less	\$845,229 - \$6,749,293	\$6,749,294 or more
Community	\$295,777 or less	\$295,778 - \$1,623,261	\$1,623,262 or more
Dance Companies	\$188,595 or less	\$188,596 - \$1,296,200	\$1,296,201 or more
Music	\$154,047 or less	\$154,048 - \$612,281	\$612,282 or more
Opera Companies	\$463,871 or less	\$463,872 - \$3,436,445	\$3,436,446 or more
Performing Arts Centers	\$845,228 or less	\$845,229 - \$8,452,293	\$8,452,294 or more
Symphony Orchestras	\$430,353 or less	\$430,354 - \$4,303,539	\$4,303,540 or more
Theater	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more
Other Museums	\$580,916 or less	\$580,917 - \$4,638,716	\$4,638,717 or more
General Performing Arts	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more

2013, By Size

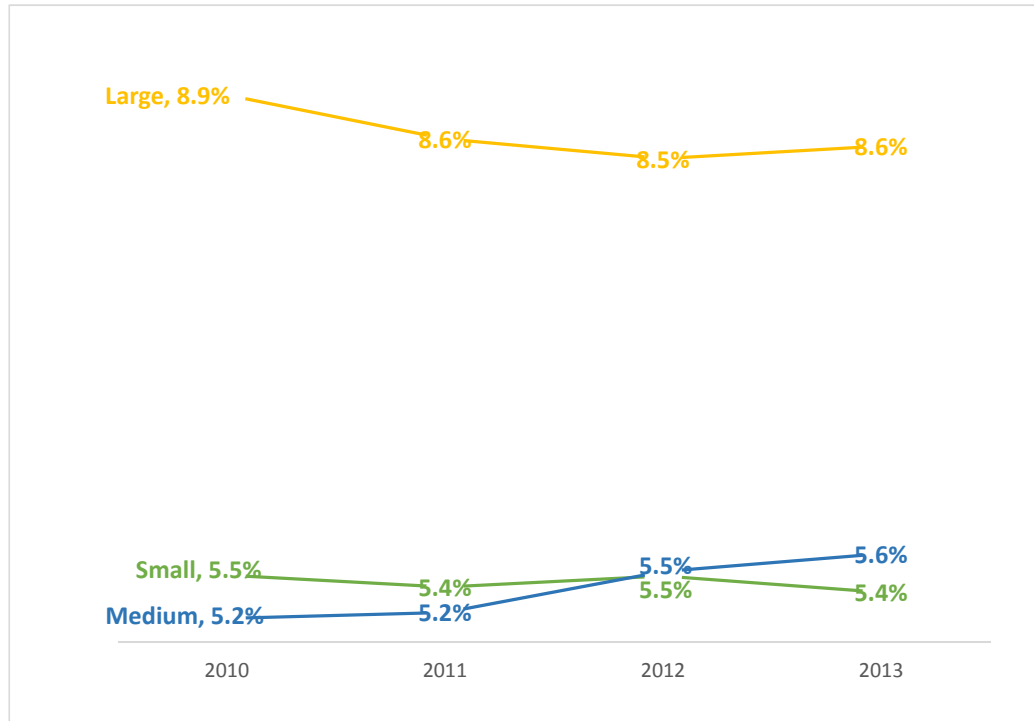


What we learned.

- Small and Medium organizations cover 5% and 5.5%, respectively, of their total expenses with earned revenue from subscriptions and memberships. The similarity persists despite considerable variation in the levels of average relational revenue and average expenses.
- **There is a bigger jump in the relational revenue index between Medium and Large organizations, which average 8.1%.**

	Small	Medium	Large
Ave. Membership-Subscription Revenue	\$ 5,466	\$ 47,558	\$ 859,939
Ave. Total Expenses (before depreciation)	\$ 110,234	\$ 864,861	\$10,642,747

By Size, Trends 2010-2013*



What we learned.

- On an annual basis, Large organizations cover more of their budgets with earned revenue from subscribers and members than do Small and Medium organizations.
- Large organizations had more robust relational revenue as compared with expenses in 2010 than in other years. It contracted in 2011 and stayed steady in 2012 and 2013.
- Small organizations held virtually the same level of relational revenue compared with expenses annually.
- **Medium organizations' earned relational revenue index increased in both 2012 and 2013. For these organizations the subscription-membership model is becoming increasingly important.**
- Trends by size for the field as a whole show findings that may be different for organizations by size based on their sector. For example, trends show that subscription and membership revenue growth failed to keep pace with inflation over time for Small and Large organizations. However, earned relational revenue has become increasingly important to Small Orchestras, rising 34% more than inflation while expenses have been reduced 3% over time. Small Community organizations earn more of their budget from relational revenue than those that are Medium and Large and their relational revenue has been on an upward trend.

*3,115 organizations that provided data each of the 4 years.

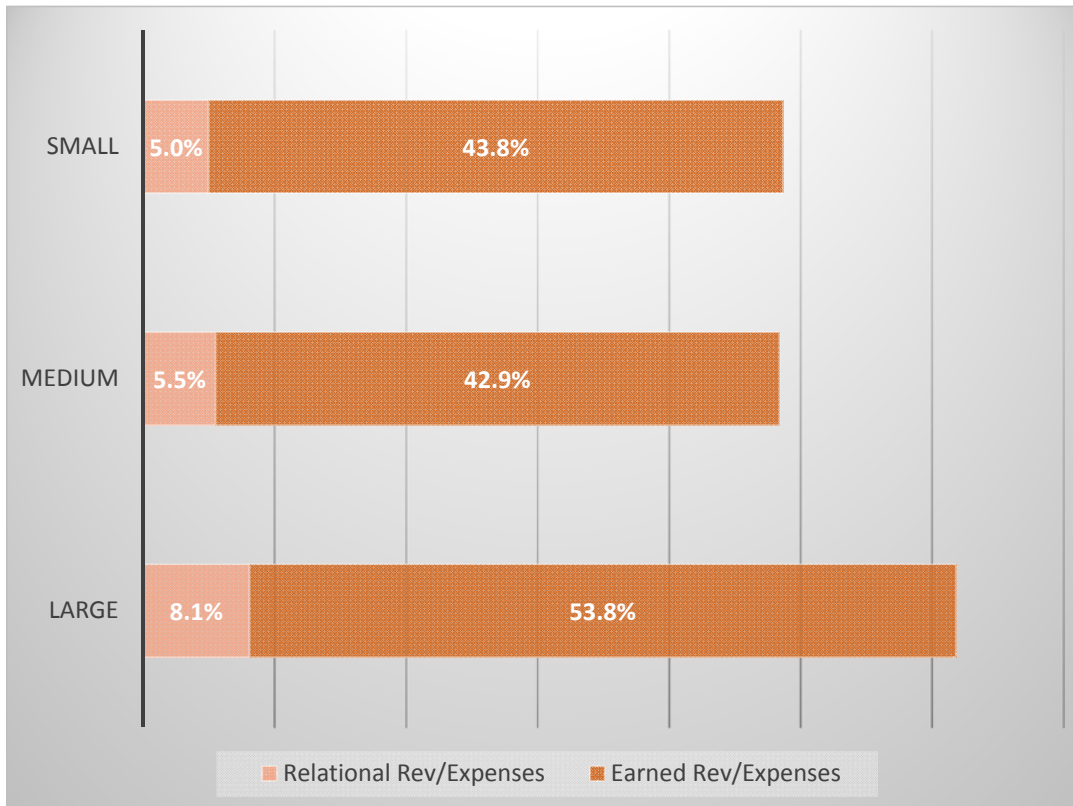
Trend table

RELATIONAL EARNED REVENUE INDEX TREND, BY SIZE (3,115 ORGANIZATIONS)	2010	2011	2012	2013	2010-2013 change	2010-2013 change,
Small	5.5%	5.4%	5.5%	5.4%	-0.1%	
Ave. Membership/Subsc. Revenue	\$ 6,417	\$ 6,540	\$ 6,701	\$ 6,633	3.4%	-3.4%
Ave. Total Expenses (before depreciation)	\$ 117,098	\$ 121,210	\$ 122,389	\$ 123,793	5.7%	-1.2%
Medium	5.2%	5.2%	5.5%	5.6%	0.5%	
Ave. Membership/Subsc. Revenue	\$ 45,774	\$ 46,420	\$ 49,870	\$ 50,103	9.5%	2.3%
Ave. Total Expenses (before depreciation)	\$ 885,162	\$ 890,374	\$ 905,677	\$ 889,256	0.5%	-6.1%
Large	8.9%	8.6%	8.5%	8.6%	-0.4%	
Ave. Membership/Subsc. Revenue	\$ 1,013,215	\$ 1,003,652	\$ 1,021,316	\$ 978,974	-3.4%	-9.7%
Ave. Total Expenses (before depreciation)	\$ 11,359,258	\$ 11,663,000	\$ 12,066,391	\$ 11,444,275	0.7%	-5.8%

What we learned.

- Medium organizations saw growth in subscription and membership revenue that outpaced inflation over time.
- **Subscription and membership revenue growth failed to keep pace with inflation over time for Small and Large organizations.**
- **In inflation-adjusted figures, average total expenses were lower for every size organization in 2013 than in 2010.**

Sidebar: Earned Relational Revenue vs. Total Earned Revenue, by Size

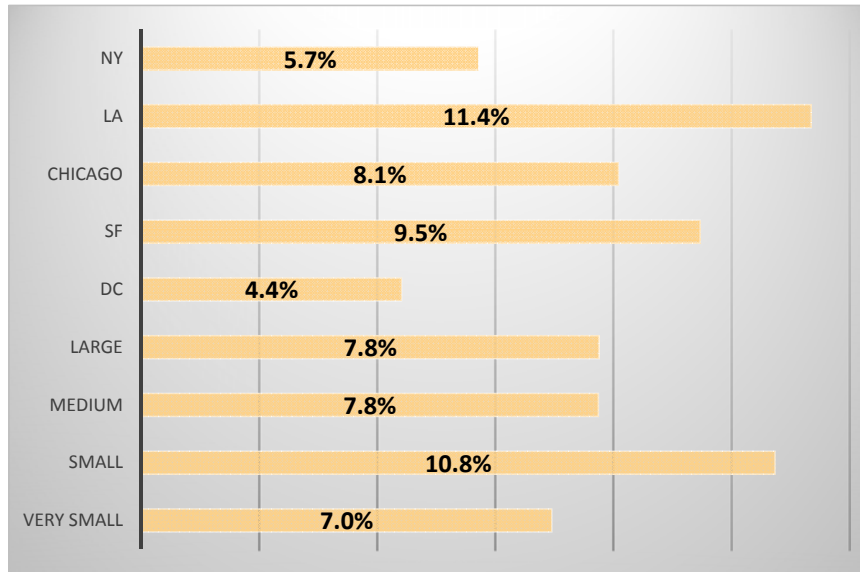


What we learned.

We also stop to show the relationship between total earned revenue and earned revenue from subscriptions and memberships, both as a percentage of expenses.

- The chart shows that **Small and Medium organizations have very similar levels of relational and total earned revenue.**
- **Small organizations tend to bring in 11% of total earned revenue with subscriptions/members. That figure is 13% for Medium organizations and 15% for Large.**

2013, By Geography

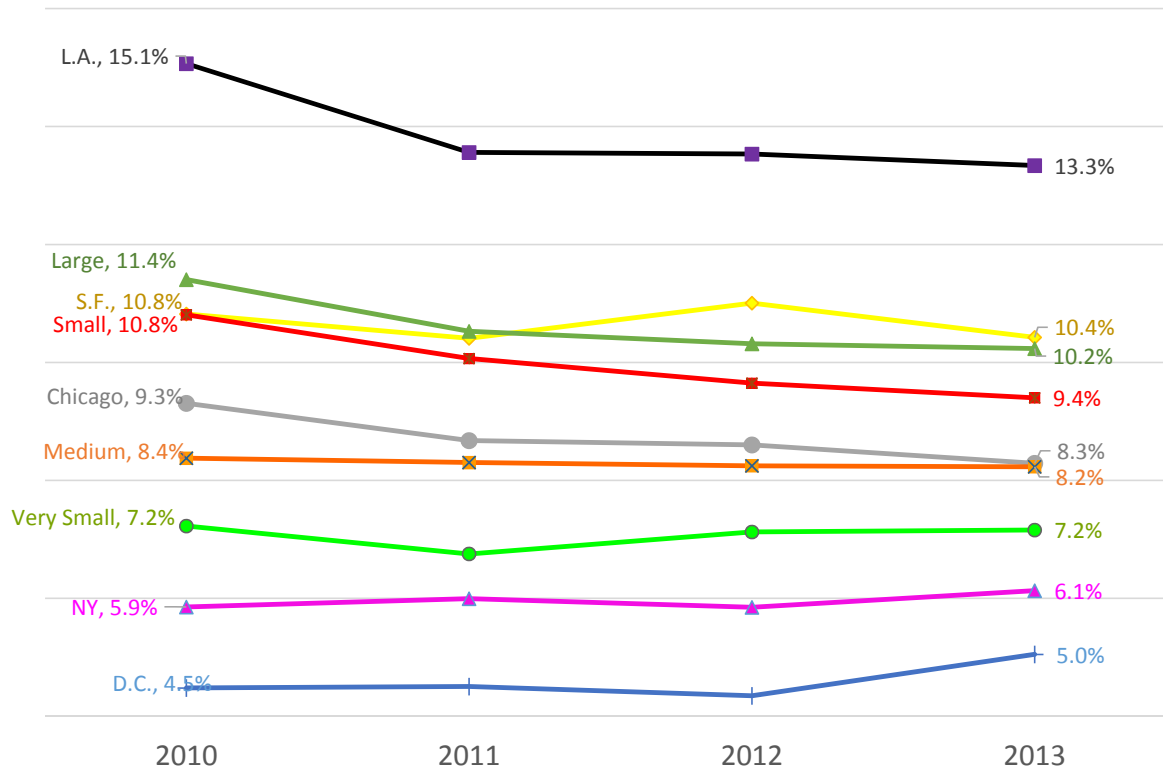


What we learned.

- Earned relational revenue as a percent of expenses is highest in Los Angeles at 11.4%.
- The earned relationship revenue index is lowest in DC at 4.4%, due to comparatively higher average expenses rather than lower average relational earned revenue.

	New York-White Plains-Wayne, NY-NJ	Los Angeles-Long Beach-Glendale	Chicago-Naperville-Arlington Heights	San Francisco-Redwood City-S.F.	Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg	Larger Markets	Medium Markets	Small Markets	Very Small Markets
Ave. Membership-Subscription Revenue	\$ 193,125	\$ 246,432	\$ 140,696	\$ 209,607	\$ 151,967	\$ 209,587	\$ 154,577	\$ 132,148	\$ 55,102
Ave. Total Expenses (before depreciation)	\$ 3,373,655	\$ 2,168,771	\$ 1,738,233	\$ 2,211,274	\$ 3,441,957	\$ 2,699,158	\$ 1,994,081	\$ 1,229,136	\$ 791,374

By Geography, Trends 2010-2013*



*3,115 organizations that provided data each of the 4 years.

What we learned.

- Los Angeles organizations tend to earn more relational revenue as a percent of expenses annually.
- In the DC and New York markets, the earned relational revenue index has increased over time.
- It decreased for all other markets over the 4-year period, with the biggest declines in Chicago, Large Markets, and Small Markets.

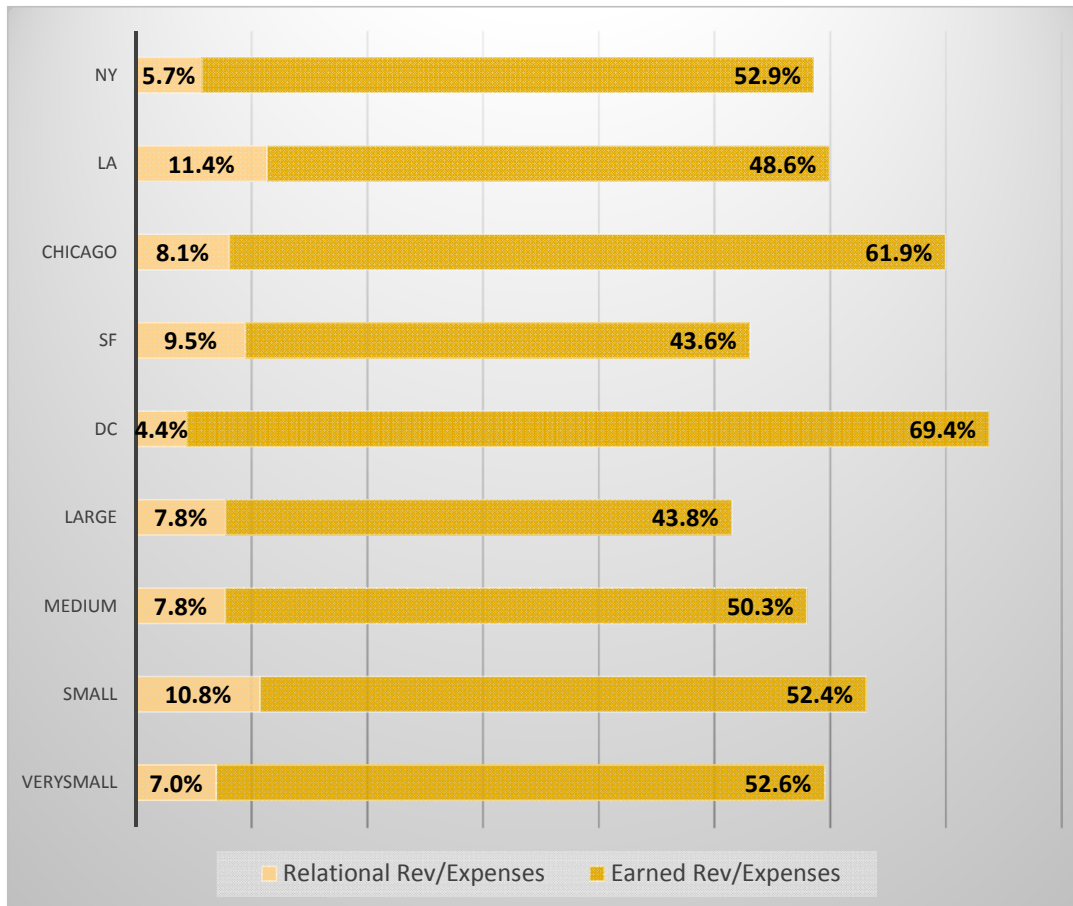
Trend table

RELATIONAL EARNED REVENUE INDEX TRENDS, BY GEOGRAPHY (3,115 ORGANIZATIONS)	2010	2011	2012	2013	2010-2013 change	2010-2013 change, adjusted for
New York-White Plains-Wayne, NY-NJ	5.9%	6.0%	5.8%	6.1%	0.3%	
Ave. Membership/Subsc. Revenue	\$ 248,953	\$ 252,710	\$ 267,161	\$ 262,019	5.2%	-1.6%
Ave. Total Expenses (before depreciation)	\$ 4,251,880	\$ 4,214,903	\$ 4,567,539	\$ 4,273,160	0.5%	-6.1%
Los Angeles-Long Beach-Glendale, CA	15.1%	13.6%	13.5%	13.3%	-1.7%	
Ave. Membership/Subsc. Revenue	\$ 326,421	\$ 298,579	\$ 318,572	\$ 325,123	-0.4%	-6.9%
Ave. Total Expenses (before depreciation)	\$ 2,166,637	\$ 2,201,770	\$ 2,353,813	\$ 2,437,520	12.5%	5.1%
Chicago-Naperville-Arlington Hgts, IL	9.3%	8.7%	8.6%	8.3%	-1.0%	
Ave. Membership/Subsc. Revenue	\$ 186,436	\$ 201,760	\$ 189,642	\$ 194,104	4.1%	-2.7%
Ave. Total Expenses (before depreciation)	\$ 2,002,813	\$ 2,325,615	\$ 2,204,827	\$ 2,341,560	16.9%	9.3%
San Francisco-Redwood City- South SF, CA	10.8%	10.4%	11.0%	10.4%	-0.4%	
Ave. Membership/Subsc. Revenue	\$ 292,171	\$ 295,806	\$ 327,464	\$ 318,289	8.9%	1.8%
Ave. Total Expenses (before depreciation)	\$ 2,699,852	\$ 2,841,911	\$ 2,975,470	\$ 3,052,682	13.1%	5.7%
Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg, DC-VA	4.5%	4.5%	4.3%	5.0%	0.6%	
Ave. Membership/Subsc. Revenue	\$ 219,228	\$ 242,453	\$ 248,614	\$ 262,514	19.7%	11.9%
Ave. Total Expenses (before depreciation)	\$ 4,892,909	\$ 5,380,257	\$ 5,718,736	\$ 5,198,518	6.2%	-0.7%
Larger Markets	11.4%	10.5%	10.3%	10.2%	-1.2%	
Ave. Membership/Subsc. Revenue	\$ 263,053	\$ 257,275	\$ 255,940	\$ 262,768	-0.1%	-6.6%
Ave. Total Expenses (before depreciation)	\$ 2,306,439	\$ 2,443,683	\$ 2,480,659	\$ 2,567,089	11.3%	4.0%
Medium Markets	8.4%	8.3%	8.2%	8.2%	-0.1%	
Ave. Membership/Subsc. Revenue	\$ 200,348	\$ 203,372	\$ 215,058	\$ 210,806	5.2%	-1.7%
Ave. Total Expenses (before depreciation)	\$ 2,392,046	\$ 2,449,458	\$ 2,608,059	\$ 2,561,461	7.1%	0.1%
Small Markets	10.8%	10.1%	9.6%	9.4%	-1.4%	
Ave. Membership/Subsc. Revenue	\$ 134,051	\$ 129,647	\$ 127,168	\$ 126,102	-5.9%	-12.1%
Ave. Total Expenses (before depreciation)	\$ 1,240,429	\$ 1,287,834	\$ 1,317,826	\$ 1,341,444	8.1%	1.1%
Very Small Markets	7.2%	6.8%	7.1%	7.2%	-0.1%	
Ave. Membership/Subsc. Revenue	\$ 65,060	\$ 64,330	\$ 70,489	\$ 72,244	11.0%	3.8%
Ave. Total Expenses (before depreciation)	\$ 900,305	\$ 952,595	\$ 989,116	\$ 1,009,059	12.1%	4.7%

What we learned.

- Growth in subscription and membership revenue outpaced inflation for the average organization in San Francisco, DC, and Very Small Markets. The **greatest growth was in DC.**
- **The biggest deterioration of subscription and membership revenue was in Small Markets**, where the level decreased annually and growth lagged inflation by 12.1%.
- In L.A., earned relational revenue was at nearly the same level in 2013 as in 2010 despite dips in interim years, and nearly 7% lower over time when inflation is taken into account.
- Chicago organizations saw the greatest growth in total expenses. Growth in earned relational revenue did not keep pace with inflation, driving down the trend.
- In New York, the inflation-adjusted decrease in total expenses was greater than the drop in subscription and membership revenue, leaving the trend slightly positive in 2013.

Sidebar: Earned Relational Revenue vs. Total Earned Revenue, by Geography

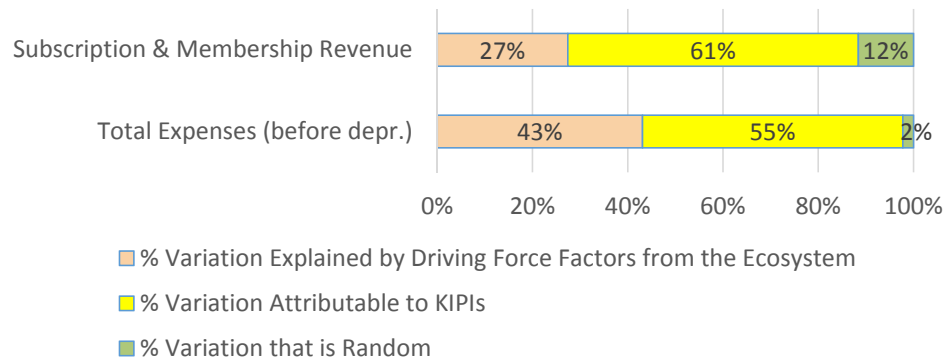


What we learned.

We also stop to show the relationship between total earned revenue and earned revenue from subscriptions and memberships, both as a percentage of expenses.

- While **D.C. covers the highest level of expenses with total earned revenue, its relational revenue is lowest.** By contrast, San Francisco has a comparatively low level of total earned revenue relative to expenses and yet its relational revenue is fairly high.
- **Organizations in Los Angeles tend to bring in 23% of total earned revenue with subscriptions/members.** That figure is **22% for San Francisco organizations and 11% for Small Markets.**

Driving Forces



What we learned.

Identifying High Performance Indicators

What Drives Subscription and Membership Earned Revenue?

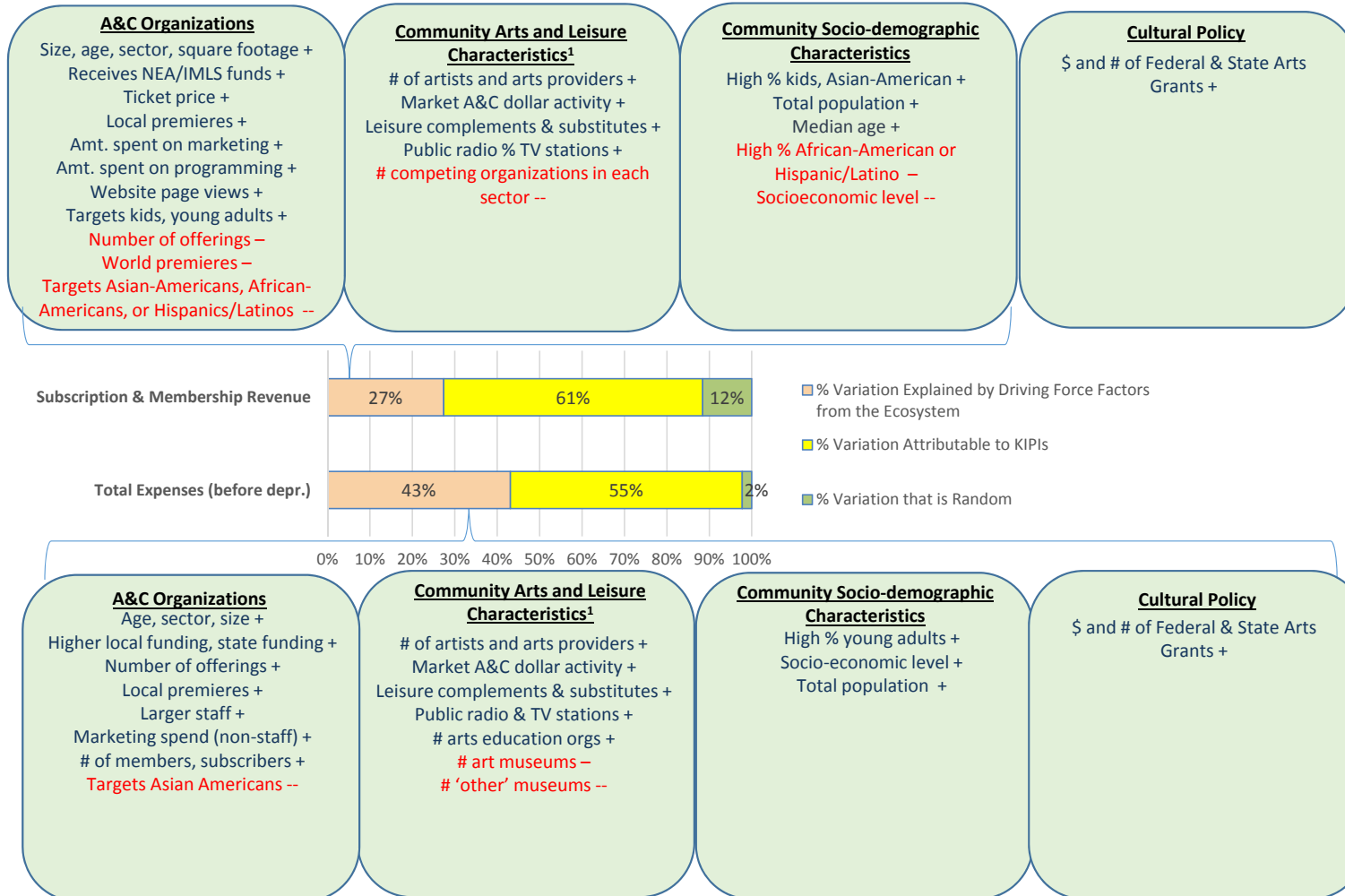
More than a quarter of the variation in the level of development expenses is explained by the factors from the A&C Ecosystem. Another 61% is attributable to expertise in deciding how much development expense should be budgeted, and 12% of variation in the amount allocated to development expenses is random.

What Drives Total Expenses (before depr.)?

43% of the variation in total expenses (before depreciation) is explained by the factors from the A&C Ecosystem. Another 55% is attributable to expertise in establishing and managing the level of total expenses. Only 2% of variation in total expenses is random.

Index-Specific Drivers

What Drives Earned Relational Revenue and Total Expense from the A&C Ecosystem? (+ = positive influence, -- = negative influence)



¹Findings related to # of organizations per sector apply only to other organizations in that sector – e.g., More competing PACs lowers government support per PAC.

What Drives Earned Relational Revenue

Subscription and Membership Earned Revenue

What organizational characteristics affect this performance?

- Earned revenue from subscriptions and memberships increases with sector, organizational age, square footage, budget size, the number of programmatic offerings, ticket price, the amount spent on marketing and on programming, website page views, targeting kids or young adults, and being awarded NEA or IMLS grants.
- When organizations have a higher number of programmatic offerings, present higher numbers of world premieres, or target Asian-Americans, African-Americans, or Hispanics/Latinos, earned revenue from subscribers and members tends to be lower.

How do community arts and leisure characteristics affect performance?

- Earned relational revenue tends to be higher for organizations in communities with higher 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.
- Having more organizations that compete in each arts and cultural sector drives down revenue earned from subscriptions and memberships for all organizations in the sector.

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

- Earned relational revenue is higher for organizations in communities where total population is higher, median income is higher, and the percentage of the population that is under 18 or Asian-American is higher, and the socioeconomic level is higher.
- As the socioeconomic level increases or either the percentage of African-Americans or Hispanics/Latinos increases, earned revenue from subscriptions and memberships go down.

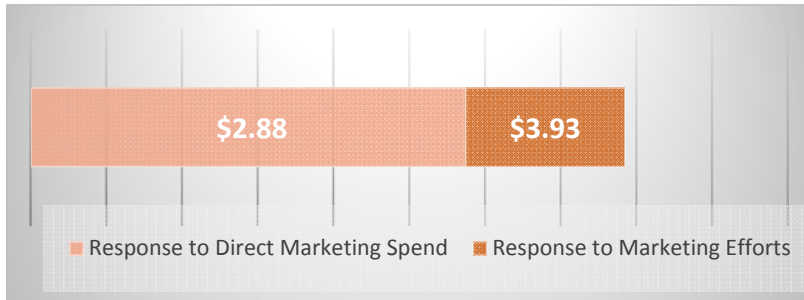
What impact does cultural policy have on performance?

- Government grant activity in the market has a positive effect on earned revenue from subscribers and members.

Response to Marketing Efforts and Direct Marketing Spend Indices

“How much total marketing investment does it take to bring in one person, first considering all marketing costs then only non-staff costs?”

View averages by: 2013 Overall



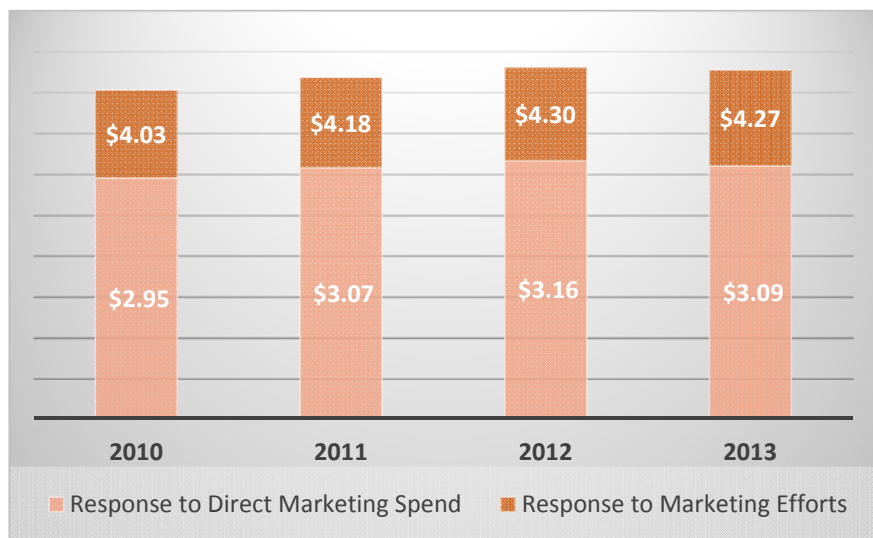
What we learned.

The average arts and cultural organization spends \$3.93 on marketing to bring each attendee. Of this, \$2.88 is spent on advertising, internet and website, printing, public relations, sales commission fees, etc. and the remaining \$1.05 is spent on compensation for marketing personnel.

Average total marketing expenses for all organizations in 2013 was \$158,506 -- \$116,053 of which was for non-personnel marketing expenditures -- and the total in-person attendance average was 40,331.

Ave. Marketing Expenses (including personnel)/	\$	158,506
Ave. Total In-person Attendance		40,331
Ave. Direct Marketing Expenses (excluding personnel)/	\$	116,053
Ave. Total In-person Attendance		40,331

Overall, Trends 2010-2013*



Trend table

RESPONSE TO MARKETING EFFORTS AND RESPONSE TO DIRECT MARKETING SPEND TRENDS (3,115 ORGANIZATIONS)	2010	2011	2012	2013	2010-2013 change	2010-2013 change, adjusted for inflation
Marketing Expenses (incl. personnel)/Total In-person Attendance	\$ 4.03	\$ 4.18	\$ 4.30	\$ 4.27	6.1%	-0.9%
Ave. Marketing Expenses (incl. personnel)/	\$ 187,003	\$ 194,630	\$ 199,152	\$ 202,243	8.1%	1.1%
Ave. In-person Attendance	46,457	46,552	46,302	47,368	2.0%	
Marketing Expenses (excl. personnel)/Total In-person Attendance	\$ 2.95	\$ 3.07	\$ 3.16	\$ 3.09	5.0%	-1.9%
Ave. Marketing Expenses (excl. personnel)/	\$ 136,952	\$ 143,134	\$ 146,433	\$ 146,601	7.0%	0.0%
Ave. In-person Attendance	46,457	46,552	46,302	47,368	2.0%	

What we learned.

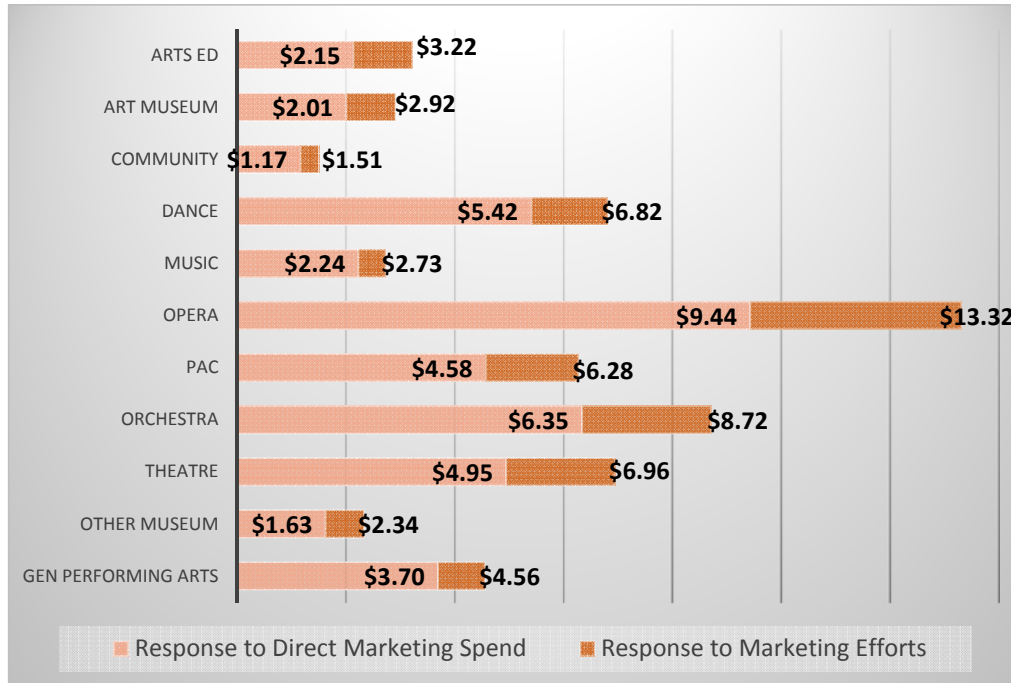
- **Marketing expenses per attendee – both with and without marketing personnel costs included -- have trended upward over time. However, the increases have not been sufficient enough to keep pace with inflation.**
- The slightly higher levels seen in 2012 were driven by a modest decrease in attendance that year, not an unusually sharp rise in marketing expenses.

*3,115 organizations that provided data each of the 4 years.

What we learned.

- **In-person attendance was at its highest level of the 4 years in 2013, 2% higher than in 2010.**
- **Total marketing expenses rose annually** and, after adjusting for inflation, **were 1.1% higher in 2013 than in 2010.** Growth in non-personnel marketing expenses was on par with inflation, so **the increase in the total for marketing was driven by increases in personnel costs.**
- The net results was an inflation-adjusted .9% decrease in total marketing expenses relative to attendance and a 1.9% drop when examining only non-personnel marketing expenses.

2013, By Sector

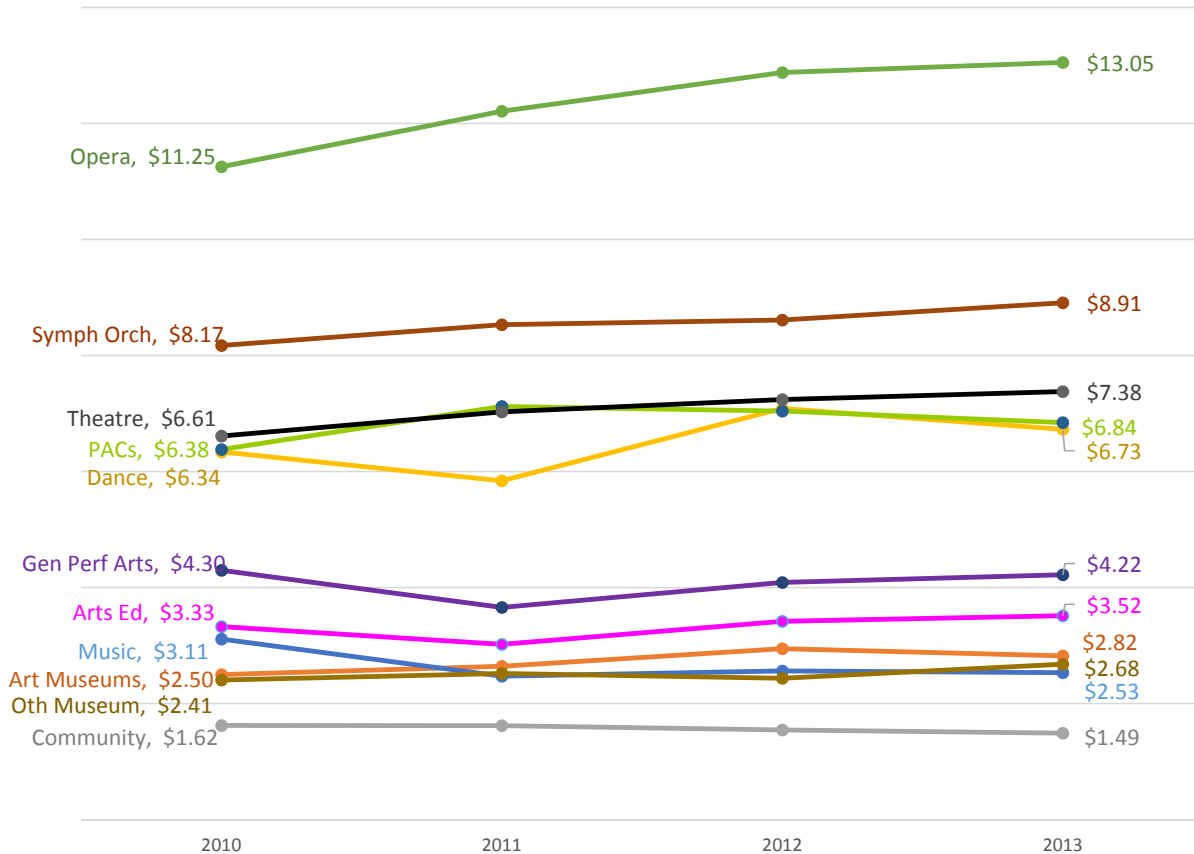


What we learned.

- It took an average of **\$13.32** in marketing expenses including staff costs (\$9.44 excluding personnel costs) to bring in each Opera attendee, and \$8.72 for Symphony Orchestra to attract each attendee (\$6.35 excluding staff costs). By contrast, **Art Museums, Community organizations, Music Organizations and Other Museums** each spent under \$3 in total marketing per attendee.
- Marketing personnel expenses account for roughly 19%-22% of total marketing expenses for the average Community organization, Dance company, Music organization and General Performing Arts organization. This figure is in the 27%-31% range for Art Museums, Opera companies, PACs, Symphony Orchestras, Theatres, and Other Museums. **Marketing compensation accounts for the highest level of total marketing expenses in Arts Education organizations at 33%.**

	Arts Education	Art Museums	Community	Dance	Music	Opera	PACs	Symphony Orchestras	Theater	Other Museums	General Performing Arts
Ave. Marketing Expenses (including personnel)/	\$ 68,742	\$ 547,302	\$ 60,901	\$ 130,485	\$ 35,950	\$ 453,643	\$ 569,658	\$ 300,511	\$ 191,048	\$ 323,881	\$ 142,003
Ave. Direct Marketing Expenses (excl. personnel)/	\$ 45,736	\$ 377,632	\$ 47,301	\$ 103,731	\$ 29,452	\$ 321,493	\$ 414,919	\$ 218,751	\$ 136,062	\$ 226,257	\$ 115,111
Ave. Total In-person Attendance	21,318	187,498	40,312	19,143	13,158	34,051	90,671	34,462	27,469	138,607	31,118

By Sector, Response to Marketing Efforts Trends, 2010-2013*



What we learned.

- The **Art Museum, Opera, PAC, Orchestra, Theatre, and Other Museum** sectors experienced growth in this index that surpassed inflation -- both overall and when considering non-personnel marketing expenses only. These sectors **are having to spend more in marketing to attract every person who attends.**
- The **Opera and Symphony Orchestra** sectors **annually outspend all other sectors on marketing per attendee.**
- **Museums of all kinds annually spend very similar levels on marketing per person who enters the doors.** The same can be said of PACs and Dance companies in most years.
- It took **fewer marketing dollars to bring in each attendee over time in the General Performing Arts, Music, and Community** sectors.

*3,115 organizations that provided data each of the 4 years. We do not present a chart for the Response to Direct Marketing Spend Index since those trends virtually mirror the trends presented in the chart above.

RESPONSE TO MARKETING EFFORTS INDEX AND RESPONSE TO DIRECT MARKETING SPEND INDEX TRENDS, BY SECTOR (3,115 ORGANIZATIONS)	2010		2011		2012		2013		2010-2013		2013 change, adjusted for inflation	2010-2013 index change, adjusted for inflation
	Ave.	Index	Ave.	Index	Ave.	Index	Ave.	Index	change	change		
Arts Education												
Ave. Total Marketing Expenses/	\$ 72,052	\$ 3.33	\$ 71,446	\$ 3.02	\$ 75,049	\$ 3.42	\$ 72,060	\$ 3.52	0.0%	5.6%	-6.5%	-1.3%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 50,998	\$ 2.36	\$ 48,837	\$ 2.07	\$ 50,202	\$ 2.29	\$ 47,799	\$ 2.33	-6.3%	-1.0%	-12.4%	-7.5%
Ave. Total In-person Attendance	21,654		23,647		21,964		20,499		-5.3%			
Art Museums												
Ave. Total Marketing Expenses/	\$ 469,390	\$ 2.50	\$ 524,218	\$ 2.64	\$ 580,389	\$ 2.95	\$ 554,890	\$ 2.82	18.2%	12.9%	10.5%	5.5%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 330,823	\$ 1.76	\$ 370,977	\$ 1.87	\$ 423,400	\$ 2.15	\$ 377,608	\$ 1.92	14.1%	9.0%	6.7%	1.9%
Ave. Total In-person Attendance	187,767		198,293		197,020		196,638		4.7%			
Community												
Ave. Total Marketing Expenses/	\$ 74,745	\$ 1.62	\$ 74,822	\$ 1.62	\$ 73,846	\$ 1.55	\$ 78,140	\$ 1.49	4.5%	-8.1%	-2.3%	-14.1%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 56,866	\$ 1.23	\$ 56,141	\$ 1.21	\$ 56,378	\$ 1.18	\$ 59,937	\$ 1.14	5.4%	-7.4%	-1.5%	-13.4%
Ave. Total In-person Attendance	46,054		46,214		47,774		52,405		13.8%			
Dance												
Ave. Total Marketing Expenses/	\$ 123,161	\$ 6.34	\$ 124,584	\$ 5.84	\$ 137,734	\$ 7.09	\$ 147,754	\$ 6.73	20.0%	6.1%	12.1%	-0.8%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 96,169	\$ 4.95	\$ 97,504	\$ 4.57	\$ 107,159	\$ 5.51	\$ 117,707	\$ 5.36	22.4%	8.3%	14.4%	1.2%
Ave. Total In-person Attendance	19,430		21,337		19,438		21,962		13.0%			
Music												
Ave. Total Marketing Expenses/	\$ 36,508	\$ 3.11	\$ 38,327	\$ 2.47	\$ 39,556	\$ 2.56	\$ 38,722	\$ 2.53	6.1%	-18.6%	-0.9%	-23.9%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 30,061	\$ 2.56	\$ 30,304	\$ 1.95	\$ 31,621	\$ 2.05	\$ 31,479	\$ 2.06	4.7%	-19.6%	-2.1%	-24.9%
Ave. Total In-person Attendance	11,735		15,503		15,435		15,287		30.3%			
Opera												
Ave. Total Marketing Expenses/	\$ 593,618	\$ 11.25	\$ 606,968	\$ 12.21	\$ 625,560	\$ 12.88	\$ 631,025	\$ 13.05	6.3%	16.0%	-0.7%	8.4%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 430,941	\$ 8.17	\$ 429,956	\$ 8.65	\$ 438,153	\$ 9.02	\$ 443,347	\$ 9.17	2.9%	12.2%	-3.9%	4.9%
Ave. Total In-person Attendance	52,750		49,706		48,574		48,350		-8.3%			
PACs												
Ave. Total Marketing Expenses/	\$ 613,293	\$ 6.38	\$ 702,610	\$ 7.12	\$ 682,023	\$ 7.04	\$ 656,989	\$ 6.84	7.1%	7.2%	0.1%	0.2%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 413,141	\$ 4.30	\$ 507,711	\$ 5.15	\$ 494,163	\$ 5.10	\$ 469,084	\$ 4.89	13.5%	13.7%	6.1%	6.2%
Ave. Total In-person Attendance	96,133		98,661		96,855		96,021		-0.1%			
Symphony Orchestras												
Ave. Total Marketing Expenses/	\$ 410,619	\$ 8.17	\$ 415,520	\$ 8.53	\$ 420,897	\$ 8.61	\$ 417,819	\$ 8.91	1.8%	9.0%	-4.9%	1.9%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 299,197	\$ 5.96	\$ 306,061	\$ 6.28	\$ 310,010	\$ 6.34	\$ 304,345	\$ 6.49	1.7%	9.0%	-4.9%	1.8%
Ave. Total In-person Attendance	50,235		48,707		48,873		46,900		-6.6%			
Theatre												
Ave. Total Marketing Expenses/	\$ 242,360	\$ 6.61	\$ 253,064	\$ 7.03	\$ 261,911	\$ 7.24	\$ 263,218	\$ 7.38	8.6%	11.6%	1.5%	4.3%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 176,646	\$ 4.82	\$ 184,970	\$ 5.14	\$ 189,880	\$ 5.25	\$ 186,691	\$ 5.23	5.7%	8.6%	-1.2%	1.5%
Ave. Total In-person Attendance	36,661		36,005		36,177		35,671		-2.7%			
Other Museums												
Ave. Total Marketing Expenses/	\$ 359,019	\$ 2.41	\$ 374,520	\$ 2.52	\$ 365,281	\$ 2.44	\$ 389,871	\$ 2.68	8.6%	11.4%	1.5%	4.1%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 253,771	\$ 1.70	\$ 266,955	\$ 1.80	\$ 255,542	\$ 1.70	\$ 265,083	\$ 1.82	4.5%	7.1%	-2.4%	0.1%
Ave. Total In-person Attendance	149,267		148,639		149,945		145,553		-2.5%			
General Performing Arts												
Ave. Total Marketing Expenses/	\$ 188,070	\$ 4.30	\$ 149,087	\$ 3.66	\$ 145,886	\$ 4.09	\$ 182,930	\$ 4.22	-2.7%	-1.8%	-9.1%	-8.2%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 155,827	\$ 3.56	\$ 119,242	\$ 2.93	\$ 121,135	\$ 3.39	\$ 150,001	\$ 3.46	-3.7%	-2.8%	-10.0%	-9.2%
Ave. Total In-person Attendance	43,764		40,755		35,694		43,354		-0.9%			

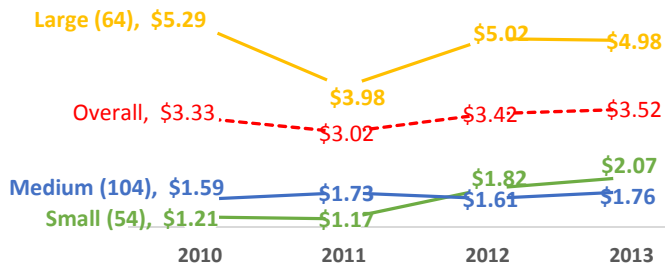
Trend table

What we learned.

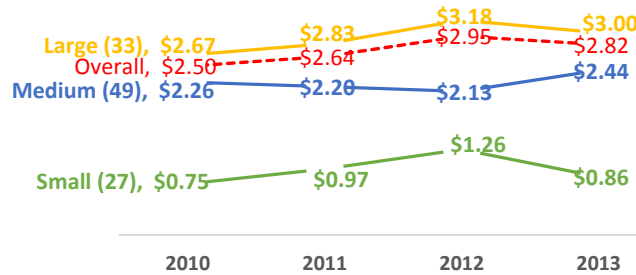
- Where attendance declined over time while marketing expense growth outpaced inflation, we see an upward trend in the response to marketing efforts and response to direct marketing spend indices.
- The **Arts Education, Community, Music, and General Performing Arts** sectors' response to marketing efforts and response to direct marketing spend were both lower in 2013 than in 2010 after adjusting for inflation.
- In some sectors, the positive change in total marketing was greater than the change in direct marketing spend, indicative of **increased marketing personnel costs that exceeded the increase in non-personnel spending**. This was the case for the **Art Museum, Opera, Theatre, and Other Museum** sectors.
- In other sectors, growth in non-personnel direct marketing expenses was greater than the growth in total marketing, reflecting **restrained investments in marketing personnel**. This was the case for the **Dance and PAC** sectors, which had very similar levels of return on marketing efforts.
- Only Art Museums, Community organizations, Dance, and Music reported higher attendance in 2013 than in 2010. Community organizations increased their average attendance annually.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector. We do not present charts for the Response to Direct Marketing Spend Index since those trends virtually mirror the trends presented here.

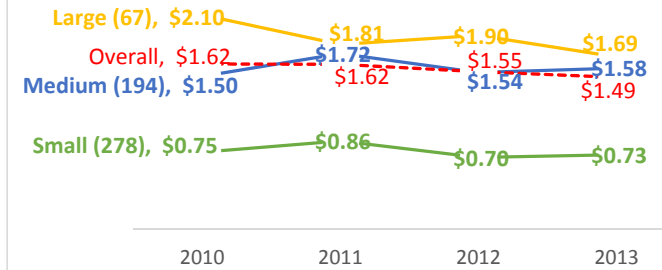
ARTS EDUCATION



ART MUSEUM



COMMUNITY

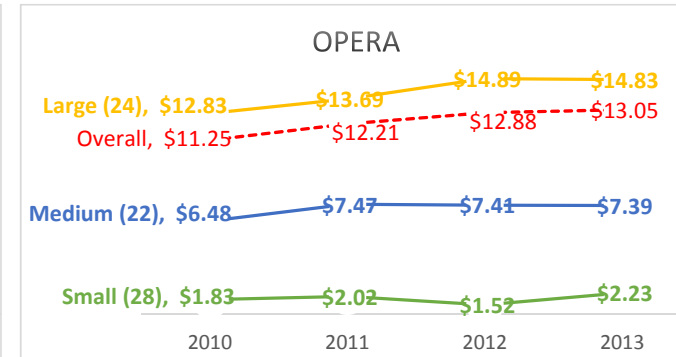
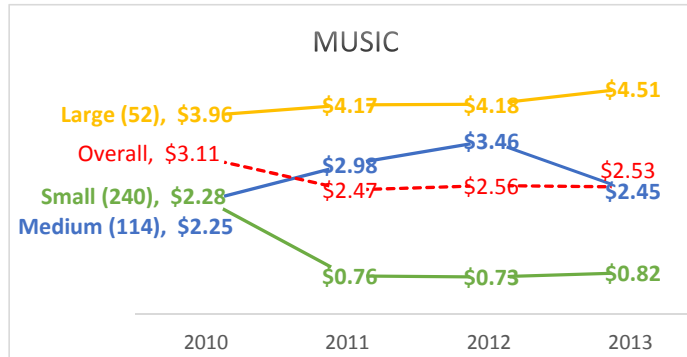
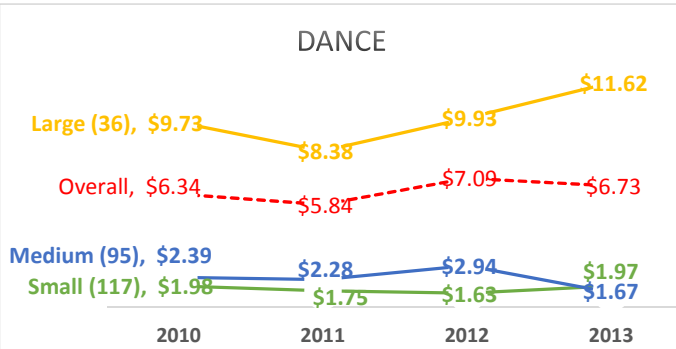


- After adjusting for inflation, **Small and Medium Arts Education organizations had higher marketing expenses per attendee in 2013 than in 2010 while Large organizations had lower.**
- **Small organizations saw attendance drop by 36% over time, falling annually.** At the same time, **total marketing expense growth surpassed inflation by 1.5%**; hence the rise in marketing expenses per attendee.
- **Non-personnel marketing expense growth fell short of inflation for organizations of every budget size**, a trend repeated for total marketing expenses for Medium and Large organizations.
- Large organizations lost less than 1% of attendees over time while cutting marketing expenses by 13% in inflation-adjusted figures.
- Small organizations spend an average of 9% of total marketing expenses on personnel, Medium organizations spend 15% and Large organizations 39%.

- In 2010, 2011 and 2013, **Small Art Museums spent less than \$1 on marketing for each person who attended, 21% of which went to paying marketing staff.**
- The overall trend for Art Museums is driven by Large organizations.
- **Small and Medium Art Museums** saw attendance diminish over time while **Large organizations' attendance increased a slight 1.8%**. The 2012 bump in the index for Small organizations is due to a dip in attendance, not a spike in marketing expenses.
- Small and Medium Art Museums' total marketing expense growth did not keep up with inflation while that of Large organizations was 7% higher than the rate of inflation.
- Medium Art Museums spend an average of 36% of total marketing expenses on personnel and Large organizations 31%.

- Like Small Art Museums, Small Community organizations spend less than \$1 on marketing for each person who attends. **Community organizations of every size averaged less than \$2 to bring in each attendee from 2011 to 2013.**
- The **amount spent on marketing diminished over time for Community organizations of all sizes** once inflation is taken into account.
- **Large community organizations had a 10% cut to marketing with a corresponding 20% increase in attendance.**
- Small organizations spend an average of 8% of total marketing expenses on personnel, Medium organizations spend 16% and Large organizations 29%.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector. We do not present charts for the Response to Direct Marketing Spend Index since those trends virtually mirror the trends presented here.

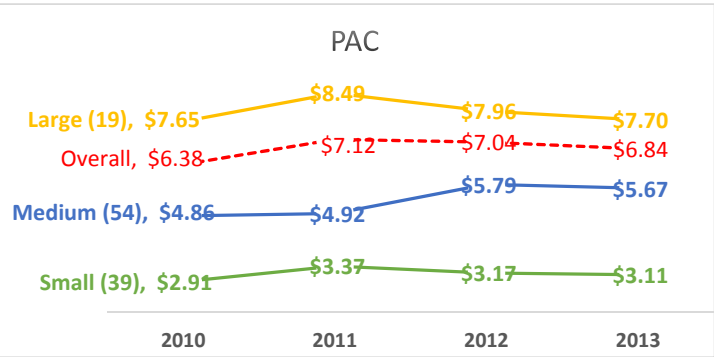


- **Large Dance companies saw an upward spike in this index in 2013.** Over the period, their total marketing expenses grew 10.7% more than inflation while attendance in 2013 was at nearly the same level as in 2010.
- **Medium Dance companies** reduced marketing expenses by 11.8%, taking into account inflation. At the same time, their attendance fell considerably in 2012 and ended at a 4-year high in 2013. **The net effect is a response to marketing efforts index that was nearly a third lower in 2013 than 2010 after adjusting for inflation.**
- **Small Dance companies** experienced a nearly 10% drop in attendance that corresponded to a 16% cut to marketing expenses over the period.
- **Small organizations spend an average of only 1% of total marketing expenses on personnel**, indicating that Small companies tend to have no marketing staff. Medium organizations spend 13% and Large organizations 22%.

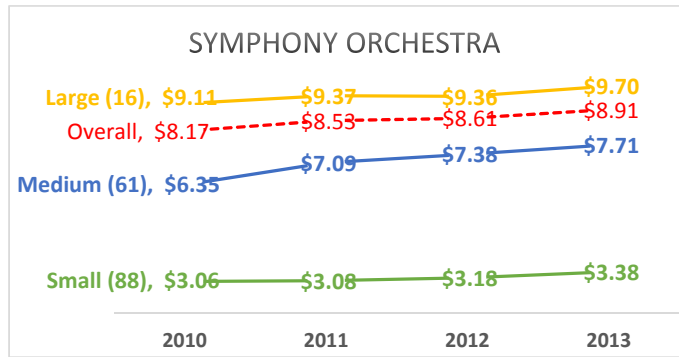
- **Large organizations saw consistent growth and Small organizations a decline** in response to marketing efforts and response to direct marketing spend.
- **Small Music organizations tripled their level of average attendance from 2010 to 2011** and held that higher average for the next 2 years. At the same time, **attendance decreased from 2010 to 2011 and never fully recovered**, leaving growth over the period lagging inflation by 8.5%.
- Medium organizations' spikes are driven more by erratic average attendance than big changes in marketing expenses.
- **Large organizations' attendance was 4% lower in 2013 than 2010 while marketing expenses were 2.2% higher in inflation-adjusted figures, producing a 6.4% rise in the index.**
- **Small organizations spend an average of only 1% of total marketing expenses on personnel**, indicating that Small groups tend to have no marketing staff. Medium organizations spend 9% and Large organizations 26%.

- The largest range of response to marketing efforts across budget sizes is in the Opera sector.
- **Growth in response to marketing efforts and response to direct marketing spend both outpaced inflation for all three budget groups in Opera.**
- Small and Large Opera companies experienced attendance declines while Medium organizations' growth in attendance was 1.9%.
- Medium and Large Opera companies' total marketing expenses were higher in 2013 than in 2010, after considering inflation.
- **For Small organizations, the decrease in attendance was greater than the corresponding decrease in marketing expenses.** The net effect was an increase in the index.
- Small organizations spend an average of 6% of total marketing expenses on personnel, Medium organizations spend 16% and Large organizations 31%.

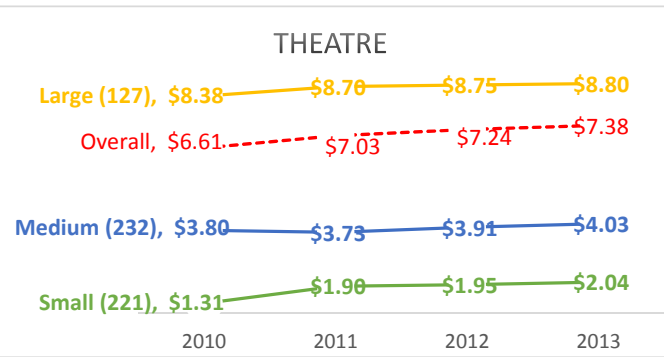
Go deeper into trends by sector.



- **Small and Medium PACs** had an upward trend over time. In both cases, a **decrease in attendance was met with a less severe decrease in inflation-adjusted marketing expenses, either with or without personnel costs included.**
- **Large PACs** also experienced an attendance decrease. Their marketing expense growth excluding personnel costs was 5.4% short of the rate of inflation; however, their total marketing expenses (which includes personnel costs) was 14.2% lower. This indicates that they **made deeper cuts to marketing personnel.** Their upward spike in 2011 was due to a bump in attendance that was higher than the increased investment in marketing.
- In 2013, Small organizations spent an average of 16% of total marketing expenses on personnel, Medium organizations spent 24% and Large organizations 31%.



- **Medium orchestras** had the **greatest increase** over time in this index.
- **Large Orchestras** had a **1% increase in attendance over time** and a **1% increase in marketing expenses in excess of inflation.**
- **Small Orchestras** attendance fell 1% while their non-personnel marketing expenses rose 4.3% and **total marketing expenses were 2.4%** higher in 2013 than 2010 after adjusting for inflation.
- **Small organizations** spend an average of **0% of total marketing expenses on personnel**, indicating that Small Orchestras have no paid marketing staff. Medium organizations spend 24% and Large organizations 29%.

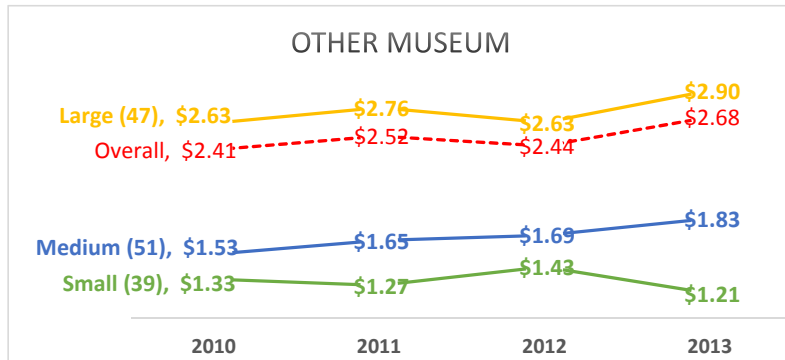


- **There was contraction in marketing expenses and attendance for Theatres of every size** over time. In other words, it took more marketing spend to bring in each person in 2013 than in 2010.
- **Small Theatres** saw annual increases in this index, primarily driven by annual decreases in attendance which was down 40% in 2013 from its 2010 level. Medium and Large Theatres averaged attendance decreases of 10.6% and 7.1%, respectively.
- **Marketing expense growth fell shy of inflation for the average organizations in every budget size**, being greatest for Small Theatres at 13% and lowest for Large Theatres at 9%.
- Small organizations spent an average of 4% of total marketing expenses on personnel, Medium organizations spent 22% and Large organizations 31%.

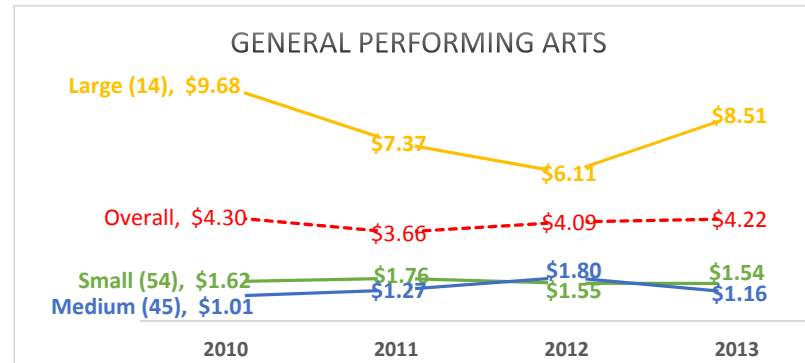
The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

We do not present charts for the Response to Direct Marketing Spend Index since those trends virtually mirror the trends presented in the charts above.

Go deeper into trends by sector.



- **Medium organizations had the greatest growth on this index**, due to flat attendance and a corresponding 11% increase in total marketing expenses (17% growth in non-personnel marketing expenses) above inflation.
- **Large Other Museums had an attendance decrease of 7.9% coupled with total marketing expense growth that fell short of inflation by 5%.** The net effect is an upward trend in the index.
- **Small Other Museums cut total marketing expenses 14%** in excess of the rate of inflation over time and saw a corresponding **1.6% attendance drop.**
- Small organizations spent an average of 13% of total marketing expenses on personnel, Medium organizations spent 28% and Large organizations 33%.

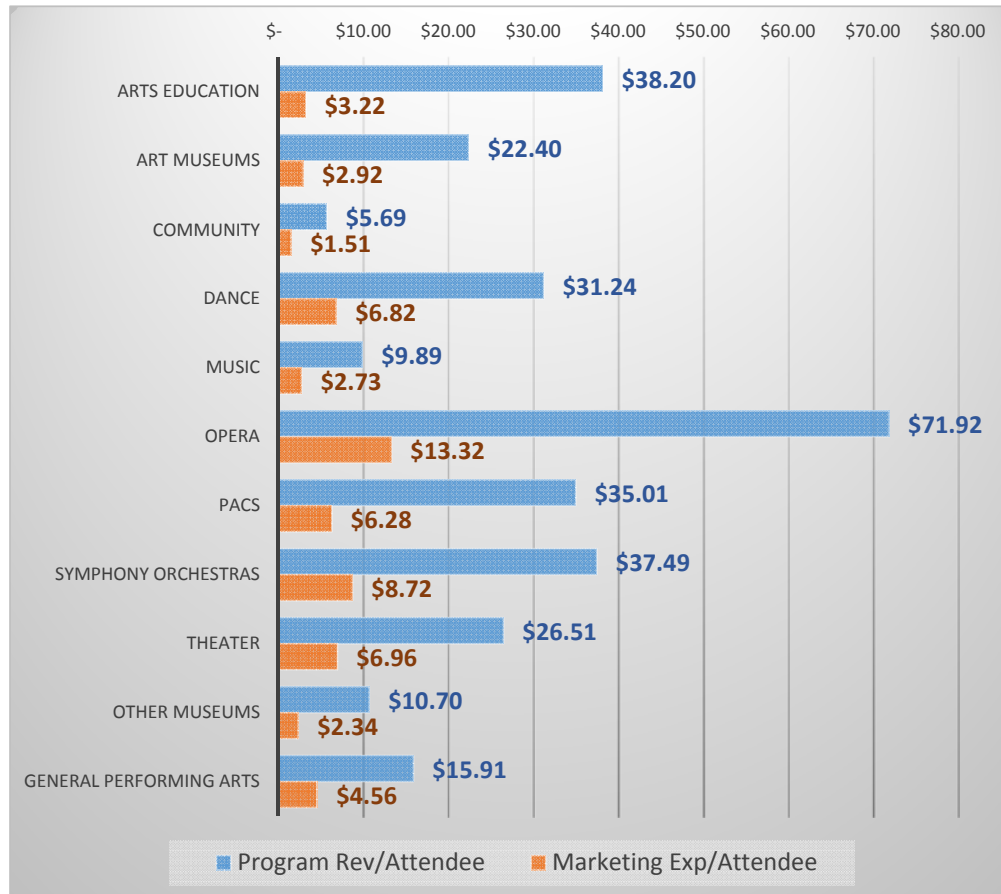


- In most years, response to marketing efforts was higher for Small organizations than for Medium, a relatively rare occurrence.
- After adjusting for inflation, **marketing expenses were lower in 2013 than in 2010 for the average organization of every budget size.**
- **Small organizations had flat attendance over time while Medium organizations' attendance dropped 17%.** The spike in Medium organizations' performance on this index in 2012 was due to a substantial drop in attendance that year.
- Large organizations' attendance rose in 2011 and 2012, dropping nearly back to the 2010 average level in 2013. Concurrently, their marketing expenses were cut in 2011 and again in 2012, returning closer to their 2010 average level in 2013. This resulted in the **erratic trend.**
- Small organizations spent an average of 4% of total marketing expenses on personnel, Medium organizations spent 20% and Large organizations 18%.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

We do not present charts for the Response to Direct Marketing Spend Index since those trends virtually mirror the trends presented in the charts above.

Sidebar: Program Revenue vs. Marketing Dollars per Attendee, by Sector



What we learned.

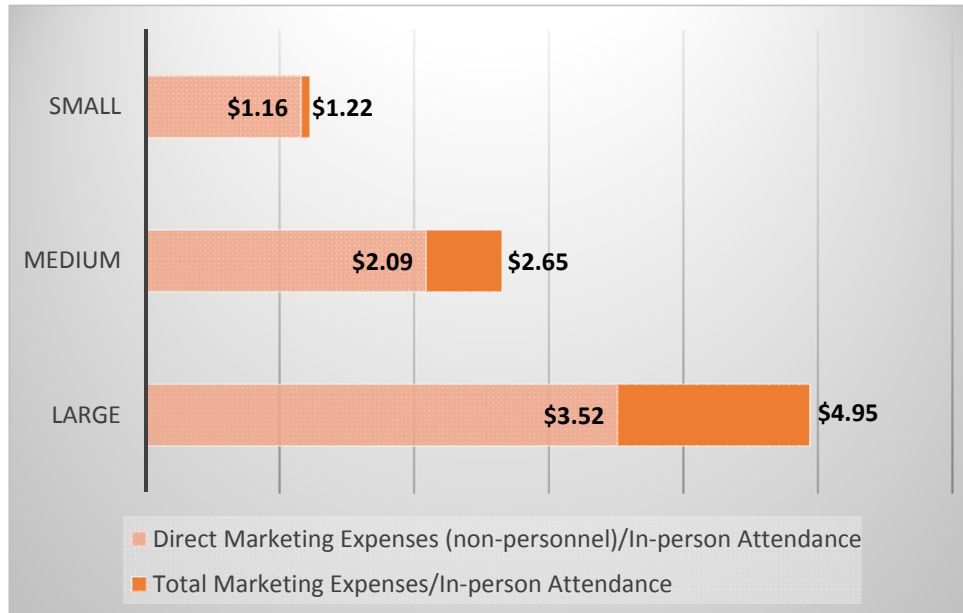
We also stop to compare the total market dollars spent per attendee and the total program revenue earned per attendee – in other words, **what it cost on average in marketing to attract someone to come, and the average amount that person spends with the organization once they're there.**

- 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 to attract that person.
- Art museums and 'Other' museums spend between \$2 and \$3 to bring in each person, yet art museums earn an average of \$22.40 in program revenue per person whereas 'Other' museums earn an average of \$10.70. The **net revenue per person is \$19.48 for art museums and \$8.36 for 'other' museums.**
- **PACs and Symphony Orchestras average \$28.73 in net program revenue** despite having different levels of program revenue and marketing expenses per attendee.
- **Music had the lowest net program revenue at \$4.18 and Opera the highest at \$58.60.** These sectors also had the lowest and highest program revenue and marketing expenses per attendee.

Budget ranges by sector

Arts Sector	Small	Medium	Large
Arts Education	\$236,182 or less	\$236,183 - \$1,296,200	\$1,296,201 or more
Art Museums	\$845,228 or less	\$845,229 - \$6,749,293	\$6,749,294 or more
Community	\$295,777 or less	\$295,778 - \$1,623,261	\$1,623,262 or more
Dance Companies	\$188,595 or less	\$188,596 - \$1,296,200	\$1,296,201 or more
Music	\$154,047 or less	\$154,048 - \$612,281	\$612,282 or more
Opera Companies	\$463,871 or less	\$463,872 - \$3,436,445	\$3,436,446 or more
Performing Arts Centers	\$845,228 or less	\$845,229 - \$8,452,293	\$8,452,294 or more
Symphony Orchestras	\$430,353 or less	\$430,354 - \$4,303,539	\$4,303,540 or more
Theater	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more
Other Museums	\$580,916 or less	\$580,917 - \$4,638,716	\$4,638,717 or more
General Performing Arts	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more

2013, By Size



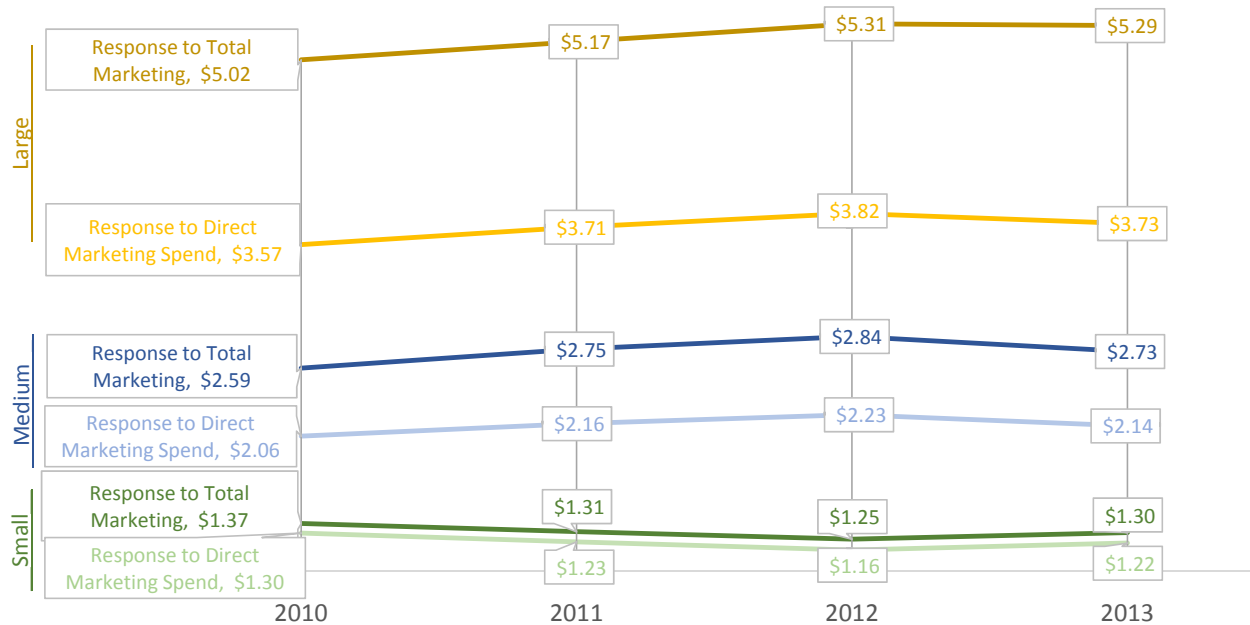
What we learned.

- As organizations grow, they tend to increase both their marketing investment in personnel as well as their marketing investment in non-personnel expenditures relative to each person who attends.
- If we combine these findings with those of the return on marketing and program revenue per attendee indices, we see that **as organizations grow it takes more marketing dollars to attract each attendee, yet once an attendee comes, organizations tend to earn much more program revenue from that attendee as they become larger.** The net result is an increase in return on marketing with size, with greater difference as organizations go from Medium to Large than from Small to Medium.

	Small	Medium	Large
Ave. Marketing Expenses (incl. personnel)/	\$ 11,147	\$ 80,217	\$ 824,162
Ave. Direct Marketing Expenses (excl. personnel)/	\$ 10,565	\$ 63,144	\$ 585,360
Ave. Total In-person Attendance	9,120	30,214	166,461

By Size, Trends 2010-2013*

Response to Marketing Efforts (including staff) and
Response to Direct Marketing Spend (no staff)



What we learned.

- There were not big variations in response to marketing over time for the average organization in any budget size.
- **Large and Medium organizations had upward trends but growth basically kept up with inflation over time.**

*3,115 organizations that provided data each of the 4 years.

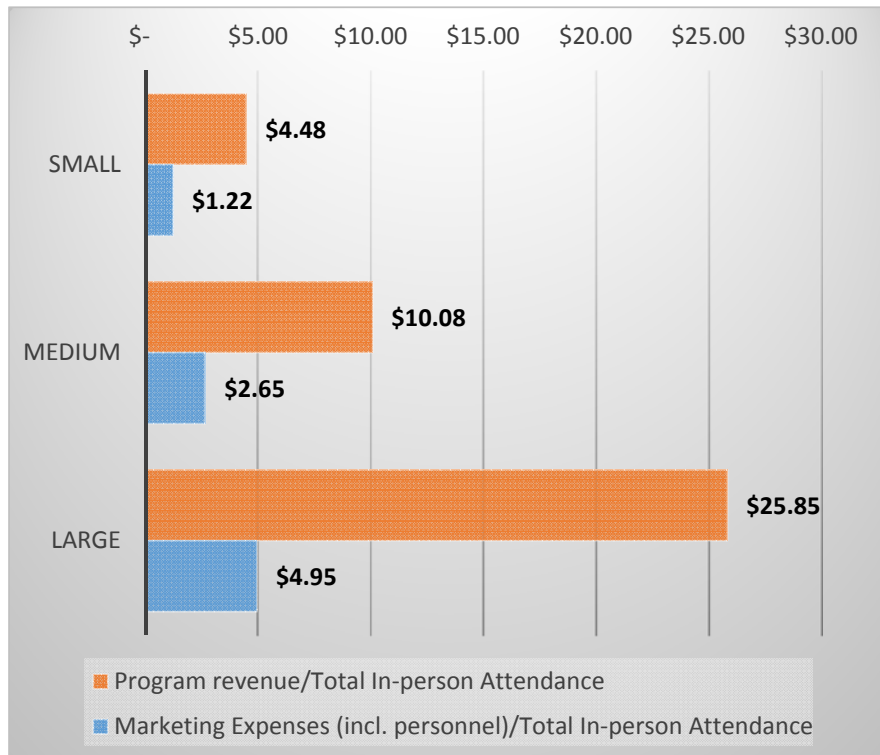
Trend table

RESPONSE TO MARKETING EFFORTS INDEX TRENDS, BY SIZE (3,115 ORGANIZATIONS)	2010		2011		2012		2013		2010-2013 change	2010-2013 index change	2010-2013 change, adjusted for	2010-2013 index change, adjusted for
	2010	2010 Index	2011	2011 Index	2012	2012 Index	2013	2013 Index				
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 12,982	\$ 1.37	\$ 12,917	\$ 1.31	\$ 12,633	\$ 1.25	\$ 12,861	\$ 1.30	-0.9%	-5.2%	-7.4%	-11.4%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 12,269	\$ 1.30	\$ 12,129	\$ 1.23	\$ 11,768	\$ 1.16	\$ 12,043	\$ 1.22	-1.8%	-6.1%	-8.3%	-12.2%
Ave. Total In-person Attendance	9,466		9,888		10,129		9,893		4.5%			
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 87,316	\$ 2.59	\$ 85,836	\$ 2.75	\$ 85,279	\$ 2.84	\$ 86,056	\$ 2.73	-1.4%	5.1%	-7.9%	-1.8%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 69,284	\$ 2.06	\$ 67,464	\$ 2.16	\$ 66,792	\$ 2.23	\$ 67,549	\$ 2.14	-2.5%	4.0%	-8.9%	-2.9%
Ave. Total In-person Attendance	33,649		31,260		29,978		31,560		-6.2%			
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 874,219	\$ 5.02	\$ 909,142	\$ 5.17	\$ 916,309	\$ 5.31	\$ 897,064	\$ 5.29	2.6%	5.4%	-4.1%	-1.5%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 621,021	\$ 3.57	\$ 652,124	\$ 3.71	\$ 658,503	\$ 3.82	\$ 632,759	\$ 3.73	1.9%	4.6%	-4.8%	-2.2%
Ave. Total In-person Attendance	173,995		175,946		172,609		169,428		-2.6%			

What we learned.

- **In inflation-adjusted figures, average total marketing expenses (and non-personnel expenses) were lower for every size organization in 2013 than in 2010, after adjusting for inflation.**
- **Large and Medium organizations experienced marketing expense declines that were slightly higher than their attendance declines over time.** This resulted in response to marketing that diminished somewhat over time.
- **Small organizations** saw attendance growth. This, coupled with drop in marketing expenses, led to **response to marketing efforts and response to direct marketing spend indices that were 11.4% lower and 12.2% lower, respectively, in 2013 than in 2010** in inflation adjusted figures.

Sidebar: Program Revenue vs. Marketing Dollars per Attendee, by Size

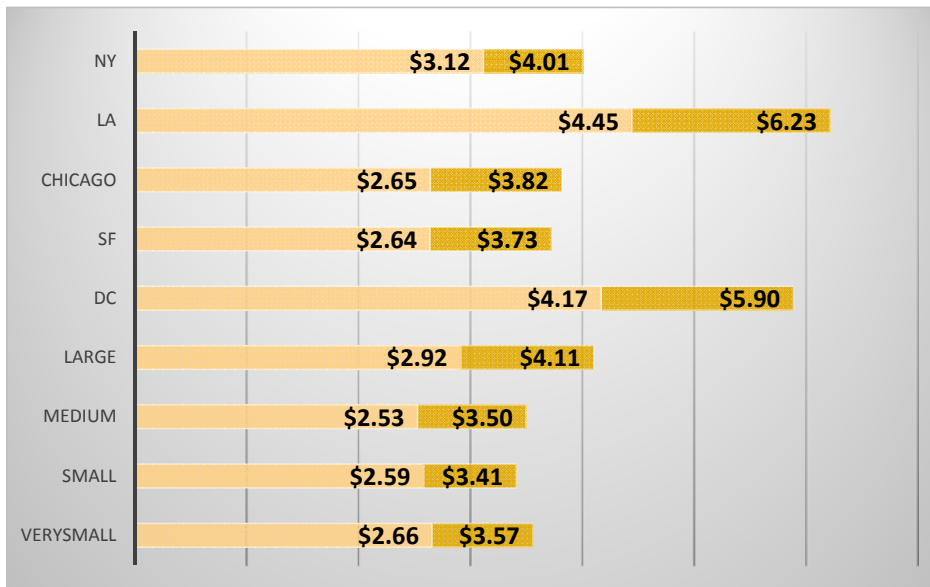


What we learned.

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.**

- **As arts organization go from Small to Medium to Large, the average program revenue they earn per attendee increases exponentially while their marketing expenses per attendee increase to a far lesser extent.**
- Small organizations tend to spend only 5% of their total marketing expenses on personnel while Medium organizations average 21% and Large organizations 29%. **Perhaps the increased investment in skilled marketing staff is a key element to growth in program revenue.**

2013, By Geography

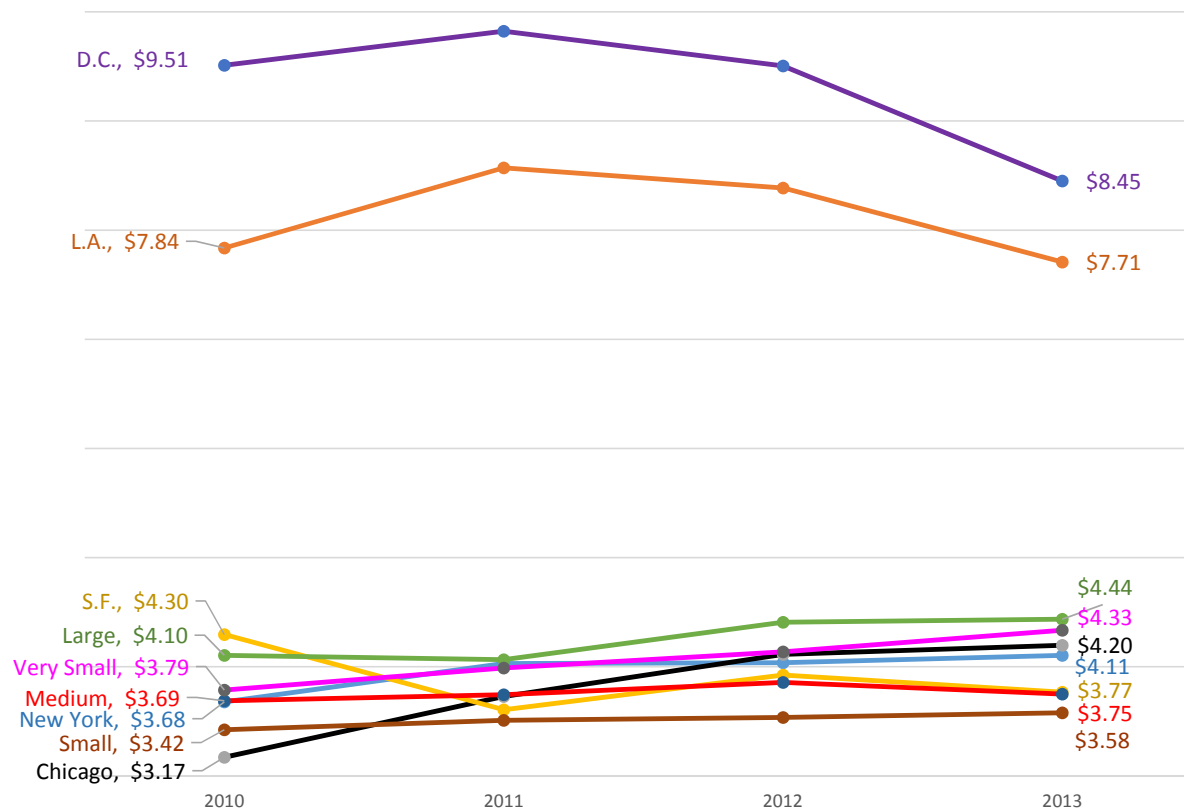


What we learned.

- In 2013 it cost more in total marketing expenses (including marketing personnel) to bring in one attendee in Los Angeles than in other markets: \$6.23. The next costliest market is DC at \$5.90. In all other markets, the total marketing dollars to bring in each person is within the 70 cent range of \$3.41 to \$4.11. The same pattern holds if we net out marketing personnel costs.
- In Los Angeles, San Francisco, DC, and Large Markets, an average of 29% of total marketing costs go to paying marketing personnel. That percentage is 31% for Chicago, 28% for Medium Markets, 25% for Very Small Markets, 26% for Small Markets, and only 22% for New York.

	New York-White Plains-Wayne, NY-NJ	Los Angeles-Long Beach-Glendale	Chicago-Naperville-Arlington Heights	San Francisco-Redwood City-So. S.F.	Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg	Larger Markets	Medium Markets	Small Markets	Very Small Markets
Ave. Marketing Expenses (including personnel)/	\$ 213,556	\$ 204,544	\$ 113,423	\$ 180,232	\$ 216,217	\$ 236,493	\$ 162,786	\$ 127,492	\$ 76,095
Ave. Direct Marketing Expenses (excl. personnel)/	\$ 166,172	\$ 146,248	\$ 78,515	\$ 127,867	\$ 305,385	\$ 168,020	\$ 117,637	\$ 96,533	\$ 56,802
Ave. Total In-person Attendance	53,231	32,856	29,669	48,345	51,790	57,575	46,473	37,338	21,339

By Geography, Trends 2010-2013*



*3,115 organizations that provided data each of the 4 years.

What we learned.

- In contrast to the 2013 comparison of averages by geography for *all* organizations that responded that year, the findings for the subset of organizations that have provided data each of the 4 years put this index higher for D.C. than for L.A.
- **Response to marketing efforts was lower in 2013 than in 2010 after adjusting for inflation in Los Angeles, San Francisco, D.C., Medium and Small Markets.** Response to direct marketing spend – the non-personnel part portion of total marketing expenses – was also lower for these markets, as well as for Large Markets. **In these markets, it cost less to bring in each attendee over time.**
- **Over time it cost more in total marketing to bring in each attendee in New York, Chicago, Large and Very Small Markets.**
- The chart shows the close similarity in response to marketing in all markets except D.C. and L.A.

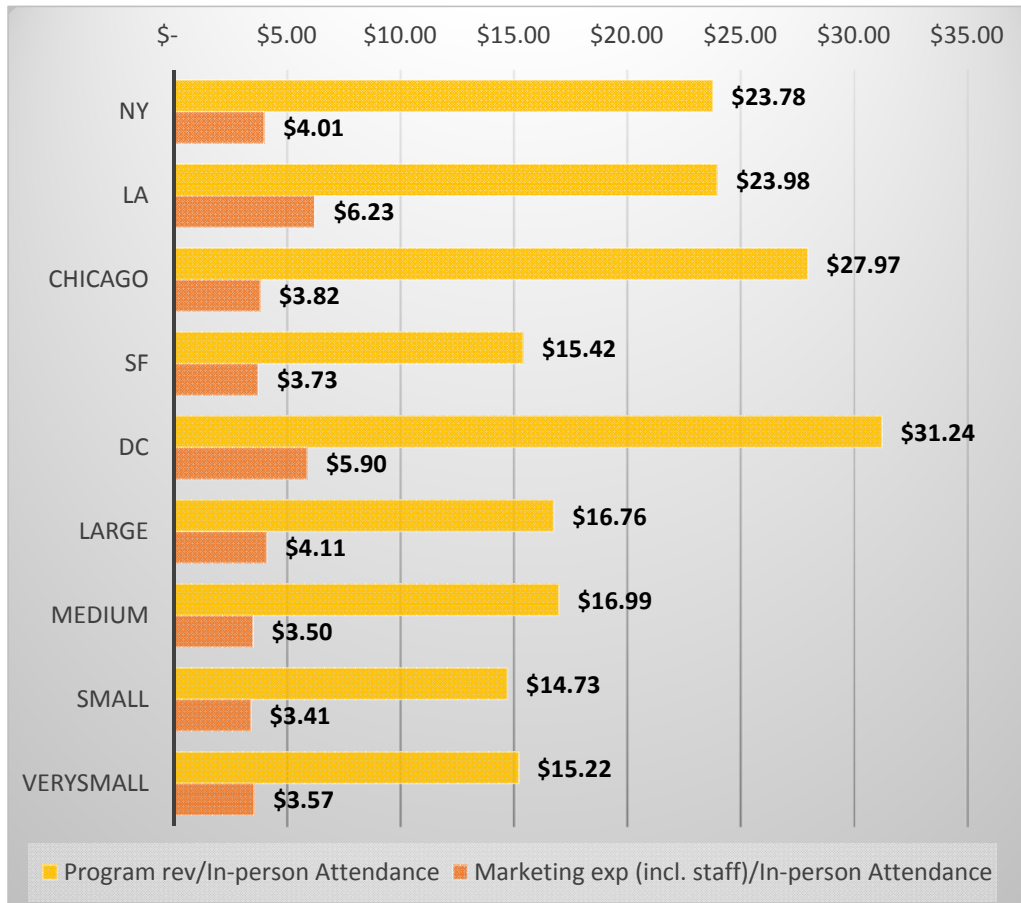
Trend table

RESPONSE TO MARKETING EFFORTS INDEX AND RESPONSE TO DIRECT MARKETING SPEND TRENDS, BY GEOGRAPHIC MARKET CLUSTER (3,115 ORGANIZATIONS)	2010	2010 Index	2011	2011 Index	2012	2012 Index	2013	2013 Index	2010- 2013 change	2010-2013 index change	2010-2013 change, adjusted for inflation	2010-2013 index change, adjusted for inflation
New York-White Plains-Wayne, NY-NJ												
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 254,076	\$ 3.68	\$ 263,004	\$ 4.03	\$ 272,937	\$ 4.04	\$ 269,714	\$ 4.11	6.2%	11.6%	-0.8%	4.3%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 200,427	\$ 2.90	\$ 207,564	\$ 3.18	\$ 214,486	\$ 3.17	\$ 209,664	\$ 3.19	4.6%	10.0%	-2.2%	2.8%
Ave. Total In-person Attendance	69,086		65,259		67,608		65,699		-4.9%			
Los Angeles-Long Beach-Glendale, CA												
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 243,109	\$ 7.84	\$ 253,829	\$ 8.57	\$ 255,140	\$ 8.39	\$ 261,534	\$ 7.71	7.6%	-1.6%	0.5%	-8.1%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 180,987	\$ 5.83	\$ 190,193	\$ 6.42	\$ 185,600	\$ 6.10	\$ 186,211	\$ 5.49	2.9%	-5.9%	-3.8%	-12.1%
Ave. Total In-person Attendance	31,021		29,617		30,424		33,929		9.4%			
Chicago-Naperville-Arlington Hgts, IL												
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 130,833	\$ 3.17	\$ 134,917	\$ 3.73	\$ 140,837	\$ 4.11	\$ 149,653	\$ 4.20	14.4%	32.4%	6.9%	23.7%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 95,092	\$ 2.30	\$ 94,351	\$ 2.61	\$ 98,458	\$ 2.88	\$ 101,670	\$ 2.85	6.9%	23.7%	-0.1%	15.6%
Ave. Total In-person Attendance	41,266		36,194		34,241		35,655		-13.6%			
San Francisco-Redwood City- South SF, CA												
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 226,051	\$ 4.30	\$ 223,335	\$ 3.61	\$ 226,662	\$ 3.92	\$ 243,255	\$ 3.77	7.6%	-12.3%	0.6%	-18.0%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 167,893	\$ 3.19	\$ 161,320	\$ 2.60	\$ 162,429	\$ 2.81	\$ 175,644	\$ 2.72	4.6%	-14.7%	-2.2%	-20.3%
Ave. Total In-person Attendance	52,628		61,932		57,748		64,573		22.7%			
Washington-Arlington-Alexandria; Bethesda- Rockville-Fredericksburg, DC-VA												
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 481,974	\$ 9.51	\$ 517,983	\$ 9.82	\$ 495,643	\$ 9.50	\$ 500,335	\$ 8.45	3.8%	-11.1%	-3.0%	-17.0%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 296,947	\$ 5.86	\$ 324,001	\$ 6.14	\$ 344,867	\$ 6.61	\$ 340,502	\$ 5.75	14.7%	-1.9%	7.2%	-8.3%
Ave. Total In-person Attendance	50,675		52,735		52,149		59,204		16.8%			
Larger Markets												
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 265,842	\$ 4.10	\$ 269,314	\$ 4.06	\$ 282,244	\$ 4.41	\$ 286,152	\$ 4.44	7.6%	8.1%	0.6%	1.0%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 189,276	\$ 2.92	\$ 194,137	\$ 2.93	\$ 200,336	\$ 3.13	\$ 196,534	\$ 3.05	3.8%	4.2%	-3.0%	-2.6%
Ave. Total In-person Attendance	64,764		66,260		64,031		64,509		-0.4%			
Medium Markets												
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 192,975	\$ 3.69	\$ 203,250	\$ 3.74	\$ 207,290	\$ 3.86	\$ 207,227	\$ 3.75	7.4%	1.7%	0.4%	-5.0%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 136,632	\$ 2.61	\$ 147,225	\$ 2.71	\$ 149,473	\$ 2.78	\$ 147,440	\$ 2.67	7.9%	2.1%	0.9%	-4.5%
Ave. Total In-person Attendance	52,314		54,297		53,747		55,265		5.6%			
Small Markets												
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 127,233	\$ 3.42	\$ 138,105	\$ 3.51	\$ 140,877	\$ 3.54	\$ 143,342	\$ 3.58	12.7%	4.5%	5.3%	-2.3%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 94,145	\$ 2.53	\$ 102,078	\$ 2.59	\$ 104,970	\$ 2.63	\$ 107,439	\$ 2.68	14.1%	5.9%	6.7%	-1.0%
Ave. Total In-person Attendance	37,169		39,346		39,843		40,061		7.8%			
Very Small Markets												
Ave. Total Marketing Expenses (staff & non-staff)/	\$ 89,086	\$ 3.79	\$ 91,172	\$ 3.99	\$ 94,392	\$ 4.14	\$ 99,759	\$ 4.33	12.0%	14.5%	4.7%	7.0%
Ave. Direct Marketing Expenses (non-staff only)/	\$ 67,673	\$ 2.88	\$ 69,108	\$ 3.02	\$ 71,094	\$ 3.12	\$ 74,258	\$ 3.23	9.7%	12.2%	2.6%	4.8%
Ave. Total In-person Attendance	23,525		22,859		22,818		23,015		-2.2%			

What we learned.

- The biggest decrease in this index occurred in **San Francisco**. It should be noted that the drop was due to a 22.7% rise in attendance that was met with an increase in total marketing less than 1% above inflation. **It took about the same amount of marketing expenses to bring in more people.**
- The biggest increase in this index was in **Chicago**, where average attendance went down 13.6% over time while total marketing expenses rose 6.9% above inflation. **Organizations spent more in marketing and brought in fewer people.**
- The 2011 and 2012 peak in DC response to marketing efforts can be attributed to slight attendance increases that were met with larger jumps in marketing expenses. In 2013 there was a bump in attendance and a smaller rise in marketing.
- **Response to marketing was higher in L.A. in 2011 and 2012 was due to higher marketing spend rather than big shifts in attendance.**

Sidebar: Program Revenue vs. Marketing Dollars per Attendee, by Geography



What we learned.

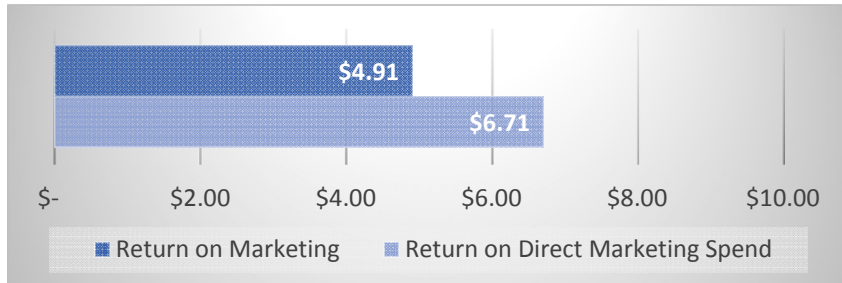
We also stop to compare the total market dollars spent per attendee and the total program revenue earned per attendee – in other words, **what it cost on average in marketing to attract someone to come, and the average amount that person spends with the organization once they're there.**

- The chart shows **how diverse the geographic market clusters are in terms of net revenue**, or the difference between program revenue per person and the cost of marketing efforts to attract that person, which ranges from \$11.32 in Small markets to \$25.34 in DC.
- **Like Small and Very Small markets, San Francisco's net program revenue per person is under \$12.**
- **Chicago has the second highest level of program revenue per attendee, due both to a relatively high level of program revenue per attendee and a fairly low level of marketing expenses per attendee.**

Return on Marketing Efforts and Direct Marketing Spend Indices

“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?”

View averages by: 2013 Overall



What we learned.

The average arts and cultural organization earns \$4.91 in program revenue for every dollar spent on total marketing, and \$6.71 if we consider only non-personnel marketing expenses such as advertising, internet and website, printing, public relations, sales commission fees, etc.

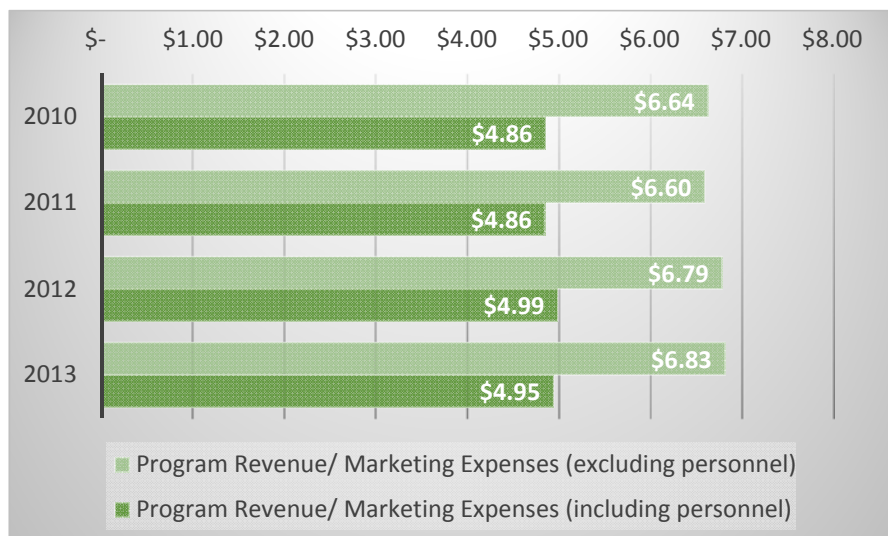
The total program revenue average was \$779,019. Program revenue includes earned revenue from all activity provided to the organization in return for its provision of mission-related products or services that generate attendance or engage people as participants.

Average total marketing expenses for all organizations in 2013 was \$158,506 -- \$116,053 of which was for non-personnel marketing expenditures.

Ave. Total Program Revenue/	<u>\$ 779,019</u>
Ave. Marketing Expenses (including personnel)	<u>\$ 158,506</u>

Ave. Total Program Revenue/	<u>\$ 779,019</u>
Ave. Direct Marketing Expenses (excluding personnel)/	<u>\$ 116,053</u>

Overall, Trends 2010-2013*



What we learned.

- **Return on marketing – both with and without marketing personnel costs included -- have trended slightly upward over time.**

*3,115 organizations that provided data each of the 4 years.

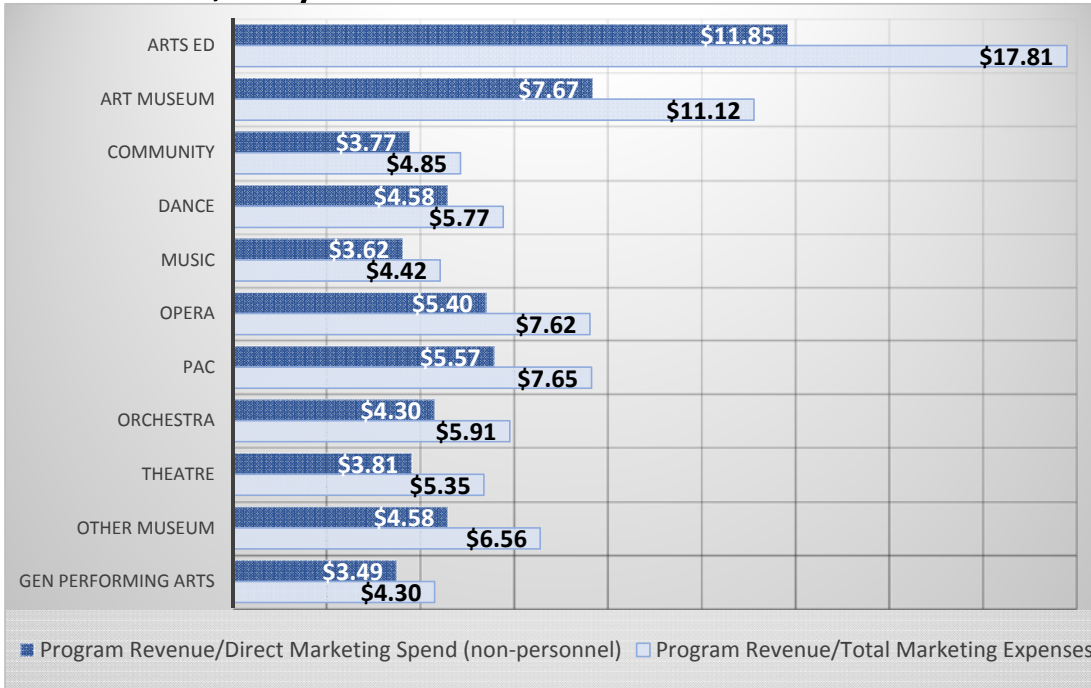
Trend table

RETURN ON MARKETING EFFORT AND RETURN ON DIRECT MARKETING SPEND TRENDS (3,115 ORGANIZATIONS)					2010-2013 change	2010-2013 change, adjusted for inflation
	2010	2011	2012	2013		
Program Revenue/ Marketing Expenses (including personnel)	\$ 4.86	\$ 4.86	\$ 4.99	\$ 4.95	1.7%	
Ave. Total Program Revenue/	\$ 909,515	\$ 945,054	\$ 994,732	\$ 1,000,761	10.0%	2.8%
Ave. Marketing Expenses (incl. personnel)	\$ 187,003	\$ 194,630	\$ 199,152	\$ 202,243	8.1%	1.1%
Program Revenue/ Marketing Expenses (excluding personnel)	\$ 6.64	\$ 6.60	\$ 6.79	\$ 6.83	2.8%	
Ave. Total Program Revenue/	\$ 909,515	\$ 945,054	\$ 994,732	\$ 1,000,761	10.0%	2.8%
Ave. Marketing Expenses (excl. personnel)	136,952	\$ 143,134	\$ 146,433	\$ 146,601	7.0%	0.0%

What we learned.

- **Program revenue was at its highest level of the 4 years in 2013, 2.8% higher than in 2010 in inflation-adjusted terms.**
- **Total marketing expenses rose annually** and, after adjusting for inflation, **were 1.1% higher in 2013 than in 2010.** Growth in non-personnel marketing expenses was on par with inflation, so **the modest growth in total marketing was driven by increases in personnel costs.**
- The net results was an inflation-adjusted 1.7% rise in program revenue relative to total marketing expenses and a 2.8% bump when examining only non-personnel marketing expenses.

2013, By Sector

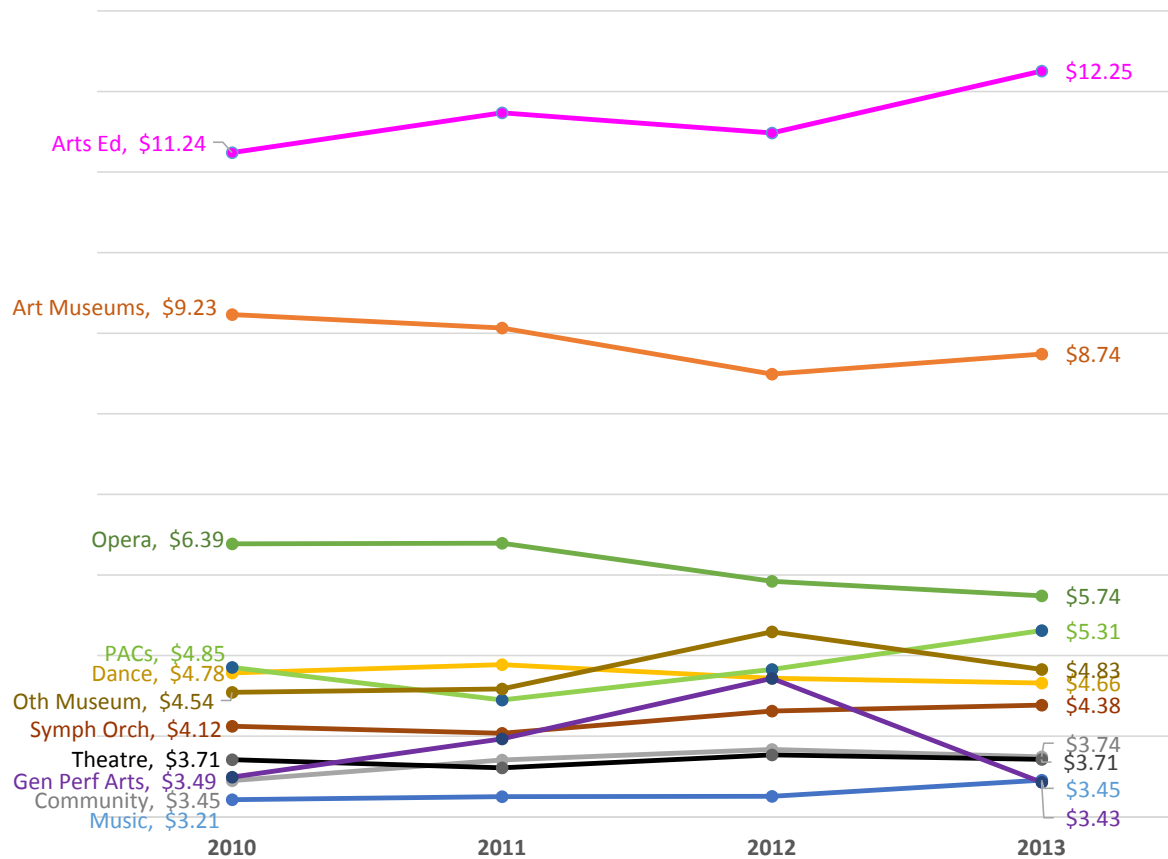


What we learned.

- With heavy reliance on tuition revenue, **return on marketing efforts and return on direct marketing spend were by far highest for Arts Education organizations.**
- **Art Museums had the second highest levels of return on marketing.**
- **All other sectors were in the general \$3.50 to \$5.50 range (rising to \$4.30-\$7.60 when excluding personnel costs).**

	Arts Education	Art Museums	Community	Dance	Music	Opera	PACs	Symphony Orchestras	Theater	Other Museums	General Performing Arts
Ave. Total Program Revenue/	\$ 814,376	\$4,199,522	\$229,487	\$ 598,016	\$130,171	\$2,448,968	\$3,174,417	\$1,291,839	\$728,219	\$1,483,477	\$ 495,008
Ave. Marketing Expenses (including personnel)	\$ 68,742	\$ 547,302	\$ 60,901	\$ 130,485	\$ 35,950	\$ 453,643	\$ 569,658	\$ 300,511	\$191,048	\$ 323,881	\$ 142,003
Ave. Direct Marketing Expenses (excl. personnel)	\$ 45,736	\$ 377,632	\$ 47,301	\$ 103,731	\$ 29,452	\$ 321,493	\$ 414,919	\$ 218,751	\$136,062	\$ 226,257	\$ 115,111

By Sector, Return on Marketing Efforts Trends, 2010-2013*



What we learned.

- The chart lends visual emphasis to the close clustering of results on these indices for all but the Arts Education, Art Museum, and Opera sectors. **By and large, return on marketing was in the \$3-\$5 dollar range for most sectors annually despite considerable variance in the levels of program revenue earned and marketing dollars spent.**
- **The Art Museum, Dance, Opera, and General Performing arts sectors experienced true declines – returns that did not keep pace with inflation -- both overall and when considering non-personnel marketing expenses only.** This would indicate that, in these sectors, each marketing dollar is generating less program revenue over time.
- The Other Museum and General Performing Arts sectors had a spike in the trend in 2012. **Arts Education organizations averaged the highest growth in return on marketing efforts over the period.**
- There were spikes in the indices in 2012 for the Other Museum and General Performing Arts sectors, both of which had program revenue that rose sharply that year.

*3,115 organizations that provided data each of the 4 years. We do not present a chart for the Return on Direct Marketing Spend Index since those trends virtually mirror the trends presented in the chart above.

RETURN ON DIRECT MARKETING SPEND AND RETURN ON MARKETING EFFORTS, BY SECTOR (3,115 ORGANIZATIONS)	2010	2010 Index	2011	2011 Index	2012	2012 Index	2013	2013 Index	2010- 2013 change	2013 index change	2010-2013 change, adjusted for inflation
Arts Education											
Ave. Program Revenue/	\$ 809,967		\$ 838,447		\$ 861,971		\$ 883,018		9.0%		1.9%
Ave. Direct Marketing Expenses (non-staff only)	\$ 50,998	\$ 15.88	\$ 48,837	\$ 17.17	\$ 50,202	\$ 17.17	\$ 47,799	\$ 18.47	-6.3%	16.3%	-12.4%
Ave. Total Marketing Expenses (staff & non-staff)	72,052	\$ 11.24	71,446	\$ 11.74	75,049	\$ 11.49	72,060	\$ 12.25	0.0%	9.0%	-6.5%
Art Museums											
Ave. Program Revenue/	\$ 4,332,992		\$ 4,751,981		\$ 4,928,839		\$ 4,850,421		11.9%		4.6%
Ave. Direct Marketing Expenses (non-staff only)	\$ 330,823	\$ 13.10	\$ 370,977	\$ 12.81	\$ 423,400	\$ 11.64	\$ 377,608	\$ 12.85	14.1%	-1.9%	6.7%
Ave. Total Marketing Expenses (staff & non-staff)	469,390	\$ 9.23	524,218	\$ 9.06	580,389	\$ 8.49	554,890	\$ 8.74	18.2%	-5.3%	10.5%
Community											
Ave. Program Revenue/	\$ 257,735		\$ 277,171		\$ 283,196		\$ 292,443		13.5%		6.0%
Ave. Direct Marketing Expenses (non-staff only)	\$ 56,866	\$ 4.53	\$ 56,141	\$ 4.94	\$ 56,378	\$ 5.02	\$ 59,937	\$ 4.88	5.4%	7.7%	-1.5%
Ave. Total Marketing Expenses (staff & non-staff)	74,745	\$ 3.45	74,822	\$ 3.70	73,846	\$ 3.83	78,140	\$ 3.74	4.5%	8.5%	-2.3%
Dance											
Ave. Program Revenue/	\$ 589,292		\$ 608,848		\$ 649,829		\$ 688,454		16.8%		9.2%
Ave. Direct Marketing Expenses (non-staff only)	\$ 96,169	\$ 6.13	\$ 97,504	\$ 6.24	\$ 107,159	\$ 6.06	\$ 117,707	\$ 5.85	22.4%	-4.5%	14.4%
Ave. Total Marketing Expenses (staff & non-staff)	123,161	\$ 4.78	124,584	\$ 4.89	137,734	\$ 4.72	147,754	\$ 4.66	20.0%	-2.6%	12.1%
Music											
Ave. Program Revenue/	\$ 117,215		\$ 124,519		\$ 128,703		\$ 133,712		14.1%		6.6%
Ave. Direct Marketing Expenses (non-staff only)	\$ 30,061	\$ 3.90	\$ 30,304	\$ 4.11	\$ 31,621	\$ 4.07	\$ 31,479	\$ 4.25	4.7%	8.9%	-2.1%
Ave. Total Marketing Expenses (staff & non-staff)	36,508	\$ 3.21	38,327	\$ 3.25	39,556	\$ 3.25	38,722	\$ 3.45	6.1%	7.6%	-0.9%
Opera											
Ave. Program Revenue/	\$ 3,791,298		\$ 3,881,497		\$ 3,703,774		\$ 3,622,644		-4.4%		-10.7%
Ave. Direct Marketing Expenses (non-staff only)	\$ 430,941	\$ 8.80	\$ 429,956	\$ 9.03	\$ 438,153	\$ 8.45	\$ 443,347	\$ 8.17	2.9%	-7.1%	-3.9%
Ave. Total Marketing Expenses (staff & non-staff)	593,618	\$ 6.39	606,968	\$ 6.39	625,560	\$ 5.92	631,025	\$ 5.74	6.3%	-10.1%	-0.7%
PACs											
Ave. Program Revenue/	\$ 2,976,797		\$ 3,124,835		\$ 3,292,075		\$ 3,488,828		17.2%		9.5%
Ave. Direct Marketing Expenses (non-staff only)	\$ 413,141	\$ 7.21	\$ 507,711	\$ 6.15	\$ 494,163	\$ 6.66	\$ 469,084	\$ 7.44	13.5%	3.2%	6.1%
Ave. Total Marketing Expenses (staff & non-staff)	613,293	\$ 4.85	702,610	\$ 4.45	682,023	\$ 4.83	656,989	\$ 5.31	7.1%	9.4%	0.1%
Symphony Orchestras											
Ave. Program Revenue/	\$ 1,692,827		\$ 1,677,120		\$ 1,814,296		\$ 1,831,848		8.2%		1.1%
Ave. Direct Marketing Expenses (non-staff only)	\$ 299,197	\$ 5.66	\$ 306,061	\$ 5.48	\$ 310,010	\$ 5.85	\$ 304,345	\$ 6.02	1.7%	6.4%	-4.9%
Ave. Total Marketing Expenses (staff & non-staff)	410,619	\$ 4.12	415,520	\$ 4.04	420,897	\$ 4.31	417,819	\$ 4.38	1.8%	6.3%	-4.9%
Theatre											
Ave. Program Revenue/	\$ 898,662		\$ 912,502		\$ 986,861		\$ 976,865		8.7%		1.6%
Ave. Direct Marketing Expenses (non-staff only)	\$ 176,646	\$ 5.09	\$ 184,970	\$ 4.93	\$ 189,880	\$ 5.20	\$ 186,691	\$ 5.23	5.7%	2.9%	-1.2%
Ave. Total Marketing Expenses (staff & non-staff)	242,360	\$ 3.71	253,064	\$ 3.61	261,911	\$ 3.77	263,218	\$ 3.71	8.6%	0.1%	1.5%
Other Museums											
Ave. Program Revenue/	\$ 1,631,639		\$ 1,717,699		\$ 1,933,869		\$ 1,882,248		15.4%		7.8%
Ave. Direct Marketing Expenses (non-staff only)	\$ 253,771	\$ 6.43	\$ 266,955	\$ 6.43	\$ 255,542	\$ 7.57	\$ 265,083	\$ 7.10	4.5%	10.4%	-2.4%
Ave. Total Marketing Expenses (staff & non-staff)	359,019	\$ 4.54	374,520	\$ 4.59	365,281	\$ 5.29	389,871	\$ 4.83	8.6%	6.2%	1.5%
General Performing Arts											
Ave. Program Revenue/	\$ 656,805		\$ 591,359		\$ 688,176		\$ 627,088		-4.5%		-10.8%
Ave. Direct Marketing Expenses (non-staff only)	\$ 155,827	\$ 4.21	\$ 119,242	\$ 4.96	\$ 121,135	\$ 5.68	\$ 150,001	\$ 4.18	-3.7%	-0.8%	-10.0%
Ave. Total Marketing Expenses (staff & non-staff)	188,070	\$ 3.49	149,087	\$ 3.97	145,886	\$ 4.72	182,930	\$ 3.43	-2.7%	-1.8%	-9.1%

Trend table

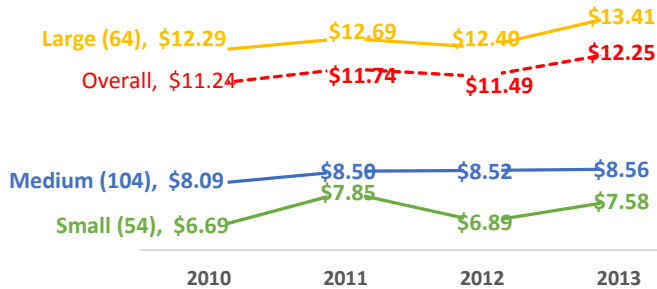
What we learned.

- Program revenue growth topped inflation for all sectors except Opera and General Performing Arts.
- Where total marketing expenses declined over time while program revenue growth outpaced inflation, we see an upward trend in the return on marketing efforts. This was the case for the Arts Education, Community, Music, Symphony Orchestra, and Other Museum Sectors. For Theatre, this was the case for return on direct marketing spend while the return on total marketing expense growth slightly outpaced inflation.
- In some sectors, the positive change in total marketing was greater than the change in direct marketing spend, indicative of increased marketing personnel costs that exceeded the increase in non-personnel spending. This was the case for the Art Museum, Opera, Theatre, and Other Museum sectors.
- In other sectors, growth in non-personnel direct marketing expenses was greater than the growth in total marketing, reflecting restrained investments in marketing personnel. This was the case for the Dance and PAC sectors, which had very similar levels of return on marketing efforts.
- Dance had negative trends in both the Return on Marketing and Program Revenue per attendee indices. They spent more in marketing and brought in more people; however, the corresponding growth in program revenue didn't keep pace with attendance and marketing expense growth. A strategic focus on bringing in more people may outweigh the focus on earning more from each person who comes.

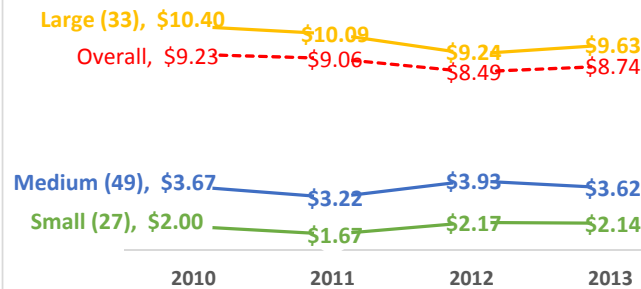
Go deeper into trends by sector. >>

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector. We do not present a chart for the Return on Direct Marketing Spend Index since its trends tend to closely mirror those presented for Return on Marketing Efforts.

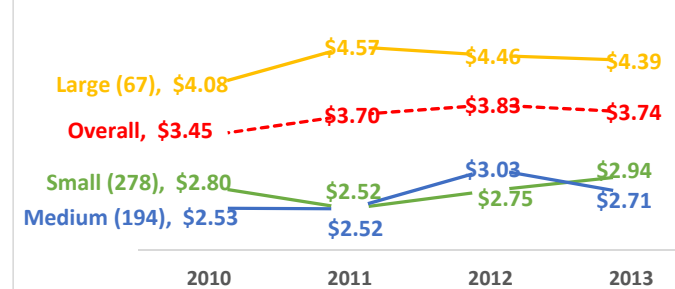
ARTS EDUCATION



ART MUSEUM



COMMUNITY



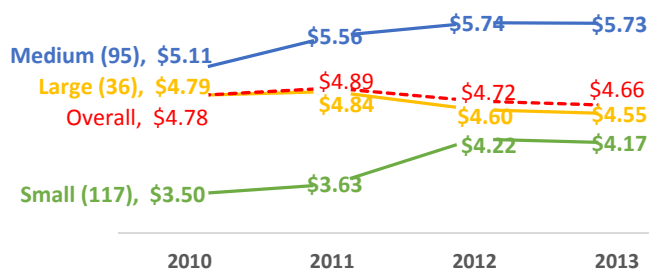
- **Arts Education organizations of every size averaged higher return on marketing efforts in 2013 than in 2010.** Large and Small organizations had higher return on direct marketing spend over time while that of Medium organizations was flat.
- **Non-personnel marketing expense growth fell short of inflation for organizations of every budget size,** a trend repeated for total marketing expenses for Medium and Large organizations.
- **For a 1.5% higher investment in marketing, Small organizations saw program revenue growth of 15% above inflation over time, rising annually.**
- **Large organizations cut marketing expenses by 13% and lost 5% of program revenue over time in inflation-adjusted figures.**
- Small organizations spend an average of 9% of total marketing expenses on personnel, Medium organizations spend 15% and Large organizations 39%. These percentages have risen over time for Small and Large organizations and diminished for Medium organizations.

- The largest range of return on marketing efforts across budget sizes is in the Art Museum sector.
- **Both Large and Medium organizations earned less program revenue for every dollar of expenditure on marketing over time.** Program revenue growth fell slightly short of inflation in both cases. Medium organizations' marketing expense growth also fell short of inflation but to a lesser extent than program revenue. Large organizations' marketing expense growth outpaced inflation by 7%.
- Small Art Museums spend an average of 21% of total marketing expenses on personnel, Medium organizations spend 36% and Large organizations 31%. Over time, these percentages have changed little for Small and Large Art Museums while Medium organizations have spent increasingly more of their marketing dollars on staff.
- **Small Art Museums** saw program revenue growth on par with inflation while their marketing expense growth lagged inflation. They **are reducing overall marketing costs but investing more in personnel, becoming more efficient in earning the same level of program revenue.**

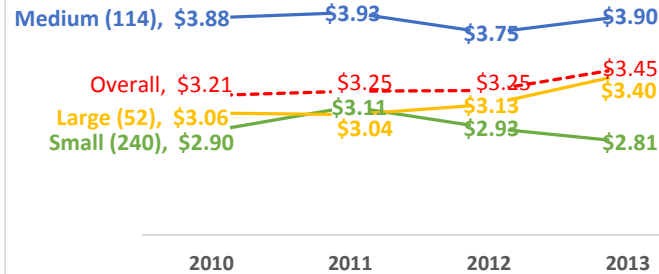
- Return on marketing for Community organizations varies little by budget size.
- In some years, Small organizations earn slightly greater return on marketing efforts than do Medium organizations.
- The spike in 2012 return on marketing efforts for Medium organizations was driven by a drop in marketing expenses that year and an upswing in program revenue, so greater returns than in 2011 for less investment. In 2013 their program revenue returned to 2011 levels and marketing expenses increased.
- The **amount spent on marketing diminished over time for Community organizations of all sizes.** This was the case whether or not marketing personnel expenses were included.
- Each year Small organizations spend an average of 8% of total marketing expenses on personnel, Medium organizations spend 16% and Large organizations 29%.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector. We do not present a chart for the Return on Direct Marketing Spend Index since its trends tend to closely mirror those presented for Return on Marketing Efforts.

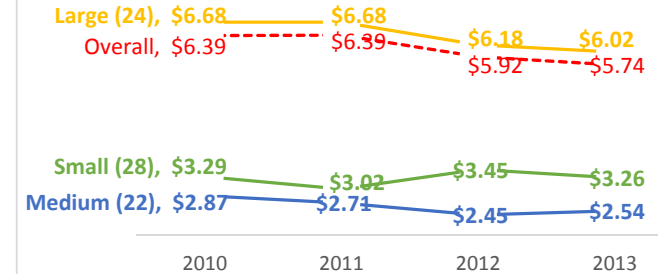
DANCE



MUSIC



OPERA



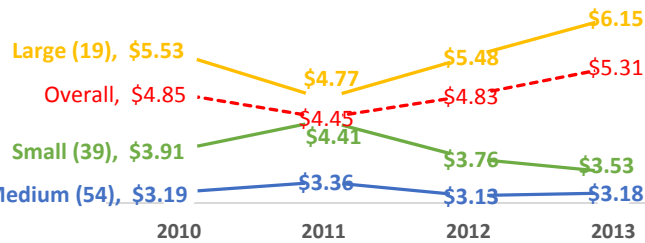
- **Medium organizations had higher annual returns than Large organizations on this index**, a characteristic shared only by the Music sector.
- **Large Dance companies saw a drop in this index over time.** Their total marketing investment grew 10.7% while program revenue rose only 5.2% more than inflation.
- While **Medium Dance companies** cut marketing expenses by 11.8%, their program revenue was 1% higher in 2013 than in 2010. **The net effect is a return on marketing efforts index that was 12.2% higher over time.**
- **Small Dance companies experienced the most growth in this index, a surge of 19.1% over time.** They spent nearly 16% less on marketing and were able to maintain program revenue at the rate of inflation.
- **Small organizations spend an average of only 1% of total marketing expenses on personnel**, indicating that Small companies tend to have no marketing staff. Medium organizations spend 13% and Large organizations 22%. These percentages have been fairly stable over time.

- Return on marketing for Music organizations varies little by budget size. **Medium organizations had higher annual returns than Large organizations on this index**, a characteristic shared only by the Dance sector.
- **Large organizations saw growth and Small organizations a decline** in return on marketing efforts and return on direct marketing spend.
- **Small and Medium Music organizations' program revenue dwindled annually from 2011 to 2013.**
- **Large organizations' program revenue was nearly 14% higher in 2013 than 2010 while marketing expenses were 2.2% higher** in inflation-adjusted figures, **producing a 11.2% rise in the index.**
- **Small organizations spend an average of only 1% of total marketing expenses on personnel**, indicating that Small groups tend to have no marketing staff. Medium organizations spend 9% and Large organizations 26%. These percentages have changed very little over time.

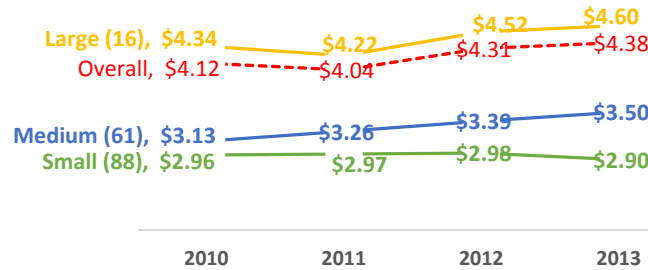
- **Opera companies of every size averaged lower returns on marketing efforts in 2013 than in 2010.**
- Medium and Large Opera companies' total marketing expenses were higher in 2013 than in 2010, after considering inflation.
- **For Small organizations, the decrease in program revenue was slightly greater than the cuts to marketing expenses.**
- Small organizations spend an average of 6% of total marketing expenses on personnel, Medium organizations spend 16% and Large organizations 31%. These percentages changed little over time.

Go deeper by into trends by sector.

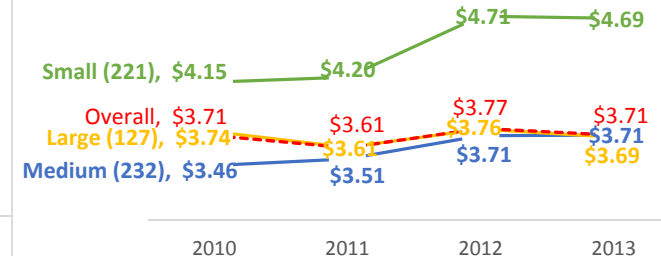
PAC



SYMPHONY ORCHESTRA



THEATRE



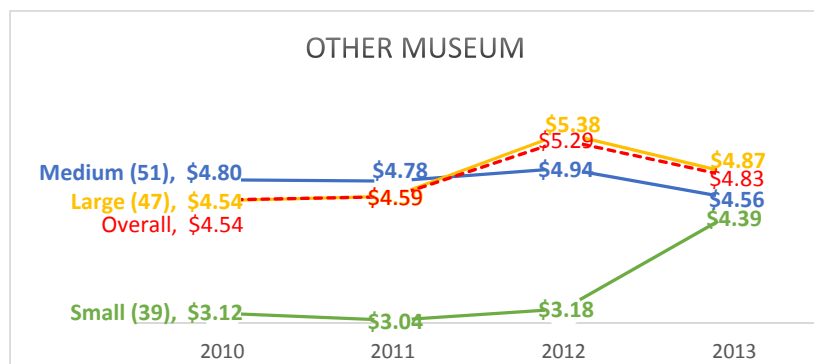
- **Small PACs** had a downward trend starting in 2011, a year in which program revenue was the highest of the 4 years and marketing expenses the lowest.
- **Large PACs** saw greater returns on marketing. Their marketing expense growth excluding personnel costs was 5.4% short of the rate of inflation; however, their total marketing expenses (which includes personnel costs) was 14.2% lower. This indicates that they **made deeper cuts to marketing personnel**. Their upward spike in 2011 was due to a higher investment in marketing expenses that wasn't met with the same increase in program revenue.
- In 2013, Small organizations spent an average of 16% of total marketing expenses on personnel (up from 10% in 2010), Medium organizations spent 24% and Large organizations 31% (down from 37% in 2010).

- **Medium orchestras** had the **greatest increase** over time in **this index**, regardless of whether personnel costs are included in the calculation.
- For basically the same level of inflation-adjusted investment in marketing, **Large Orchestras had a 6.2% increase in program revenue over time.**
- **By contrast, Small Orchestras had basically the same level of inflation-adjusted program revenue while their non-personnel marketing expenses rose 4.3% and total marketing expenses were 2.4% higher in 2013 than 2010 after adjusting for inflation.**
- **Small organizations spend an average of 0% of total marketing expenses on personnel**, indicating that Small Orchestras have no paid marketing staff. Medium organizations spend 24% and Large organizations 29%. These percentages have remained quite stable over time.

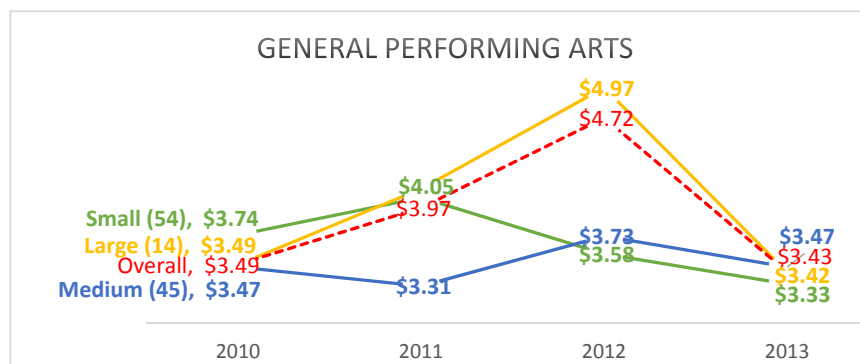
- **Theatre is the only sector where Small organizations earn greater returns of program revenue for every dollar invested in marketing.**
- **Small Theatres saw annual increases in this index, Medium organizations saw an upward trend and Large organizations a downward trend.**
- **Program revenue growth fell shy of inflation for the average organizations in every budget size**, being greatest for Large Theatres at 10% and lowest for Small Theatres at 1.7%.
- **Marketing expense growth fell shy of inflation for the average organizations in every budget size**, being greatest for Small Theatres at 13% and lowest for Large Theatres at 9%.
- Small organizations spent an average of 4% of total marketing expenses on personnel, Medium organizations spent 22% and Large organizations 31%. These percentages have remained quite stable over time.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector. We do not present a chart for the Return on Direct Marketing Spend Index since its trends tend to closely mirror those presented for Return on Marketing Efforts.

Go deeper into trends by sector.



- Over time, **return on marketing converged to nearly an identical level for organizations of every size.**
- **Small Other Museums had the greatest growth on this index.** Marketing expenses were cut 14% while program revenue growth outpaced inflation by 21%.
- **Large Other Museums had 2% growth in program revenue coupled with total marketing expense growth that fell short of inflation by 5%.** The net effect is an upward trend in the index. The 2012 spike in the index is a result of higher program revenue that year, not unusually low marketing costs.
- **Medium organizations' marketing expense growth was met with growth in program revenue,** just not to the same, robust level.
- Small organizations spent an average of 13% of total marketing expenses on personnel, Medium organizations spent 28% and Large organizations 33%. Small and Large organizations spent 5% more of their marketing dollars on staff over time while Medium organizations spent 3% less.



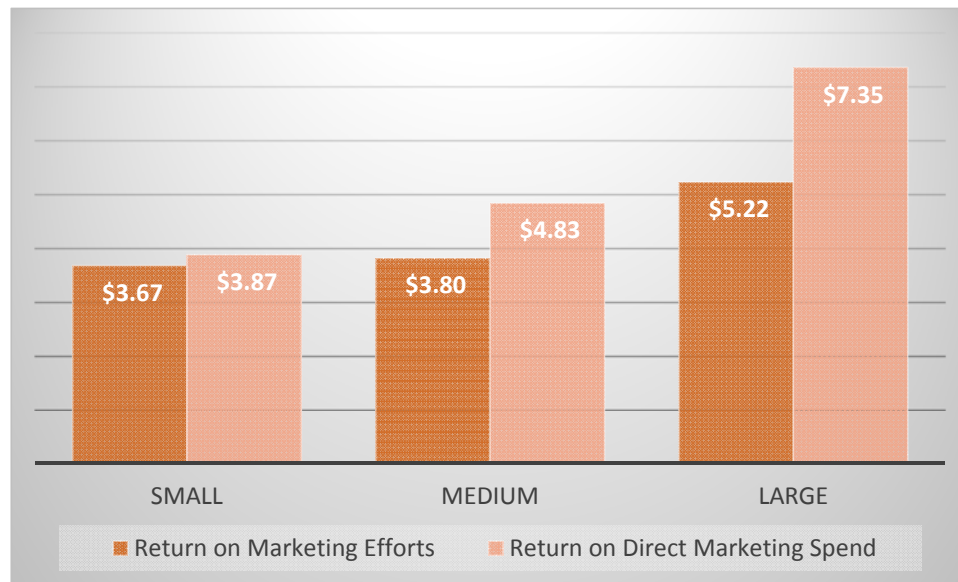
- **Return on marketing started out and ended the 4-year period at nearly identical levels for organizations of every size.**
- After adjusting for inflation, **marketing expenses and program revenue were both lower in 2013 than in 2010 for the average organization of every budget size.**
- Large organizations' program revenue peaked in 2012, dropping to its lowest average level of the 4 years in 2013. Concurrently, their marketing expenses were cut in 2011 and again in 2012, returning closer to their 2010 average level in 2013. This resulted in the **erratic trend.**
- Small organizations spent an average of 4% of total marketing expenses on personnel, Medium organizations spent 20% and Large organizations 18%. These percentages have remained quite stable over time.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector. We do not present a chart for the Return on Direct Marketing Spend Index since its trends tend to closely mirror those presented for Return on Marketing Efforts.

Budget ranges by sector

Arts Sector	Small	Medium	Large
Arts Education	\$236,182 or less	\$236,183 - \$1,296,200	\$1,296,201 or more
Art Museums	\$845,228 or less	\$845,229 - \$6,749,293	\$6,749,294 or more
Community	\$295,777 or less	\$295,778 - \$1,623,261	\$1,623,262 or more
Dance Companies	\$188,595 or less	\$188,596 - \$1,296,200	\$1,296,201 or more
Music	\$154,047 or less	\$154,048 - \$612,281	\$612,282 or more
Opera Companies	\$463,871 or less	\$463,872 - \$3,436,445	\$3,436,446 or more
Performing Arts Centers	\$845,228 or less	\$845,229 - \$8,452,293	\$8,452,294 or more
Symphony Orchestras	\$430,353 or less	\$430,354 - \$4,303,539	\$4,303,540 or more
Theater	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more
Other Museums	\$580,916 or less	\$580,917 - \$4,638,716	\$4,638,717 or more
General Performing Arts	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more

2013, By Size

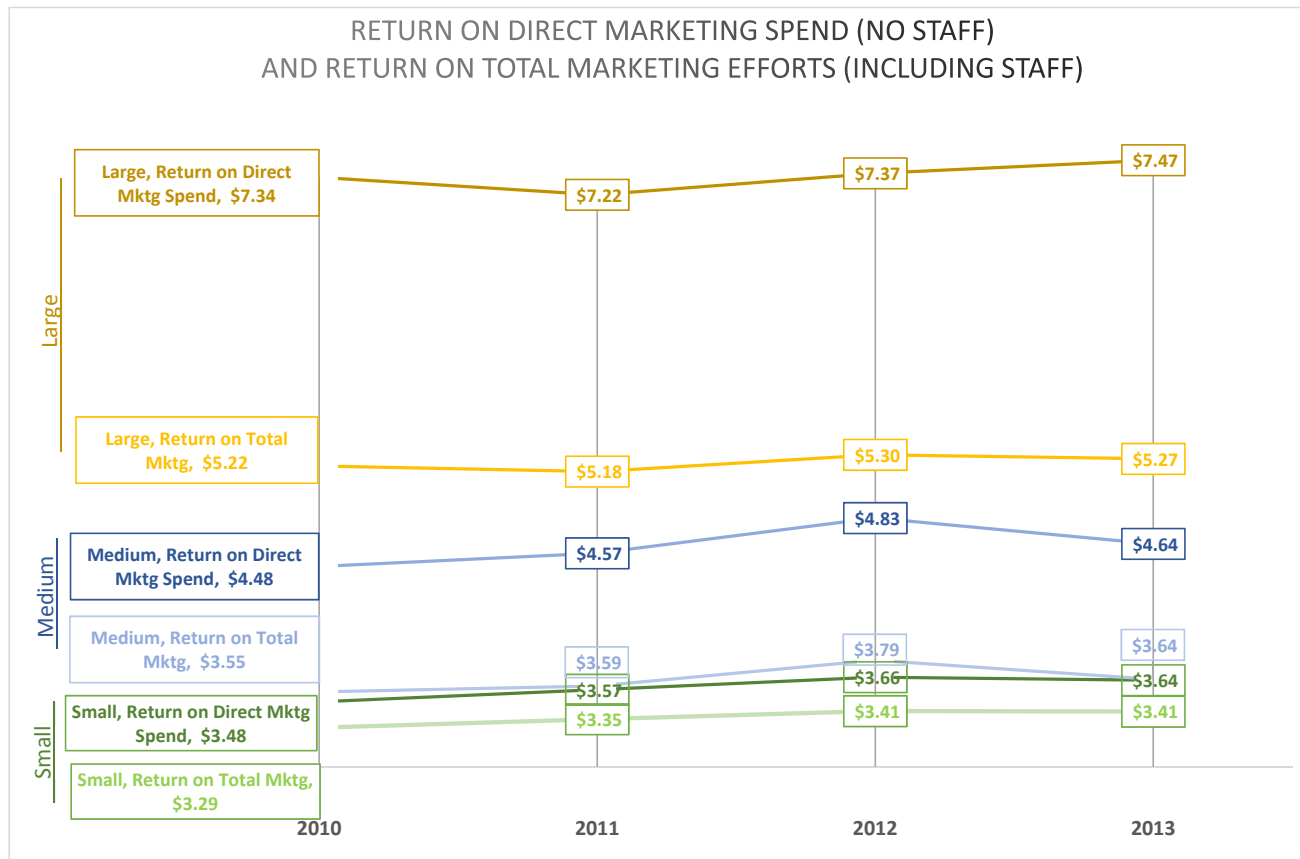


What we learned.

- As organizations grow, they tend to increase their program revenue relative to their non-personnel marketing investment, the lighter colored bars in the chart. The rise in program revenue per dollar of total marketing expenditure – the darker bars -- is less dramatic. The difference is due to a proportionally higher investment in payment to marketing personnel as organizations grow. Perhaps this greater investment in skilled marketing personnel is why the organization earns more program revenue.
- If we combine these findings with those of the response to marketing and program revenue per attendee indices, we see that **as organizations grow it takes more marketing dollars to attract each attendee, yet once an attendee comes, organizations tend to earn much more program revenue from that attendee as they become larger.** The net result is an increase in return on marketing with size, with greater difference as organizations go from Medium to Large than from Small to Medium.

	Small	Medium	Large
Ave. Total Program Revenue/	\$ 40,862	\$ 304,681	\$ 4,302,328
Ave. Marketing Expenses (incl. personnel)	\$ 11,147	\$ 80,217	\$ 824,162
Ave. Direct Marketing Expenses (excl. personnel)	\$ 10,565	\$ 63,144	\$ 585,360

By Size, Trends 2010-2013*



What we learned.

- There were not big variations return on marketing efforts or return on direct marketing spend over time for the average organization in any budget size.
- **Organizations of all sizes experienced slightly upward trends for both return on marketing indices.**
- There is very little difference over time in the return on marketing indices for Small organizations and the return on total marketing efforts of Medium organizations.

*3,115 organizations that provided data each of the 4 years.

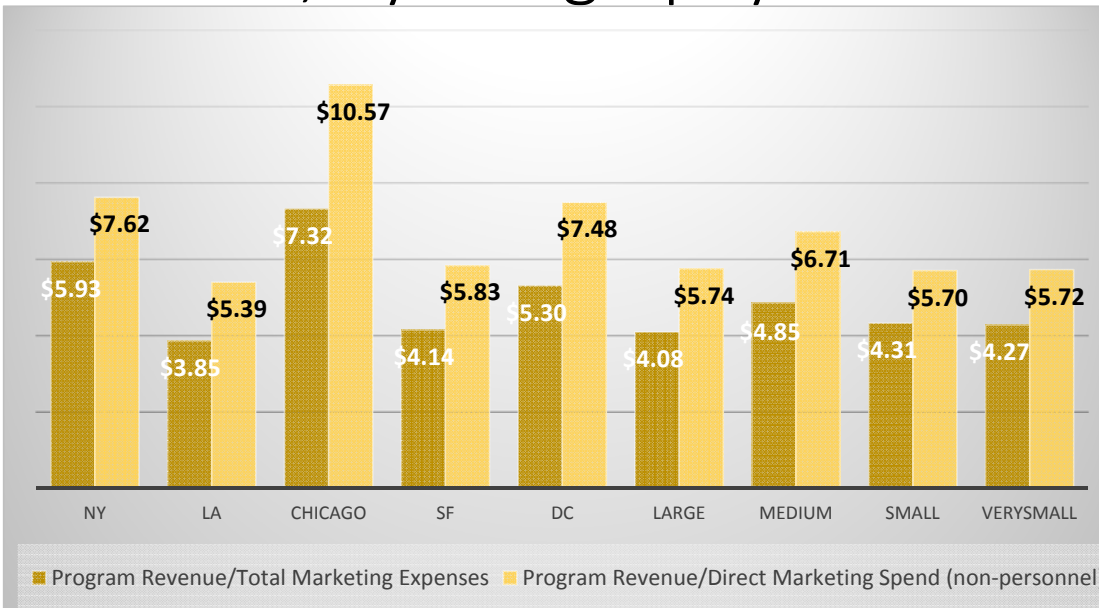
Trend table

RETURN ON DIRECT MARKETING SPEND INDEX AND RETURN ON MARKETING EFFORTS INDEX TRENDS, BY SIZE (3,115 ORGANIZATIONS)	2010		2011		2012		2013		2010-2013 change	2010-2013 index change	2010-2013 change, adjusted for inflation
	2010	2010 Index	2011	2011 Index	2012	2012 Index	2013	2013 Index			
Small											
Ave. Program Revenue/	\$ 42,677		\$ 43,276		\$ 43,076		\$ 43,809		2.7%		-4.1%
Ave. Direct Marketing Expenses (non-staff only)	\$ 12,269	\$ 3.48	\$ 12,129	\$ 3.57	\$ 11,768	\$ 3.66	\$ 12,043	\$ 3.64	-1.8%	4.6%	-8.3%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 12,982	\$ 3.29	\$ 12,917	\$ 3.35	\$ 12,633	\$ 3.41	\$ 12,861	\$ 3.41	-0.9%	3.6%	-7.4%
Medium											
Ave. Program Revenue/	\$ 310,113		\$ 308,536		\$ 322,807		\$ 313,592		1.1%		-5.5%
Ave. Direct Marketing Expenses (non-staff only)	\$ 69,284	\$ 4.48	\$ 67,464	\$ 4.57	\$ 66,792	\$ 4.83	\$ 67,549	\$ 4.64	-2.5%	3.7%	-8.9%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 87,316	\$ 3.55	\$ 85,836	\$ 3.59	\$ 85,279	\$ 3.79	\$ 86,056	\$ 3.64	-1.4%	2.6%	-7.9%
Large											
Ave. Program Revenue/	\$ 4,560,168		\$ 4,705,285		\$ 4,855,451		\$ 4,726,669		3.7%		-3.1%
Ave. Direct Marketing Expenses (non-staff only)	\$ 621,021	\$ 7.34	\$ 652,124	\$ 7.22	\$ 658,503	\$ 7.37	\$ 632,759	\$ 7.47	1.9%	1.7%	-4.8%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 874,219	\$ 5.22	\$ 909,142	\$ 5.18	\$ 916,309	\$ 5.30	\$ 897,064	\$ 5.27	2.6%	1.0%	-4.1%

What we learned.

- In inflation-adjusted figures, average program revenue was lower for every size organization in 2013 than in 2010, as were average direct marketing expenses and total marketing expenses.
- The average organization of every size experienced marketing expense declines that were slightly higher than their program revenue declines over time. This resulted in slightly higher returns for every marketing dollar spent.

2013, By Geography



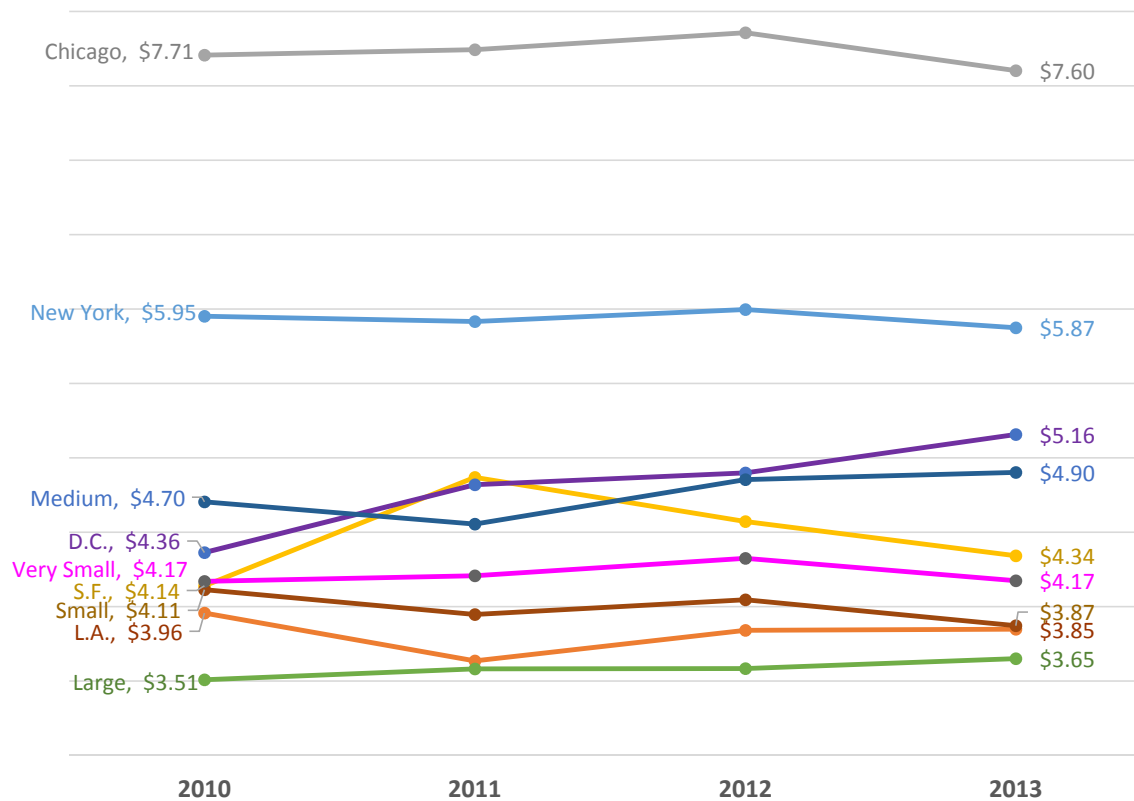
What we learned.

- **Return on marketing** – the amount of program revenue generated by each dollar of marketing expense (including personnel) – was **highest in Chicago** at \$7.32 and **lowest in Los Angeles** at \$3.85. If we exclude marketing personnel costs the same pattern holds with Chicago having highest returns followed by New York, then DC, with L.A. reporting the lowest.
- In New York, average Return on Marketing was \$5.93 and in DC it was \$5.30. In all other markets it was between \$4.08 and \$4.85. DC and New York had the highest levels of program revenue in 2013.
- In Los Angeles, San Francisco, DC, and Large Markets, an average of 29% of total marketing costs go to paying marketing personnel. That percentage is 31% for Chicago, 28% for Medium Markets, 25% for Very Small Markets, 26% for Small Markets, and only 22% for New York.

	New York-White Plains-Wayne, NY-NJ	Los Angeles-Long Beach-Glendale	Chicago-Naperville-Arlington Heights	San Francisco-Redwood City-S.F.	Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg	Larger Markets	Medium Markets	Small Markets	Very Small Markets
Ave. Program revenue/	\$1,265,815	\$ 787,764	\$ 829,822	\$ 745,380	\$ 1,618,126	\$965,141	\$ 789,809	\$ 549,916	\$ 324,827
Ave. Marketing Expenses (including personnel)	\$ 213,556	\$ 204,544	\$ 113,423	\$ 180,232	\$ 216,217	\$ 236,493	\$ 162,786	\$ 127,492	\$ 76,095
Ave. Direct Marketing Expenses (excl. personnel)	\$ 166,172	\$ 146,248	\$ 78,515	\$ 127,867	\$ 305,385	\$ 168,020	\$ 117,637	\$ 96,533	\$ 56,802

By Geography, Trends 2010-2013*

Return on Marketing Efforts Index



*3,115 organizations that provided data each of the 4 years.

What we learned.

- In contrast to the 2013 comparison of averages by geography for *all* organizations that responded that year, the findings for the subset of organizations that have provided data each of the 4 years put this index lowest for Large Markets than for L.A.
- **In Chicago, New York and L.A., return on marketing efforts was lower in 2013 than in 2010 while return on direct marketing spend – the non-personnel part portion of total marketing expenses – was higher.** This reflects growth in marketing personnel compensation that outpaced that of program revenue in these markets.
- **Both return on marketing efforts and return on direct marketing spend were higher in 2013 than in 2010 in San Francisco, DC, Large Markets, and Medium Markets.** Only in Small Markets did the average organization earn less program revenue per dollar spent on marketing over time.
- **Return on marketing efforts was flat for Very Small Markets**

Trend table

RETURN ON DIRECT MARKETING SPEND INDEX AND RETURN ON MARKETING EFFORTS, BY GEOGRAPHIC MARKET CLUSTER (3,115 ORGANIZATIONS)	2010	2010 Index	2011	2011 Index	2012	2012 Index	2013	2013 Index	2010- 2013 change	2010-2013 index change	2010-2013 change, adjusted for inflation
New York-White Plains-Wayne, NY-NJ											
Ave. Program Revenue/	\$ 1,512,174		\$ 1,556,089		\$ 1,636,746		\$ 1,584,298		4.8%		-2.1%
Ave. Direct Marketing Expenses (non-staff only)	\$ 200,427	\$ 7.54	\$ 207,564	\$ 7.50	\$ 214,486	\$ 7.63	\$ 209,664	\$ 7.56	4.6%	0.2%	-2.2%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 254,076	\$ 5.95	\$ 263,004	\$ 5.92	\$ 272,937	\$ 6.00	\$ 269,714	\$ 5.87	6.2%	-1.3%	-0.8%
Los Angeles-Long Beach-Glendale, CA											
Ave. Program Revenue/	\$ 961,908		\$ 922,695		\$ 980,026		\$ 1,006,494		4.6%		-2.2%
Ave. Direct Marketing Expenses (non-staff only)	\$ 180,987	\$ 5.31	\$ 190,193	\$ 4.85	\$ 185,600	\$ 5.28	\$ 186,211	\$ 5.41	2.9%	1.7%	-3.8%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 243,109	\$ 3.96	\$ 253,829	\$ 3.64	\$ 255,140	\$ 3.84	\$ 261,534	\$ 3.85	7.6%	-2.7%	0.5%
Chicago-Naperville-Arlington Hgts, IL											
Ave. Program Revenue/	\$ 1,008,232		\$ 1,044,626		\$ 1,106,585		\$ 1,137,661		12.8%		5.5%
Ave. Direct Marketing Expenses (non-staff only)	\$ 95,092	\$ 10.60	\$ 94,351	\$ 11.07	\$ 98,458	\$ 11.24	\$ 101,670	\$ 11.19	6.9%	5.5%	-0.1%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 130,833	\$ 7.71	\$ 134,917	\$ 7.74	\$ 140,837	\$ 7.86	\$ 149,653	\$ 7.60	14.4%	-1.4%	6.9%
San Francisco-Redwood City- South SF, CA											
Ave. Program Revenue/	\$ 935,793		\$ 1,087,437		\$ 1,036,411		\$ 1,056,117		12.9%		5.5%
Ave. Direct Marketing Expenses (non-staff only)	\$ 167,893	\$ 5.57	\$ 161,320	\$ 6.74	\$ 162,429	\$ 6.38	\$ 175,644	\$ 6.01	4.6%	7.9%	-2.2%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 226,051	\$ 4.14	\$ 223,335	\$ 4.87	\$ 226,662	\$ 4.57	\$ 243,255	\$ 4.34	7.6%	4.9%	0.6%
Washington-Arlington-Alexandria; Bethesda- Rockville-Fredericksburg, DC-VA											
Ave. Program Revenue/	\$ 2,103,264		\$ 2,496,119		\$ 2,427,948		\$ 2,580,389		22.7%		14.7%
Ave. Direct Marketing Expenses (non-staff only)	\$ 296,947	\$ 7.08	\$ 324,001	\$ 7.70	\$ 344,867	\$ 7.04	\$ 340,502	\$ 7.58	14.7%	7.0%	7.2%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 481,974	\$ 4.36	\$ 517,983	\$ 4.82	\$ 495,643	\$ 4.90	\$ 500,335	\$ 5.16	3.8%	18.2%	-3.0%
Larger Markets											
Ave. Program Revenue/	\$ 932,886		\$ 964,756		\$ 1,011,578		\$ 1,044,669		12.0%		4.7%
Ave. Direct Marketing Expenses (non-staff only)	\$ 189,276	\$ 4.93	\$ 194,137	\$ 4.97	\$ 200,336	\$ 5.05	\$ 196,534	\$ 5.32	3.8%	7.8%	-3.0%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 265,842	\$ 3.51	\$ 269,314	\$ 3.58	\$ 282,244	\$ 3.58	\$ 286,152	\$ 3.65	7.6%	4.0%	0.6%
Medium Markets											
Ave. Program Revenue/	\$ 907,813		\$ 925,811		\$ 1,006,158		\$ 1,015,768		11.9%		4.6%
Ave. Direct Marketing Expenses (non-staff only)	\$ 136,632	\$ 6.64	\$ 147,225	\$ 6.29	\$ 149,473	\$ 6.73	\$ 147,440	\$ 6.89	7.9%	3.7%	0.9%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 192,975	\$ 4.70	\$ 203,250	\$ 4.56	\$ 207,290	\$ 4.85	\$ 207,227	\$ 4.90	7.4%	4.2%	0.4%
Small Markets											
Ave. Program Revenue/	\$ 523,415		\$ 545,086		\$ 570,001		\$ 554,959		6.0%		-0.9%
Ave. Direct Marketing Expenses (non-staff only)	\$ 94,145	\$ 5.56	\$ 102,078	\$ 5.34	\$ 104,970	\$ 5.43	\$ 107,439	\$ 5.17	14.1%	-7.1%	6.7%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 127,233	\$ 4.11	\$ 138,105	\$ 3.95	\$ 140,877	\$ 4.05	\$ 143,342	\$ 3.87	12.7%	-5.9%	5.3%
Very Small Markets											
Ave. Program Revenue/	\$ 371,516		\$ 383,628		\$ 408,238		\$ 416,390		12.1%		4.7%
Ave. Direct Marketing Expenses (non-staff only)	\$ 67,673	\$ 5.49	\$ 69,108	\$ 5.55	\$ 71,094	\$ 5.74	\$ 74,258	\$ 5.61	9.7%	2.1%	2.6%
Ave. Total Marketing Expenses (staff & non-staff)	\$ 89,086	\$ 4.17	\$ 91,172	\$ 4.21	\$ 94,392	\$ 4.32	\$ 99,759	\$ 4.17	12.0%	0.1%	4.7%

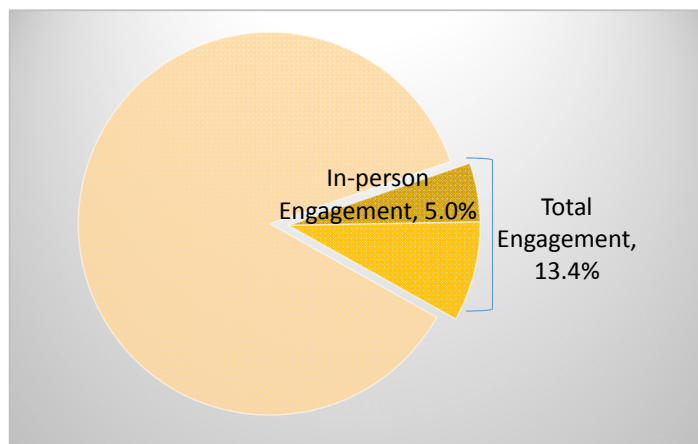
What we learned.

- The **biggest increase** in this index occurred in **DC**. It should be noted that the sharp rise was due to 14.7 % growth in program revenue coupled with a 3% drop in marketing expenses after adjusting for inflation. **It took fewer dollars spent on marketing to bring in considerably more program revenue.**
- The biggest decrease in this index was in **Small Markets**, where average program revenue growth didn't keep pace with inflation while marketing expenses – both personnel and non-personnel – rose more than inflation. **Organizations spent more in marketing and brought in less program revenue.**
- The 2011 peak in San Francisco's return on marketing can be attributed to a slight reduction in marketing expenses coupled with a spike in program revenue.

Total Engagement and In-person Engagement Indices

“What is the reach of our community engagement, first looking at in-person and virtual participation then at in-person engagement only?”

View averages by: 2013 Overall



Ave. Total Touch Points (in-person and virtual)/	<u>111,277</u>
Ave. Population	830,379
Ave. In-person Touch Points (excludes virtual)/	<u>41,449</u>
Ave. Population	830,379

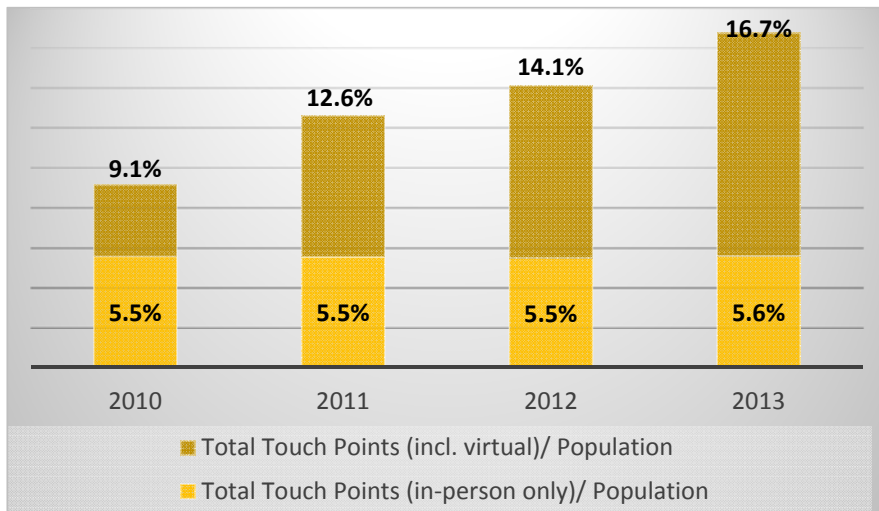
What we learned.

If we include audiences for online or digitally-transmitted programming, the average arts and cultural organization engaged the equivalent of 13.4% of its local population. If we include in the mix only audiences who attended programming in-person, the community engagement average is 5.0% of the organization's local population. Findings suggest that some sectors are increasing their importance as digital art forms in terms of engagement.

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. In-person touch points for all organizations in 2013 averaged 41,499 and total touch points – adding in virtual engagement -- averaged 111,277. We note that available data provide us with the number of touch points, not the duration, depth or quality of engagement each person has with the organization.

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. The average spatially-adjusted population – what we use when we refer to “population” -- was 830,379.

Overall, Trends 2010-2013*



What we learned.

- While the **in-person engagement level remained virtually unchanged** over time, total engagement increased substantially due to **big growth in virtual participation** in digital programs.

What we learned.

- **There was big growth in total touch points, driven by virtual participation in digital programming.**

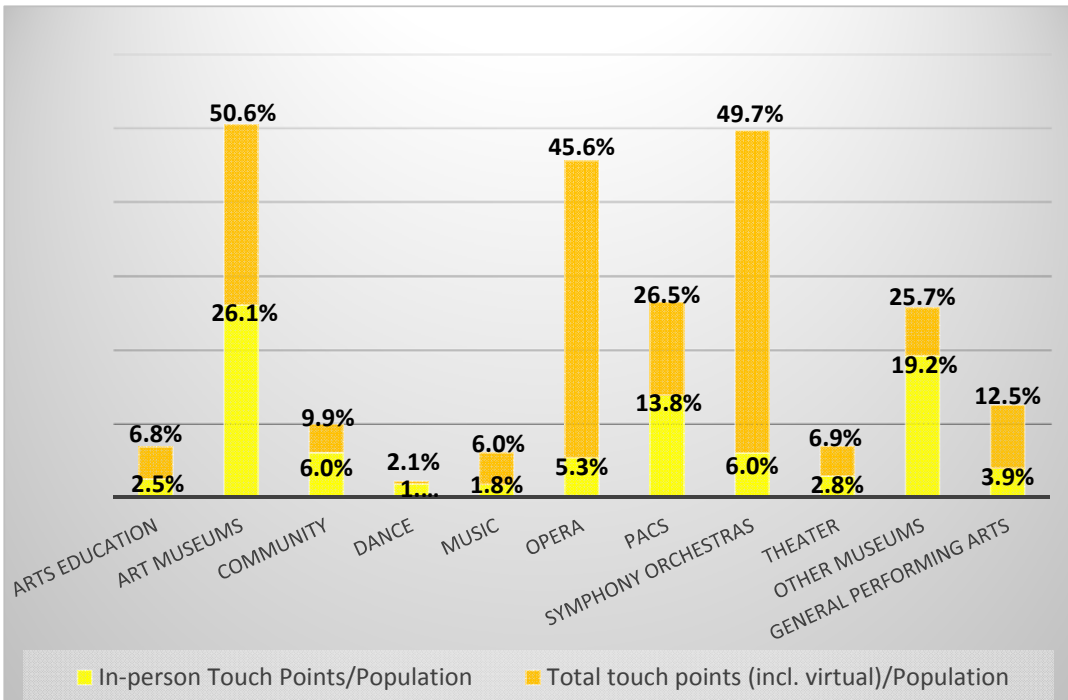
*3,115 organizations that provided data each of the 4 years.

Trend table

RETURN ON MARKETING EFFORT AND RETURN ON DIRECT MARKETING SPEND TRENDS (3,115 ORGANIZATIONS)	2010	2011	2012	2013	2010-2013 change
Total Touch Points (incl. virtual)/ Population	9.1%	12.6%	14.1%	16.7%	7.6%
Ave. Total Touch Points (incl. virtual)/	78,537	108,750	122,596	146,632	86.7%
Ave. Population	859,404	864,061	869,986	876,189	2.0%
Total Touch Points (in-person only)/ Population	5.5%	5.5%	5.5%	5.6%	0.0%
Ave. Total Touch Points (in-person only)/	47,663	47,738	47,583	48,666	2.1%
Ave. Population	859,404	864,061	869,986	876,189	2.0%

We fully acknowledge that virtual participation in an organization's offerings may have more to do with people who live outside of the local community than those who live nearby. We use the local population as a yardstick since it allows us to compare local market penetration with on-site programming to an equivalent of the percentage of the local population that can be engaged when an organization offers digital programming.

2013, By Sector



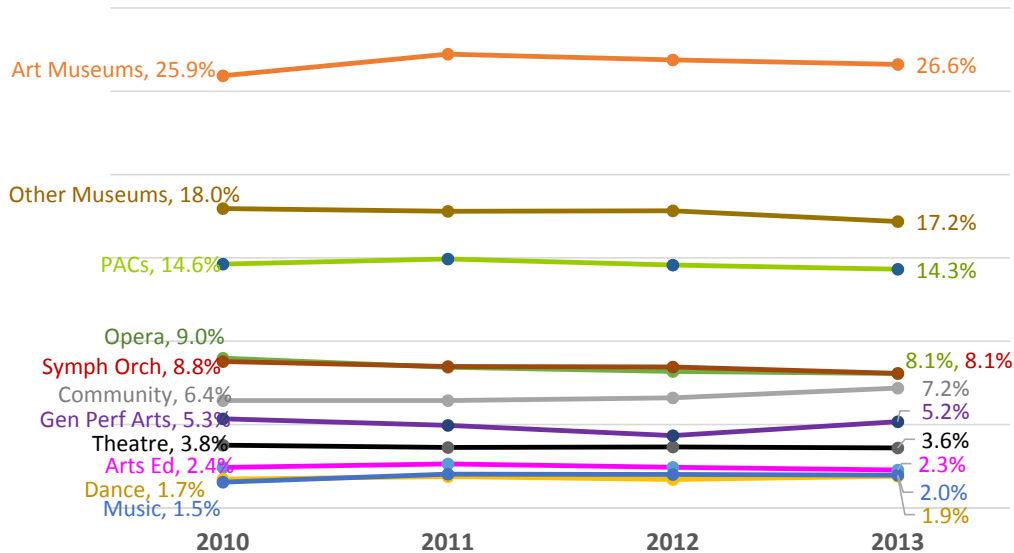
What we learned.

- **Art Museums had the highest community engagement**, whether or not virtual participation was taken into account. They engage about half of their total touch points in-person and half virtually. In absolute terms, compared to other sectors they have the highest average number of touch points, both in-person and total.
- Other Museums had the second highest level of in-person engagement and in-person touch points. **Virtual engagement plays a lesser role for Other Museums than it does for Art Museums.**
- **The Arts Education, Music, Opera, PAC, Symphony Orchestra, Theater, and General Performing Arts sectors now touch more people in a digital space than they do on site.** These sectors are actively developing a virtual following.
- **Opera companies and Symphony Orchestras both engage far more people through digital offerings than in-person:** both sectors engage 12% of their total touch points in-person and 88% virtually. **While the live experience is an essential and irreplaceable aspect of these art forms, they now hold an important existence as digital art forms in contemporary society.**

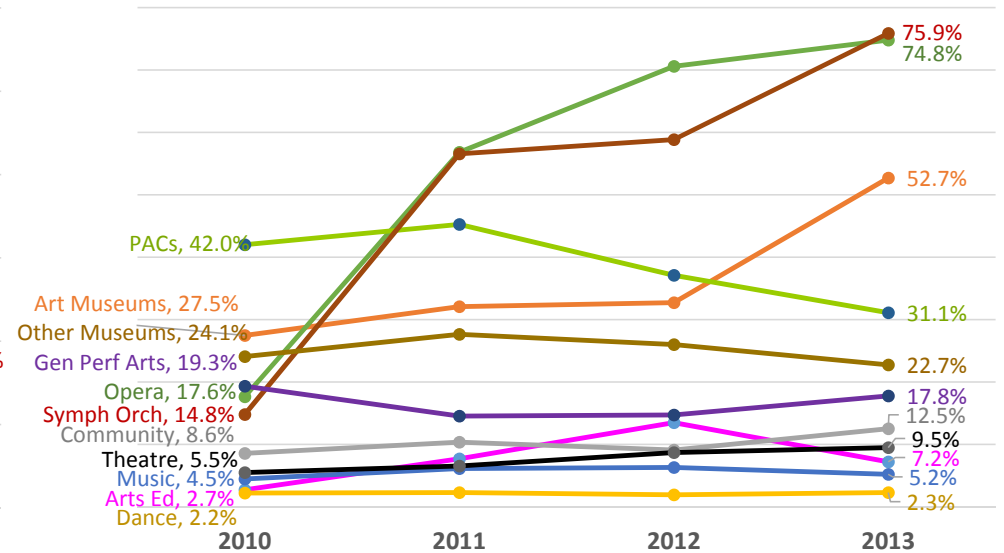
	Arts Education	Art Museums	Community	Dance	Music	Opera	PACs	Symphony Orchestras	Theater	Other Museums	General Performing Arts
Ave. Total Touch Points (incl. virtual)/	<u>60,346</u>	<u>373,795</u>	<u>67,345</u>	<u>23,154</u>	<u>45,976</u>	<u>303,341</u>	<u>176,084</u>	<u>294,032</u>	<u>70,521</u>	<u>187,714</u>	<u>100,639</u>
Ave. Total Touch Points (in-person only)/	<u>21,863</u>	<u>192,681</u>	<u>40,830</u>	<u>19,445</u>	<u>13,462</u>	<u>35,577</u>	<u>92,057</u>	<u>35,352</u>	<u>29,217</u>	<u>140,139</u>	<u>31,602</u>
Ave. Population	885,287	739,239	678,932	1,077,768	766,017	665,042	665,685	591,380	1,025,754	730,555	807,008

By Sector, Trends 2010-2013*

In-person Community Engagement



Total Community Engagement (in-person and virtual)



What we learned.

- The charts lend visual emphasis to the **stark contrast in growth of in-person touch points versus total touch points, which include virtual participation in digital offerings.**
- **No sector had more than a 1% change over time in in-person community engagement, either positive or negative.**
- The **Symphony Orchestras, Opera companies, and Art Museums** that participated each of the past 4 years **had explosive average growth in virtual participation** with digital offerings. These sectors are actively developing a virtual following.
- By contrast, the **PACs, General Performing Arts organizations, and Other Museums** experienced **average declines** in total touch points.

*3,115 organizations that provided data each of the 4 years.

IN-PERSON ENGAGEMENT INDEX AND TOTAL ENGAGEMENT INDEX TRENDS, BY SECTOR (3,115 ORGANIZATIONS)	2010		2011		2012		2013		2010- 2013	2010- 2013
	Index	Index	Index	Index	Index	Index	Index	change	change	
Arts Education										
Ave. In-person Touch Points/	22,134	2.4%	24,139	2.6%	22,493	2.4%	21,119	2.3%	-4.6%	-6.5%
Ave. Total Touch Points (in-person and virtual)/	24,781	2.7%	70,515	7.7%	124,599	13.5%	67,143	7.2%	170.9%	165.4%
Ave. Population	910,523		915,361		922,362		929,532			2.1%
Art Museums										
Ave. In-person Touch Points/	193,244	25.9%	203,919	27.2%	202,898	26.9%	202,440	26.6%	4.8%	2.6%
Ave. Total Touch Points (in-person and virtual)/	204,609	27.5%	240,220	32.1%	246,843	32.7%	400,834	52.7%	95.9%	91.9%
Ave. Population	745,195		749,077		754,663		760,583			2.1%
Community										
Ave. In-person Touch Points/	46,584	6.4%	46,739	6.4%	48,270	6.6%	52,924	7.2%	13.6%	11.7%
Ave. Total Touch Points (in-person and virtual)/	61,980	8.6%	75,252	10.4%	66,694	9.1%	92,040	12.5%	48.5%	46.1%
Ave. Population	723,593		726,089		731,299		735,725			1.7%
Dance										
Ave. In-person Touch Points/	19,762	1.7%	21,693	1.9%	19,793	1.7%	22,317	1.9%	12.9%	10.5%
Ave. Total Touch Points (in-person and virtual)/	25,351	2.2%	26,364	2.3%	22,442	1.9%	26,931	2.3%	6.2%	3.9%
Ave. Population	1,146,837		1,153,270		1,162,574		1,172,361			2.2%
Music										
Ave. In-person Touch Points/	12,042	1.5%	15,823	2.0%	15,763	2.0%	15,629	2.0%	29.8%	27.2%
Ave. Total Touch Points (in-person and virtual)/	34,863	4.5%	47,923	6.1%	49,887	6.3%	41,477	5.2%	19.0%	16.6%
Ave. Population	777,818		781,986		788,005		793,889			2.1%
Opera										
Ave. In-person Touch Points/	54,974	9.0%	51,965	8.4%	50,795	8.2%	50,501	8.1%	-8.1%	-10.2%
Ave. Total Touch Points (in-person and virtual)/	107,923	17.6%	349,746	56.8%	438,059	70.6%	468,212	74.8%	333.8%	324.0%
Ave. Population	611,821		615,644		620,741		626,015			2.3%
PACs										
Ave. In-person Touch Points/	97,724	14.6%	100,274	14.9%	98,573	14.6%	97,643	14.3%	-0.1%	-2.1%
Ave. Total Touch Points (in-person and virtual)/	280,681	42.0%	303,808	45.2%	251,103	37.1%	212,035	31.1%	-24.5%	-26.0%
Ave. Population	668,114		671,490		676,551		681,730			2.0%
Symphony Orchestras										
Ave. In-person Touch Points/	51,377	8.8%	49,865	8.5%	50,014	8.5%	48,016	8.1%	-6.5%	-8.1%
Ave. Total Touch Points (in-person and virtual)/	86,639	14.8%	332,211	56.6%	347,859	58.8%	451,246	75.9%	420.8%	412.1%
Ave. Population	584,872		587,364		591,114		594,828			1.7%
Theatre										
Ave. In-person Touch Points/	38,903	3.8%	37,785	3.6%	38,311	3.7%	37,956	3.6%	-2.4%	-4.2%
Ave. Total Touch Points (in-person and virtual)/	56,907	5.5%	68,220	6.5%	91,326	8.7%	100,186	9.5%	76.1%	72.8%
Ave. Population	1,034,994		1,042,408		1,048,075		1,054,421			1.9%
Other Museums										
Ave. In-person Touch Points/	150,930	18.0%	150,303	17.8%	151,541	17.8%	147,135	17.2%	-2.5%	-4.3%
Ave. Total Touch Points (in-person and virtual)/	202,475	24.1%	233,379	27.6%	221,193	26.0%	194,777	22.7%	-3.8%	-5.6%
Ave. Population	840,443		844,266		850,231		856,343			1.9%
General Performing Arts										
Ave. In-person Touch Points/	44,454	5.3%	41,430	5.0%	36,400	4.3%	43,962	5.2%	-1.1%	-3.3%
Ave. Total Touch Points (in-person and virtual)/	160,864	19.3%	121,724	14.6%	123,634	14.7%	151,051	17.8%	-6.1%	-8.2%
Ave. Population	831,579		836,395		839,144		850,185			2.2%

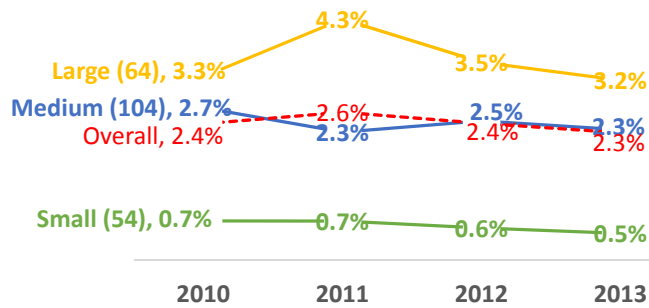
Trend table

What we learned.

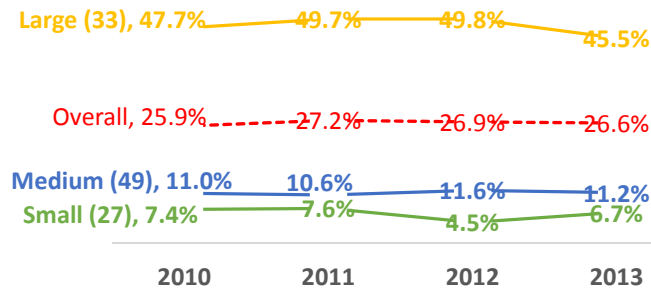
- The organizations in this 4-year analysis tend to operate in communities of different average size depending on the arts sector. For instance, **Dance and Theatre companies tend to operate in more densely populated communities while Symphony Orchestras and Opera companies operate in communities with comparatively lower average local population.** All sectors saw population growth in their local communities over time.
- The **Art Museum, Community, Dance, and Music sectors touched more people in-person** over time. The reverse was true for all other sectors to varying degrees.
- The **Arts Education, Opera, and Symphony Orchestra sectors more than doubled, tripled and quadrupled, respectively, their total touch points through digital programming** over time.
- The PAC, Other Museum and General Performing Arts sectors had fewer total touch points over time, with declines in both the number of in-person and virtual participants.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

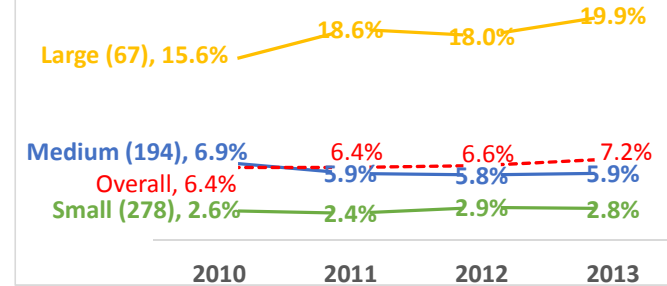
ARTS EDUCATION, IN-PERSON



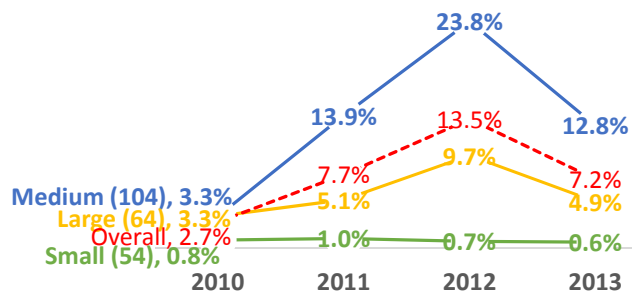
ART MUSEUM, IN-PERSON



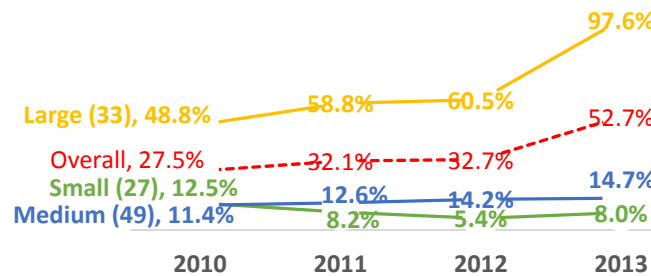
COMMUNITY, IN-PERSON



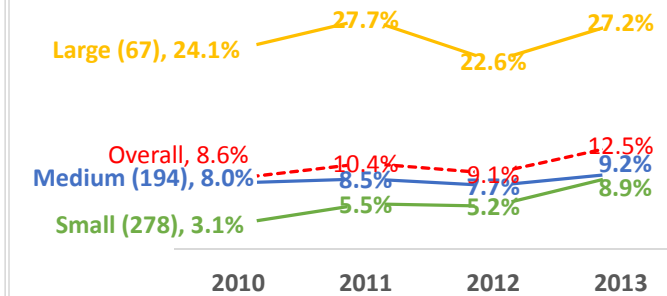
ARTS EDUCATION, TOTAL ENGAGEMENT



ART MUSEUM, TOTAL ENGAGEMENT



COMMUNITY, TOTAL ENGAGEMENT



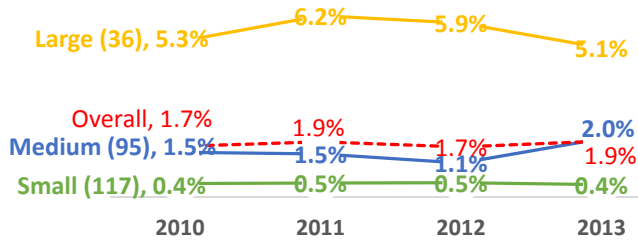
- Arts Education organizations of every size saw slightly lower in-person touch points in 2013 than in 2010.
- Medium Arts Education organizations are leading the overall upward trend in total touch points. Small organizations do not attract many by way of digital programming.
- Large and Medium organizations had steep increases in total touch points in 2011 and 2012, which tapered off in 2013.

- In-person touch points at Small Art Museums was 11% lower in 2013 than in 2010.
- Large Art Museums had in-person touch point growth that was not as robust as the growth in population local. They doubled their total touch points, attracting many more virtual participants.
- Medium Art Museums tended to be in areas of shrinking population and slightly lower in-person touch points over time.

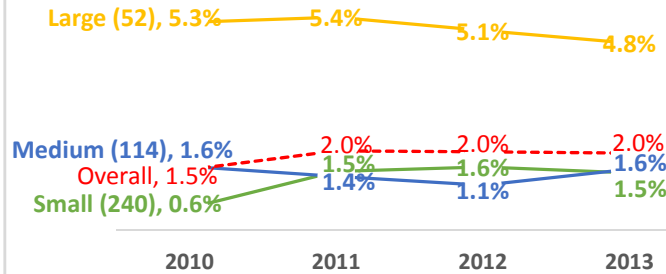
- In-person touch points rose for Small and Large Community organizations while it diminished for Medium organizations.
- While Community organizations of every size saw increases in total touch points, Small organizations had the greatest growth in this area, nearly tripling the number of people touched by on-site and digital programming.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

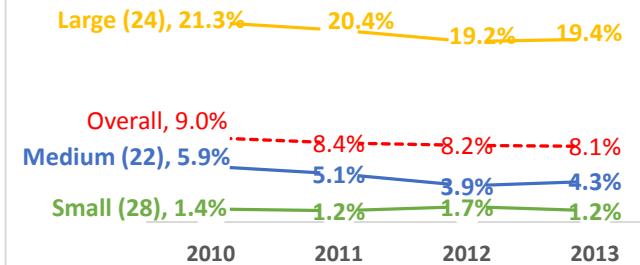
DANCE, IN-PERSON



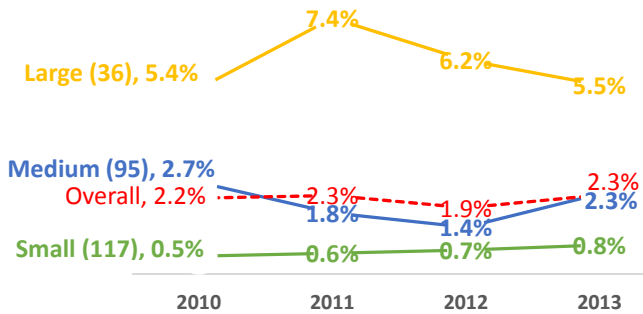
MUSIC, IN-PERSON



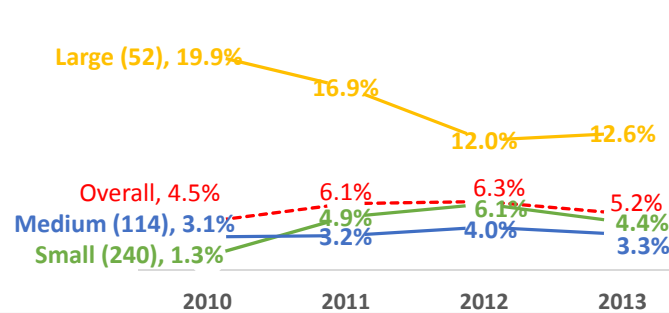
OPERA, IN-PERSON



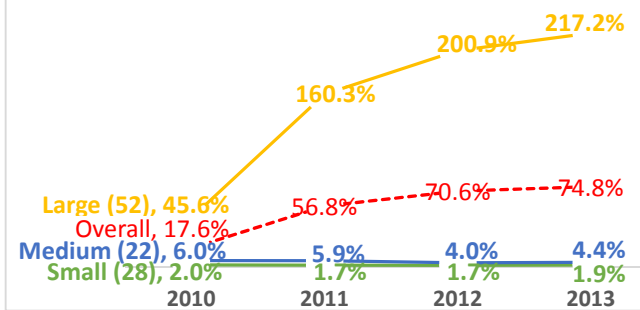
DANCE, TOTAL ENGAGEMENT



MUSIC, TOTAL ENGAGEMENT



OPERA, TOTAL ENGAGEMENT



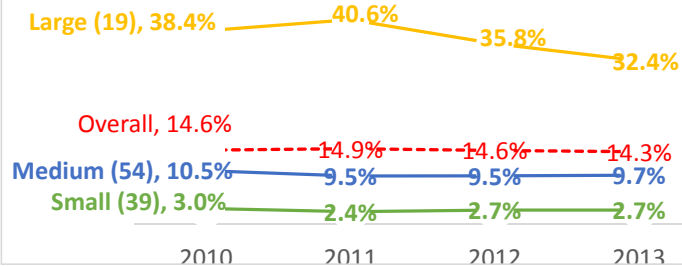
- In-person touch points rose 35% for Medium Dance companies while Small and Large companies saw slight declines.
- Dance organizations of every size put comparatively little emphasis on attracting virtual participation through digital programming. The greatest emphasis on virtual participation is from Small Dance companies.

- Small Music organizations more than doubled their in-person touch points over time while that of Medium and Large organizations diminished.
- Large organizations had a 32% drop in total touch points while Small organizations more than tripled theirs.

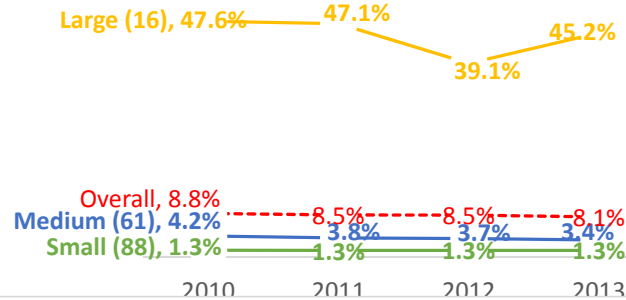
- Small and Large Opera companies' in-person touch points deteriorated over time while that of Medium companies had a slight uptick.
- Increasingly, Large Opera companies annually offer digital programming that attracts large numbers of virtual participants. Their total reach is the equivalent of twice the population of their local community. Small companies have decreased their virtual touch.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

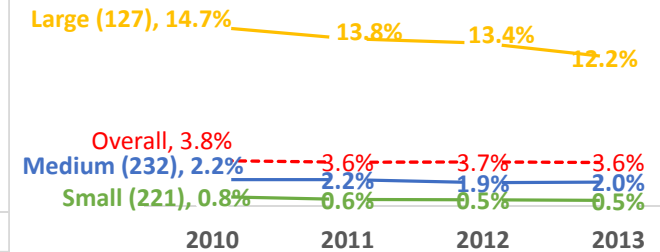
PAC, IN-PERSON



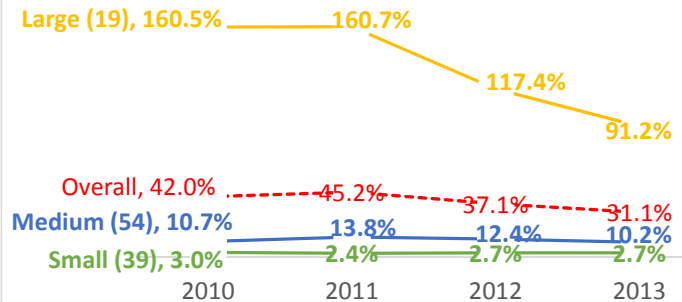
SYMPHONY ORCHESTRA, IN-PERSON



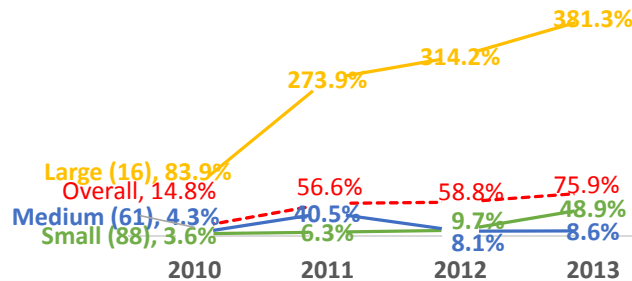
THEATRE, IN-PERSON



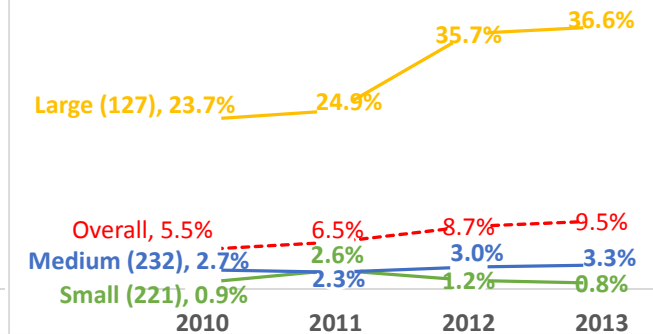
PAC, TOTAL ENGAGEMENT



SYMPHONY ORCHESTRA, TOTAL ENGAGEMENT



THEATRE, TOTAL ENGAGEMENT



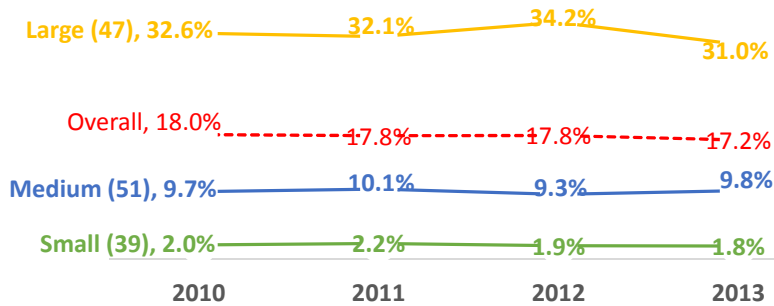
- To varying degrees, every size PAC averaged declines in both in-person and total touch points.
- Large PACs experienced big drop-offs in total touch points in 2012 and 2013, driven by decreases in both in-person and virtual participation with the organizations.
- In 2012 and 2013, no virtual attendance was reported by a Small PAC in the group.

- Medium orchestras had the biggest in-person touch point decrease over time, followed by Small orchestras. Large orchestras' in-person touch points fluctuated over time but ended in 2013 at nearly the 2010 level.
- Symphony orchestras of all sizes substantially grew their total touch points through virtual participation. Unusual spikes in 2011 for Medium orchestras and 2013 for Small are largely driven by outliers.

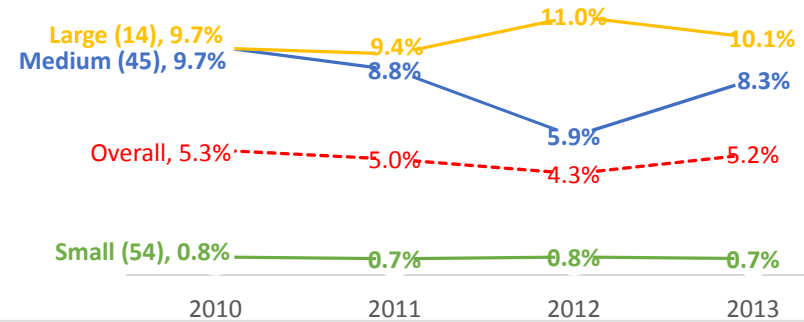
- In-person touch points were down for Theatres of every size, with the larger decreases for Small and Medium organizations.
- Large Theatres had nearly 75% growth in total touch points, driven by virtual participation. Medium Theatres had 20% growth and Small Theatres saw diminishing total touch points over time.¹¹⁷

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

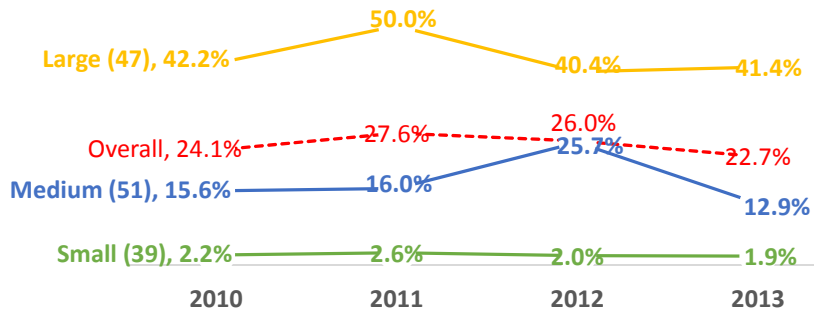
OTHER MUSEUMS, IN-PERSON



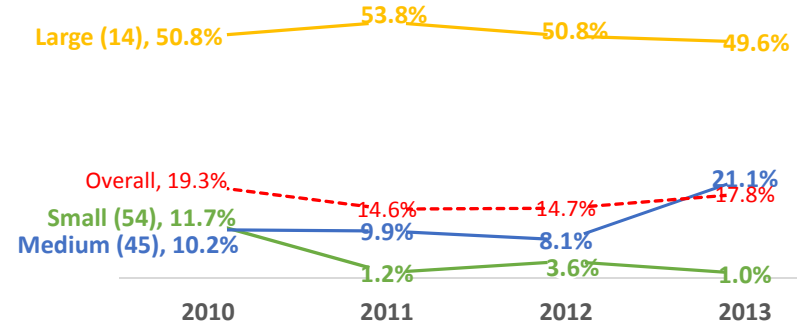
GENERAL PERFORMING ARTS, IN-PERSON



OTHER MUSEUMS, TOTAL ENGAGEMENT



GENERAL PERFORMING ARTS, TOTAL ENGAGEMENT



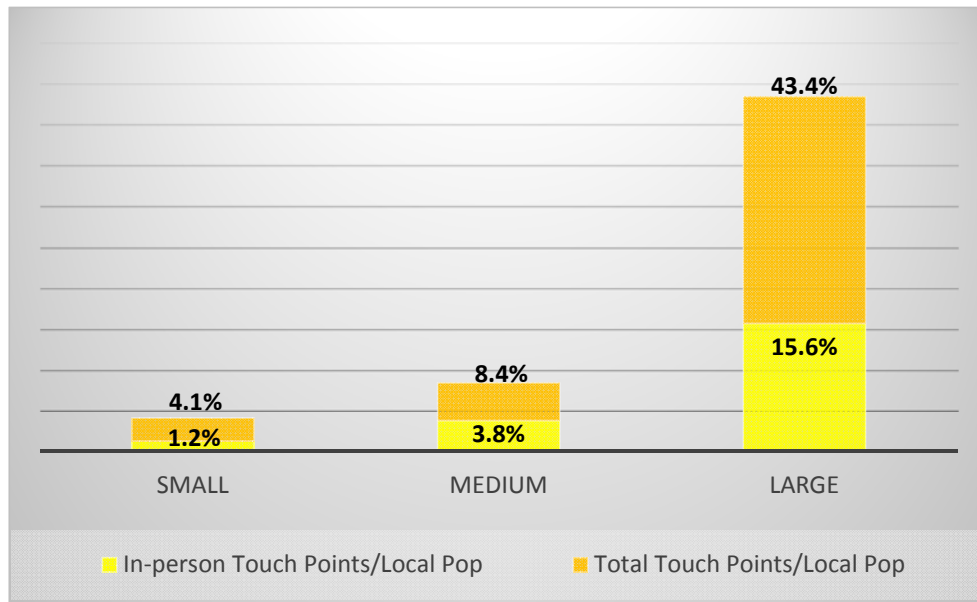
- Other Museums of every size had lower total touch points in 2013 than in 2010.
- **Large and Medium Other Museums had lower in-person and total touch points in 2013 than in 2010 despite fluctuations in interim years. Only Small Other Museums increased in-person touch points.**

- **Medium General Performing Arts organizations lost 17% of in-person touch points over time.** In 2013 they recovered from a big drop in average in-person touch points in 2012. At the same time, they **boosted their total touch points** through virtual participation in digital programming in 2013.
- Small organizations' total touch points varied considerably each year, and those of Large organizations diminished annually from 2011 to 2013.

Budget ranges by sector

Arts Sector	Small	Medium	Large
Arts Education	\$236,182 or less	\$236,183 - \$1,296,200	\$1,296,201 or more
Art Museums	\$845,228 or less	\$845,229 - \$6,749,293	\$6,749,294 or more
Community	\$295,777 or less	\$295,778 - \$1,623,261	\$1,623,262 or more
Dance Companies	\$188,595 or less	\$188,596 - \$1,296,200	\$1,296,201 or more
Music	\$154,047 or less	\$154,048 - \$612,281	\$612,282 or more
Opera Companies	\$463,871 or less	\$463,872 - \$3,436,445	\$3,436,446 or more
Performing Arts Centers	\$845,228 or less	\$845,229 - \$8,452,293	\$8,452,294 or more
Symphony Orchestras	\$430,353 or less	\$430,354 - \$4,303,539	\$4,303,540 or more
Theater	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more
Other Museums	\$580,916 or less	\$580,917 - \$4,638,716	\$4,638,717 or more
General Performing Arts	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more

2013, By Size

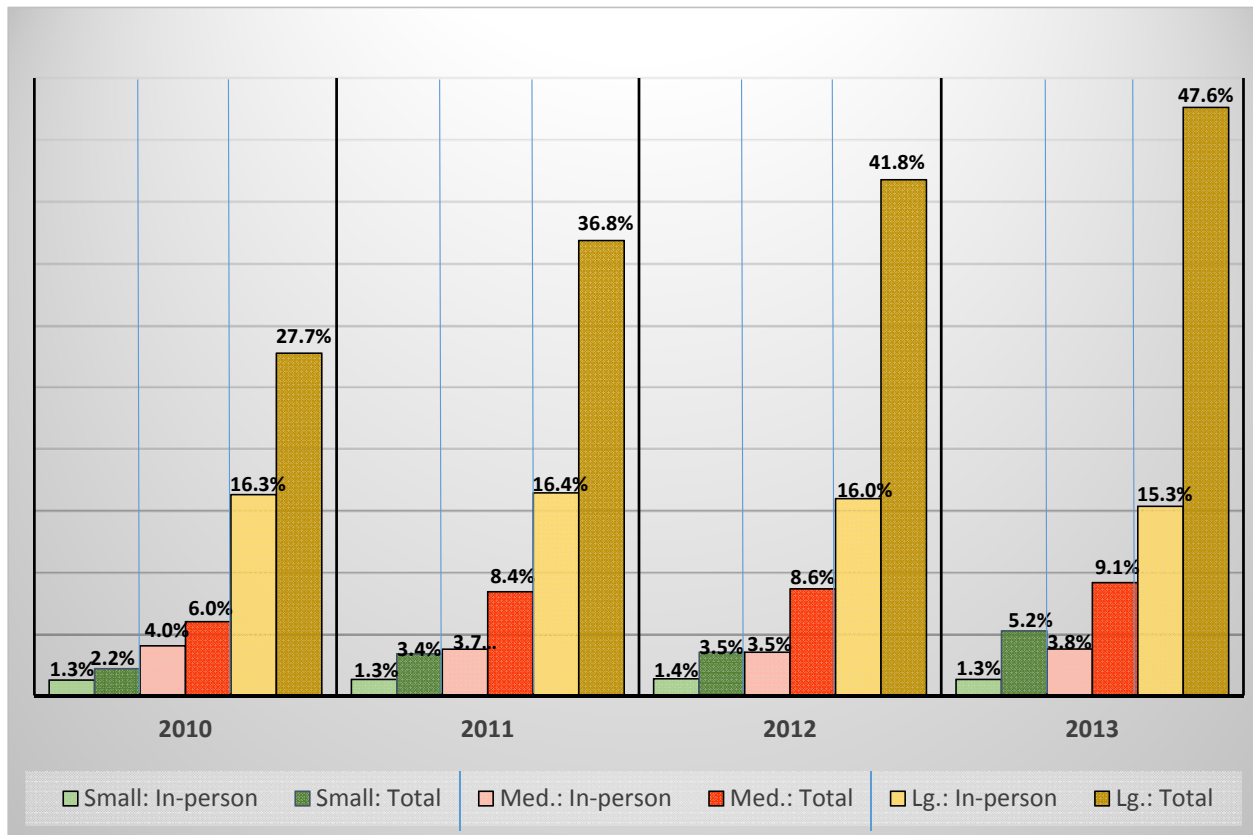


What we learned.

- The **percentage of people an organization touches** relative to the local population **doubles on average as organizations go from Small to Medium. It increases four-fold as organizations go from Medium to Large** when considering in-person attendance only, and five-fold when we include virtual attendance.
- Organizations of all sizes engage people in virtual participation through digital programming.
- The **larger the organization, the more densely populated the local community in which it operates.** It may be that, in most cases, budget growth is contingent on reaching a critical mass in the local population. The increased density of individuals means more prospective stakeholders of every kind.

	Small	Medium	Large
Ave. Total Touch Points (incl. virtual)/	<u>30,625</u>	<u>69,170</u>	<u>473,896</u>
Ave. Total Touch Points (in-person only)/	<u>9,357</u>	<u>31,183</u>	<u>170,822</u>
Ave. Population	752,717	827,736	1,092,430

By Size, Trends 2010-2013*



What we learned.

- In-person community engagement levels varied little for Small organizations. **In-person engagement grew over time for Medium organizations** and had a **downward trend for Large organizations.**
- Organizations of all sizes experienced **annual growth in total touch points**, reflecting growth in virtual participation in digital programming.

*3,115 organizations that provided data each of the 4 years.

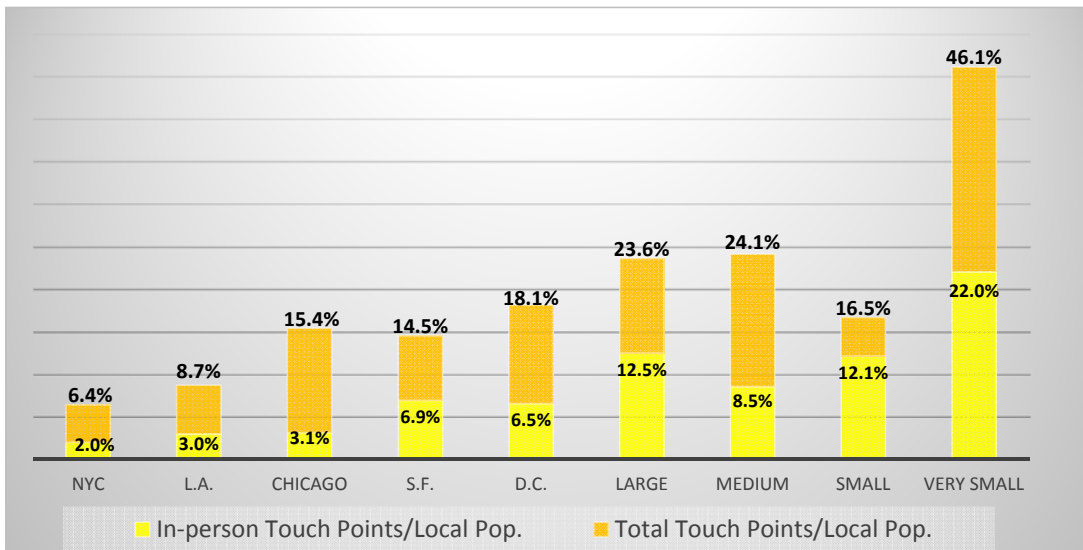
Trend table

IN-PERSON ENGAGEMENT INDEX AND TOTAL ENGAGEMENT INDEX TRENDS, BY SIZE (3,115 ORGANIZATIONS)	2010		2011		2012		2013		2010-2013	
		Index		Index		Index		Index	change	index change
Small										
Ave. In-person Touch Points/	9,701	1.3%	10,146	1.3%	10,392	1.4%	10,139	1.3%	4.5%	3.7%
Ave. Total Touch Points (in-person and virtual)/	16,844	2.2%	26,374	3.4%	26,813	3.5%	40,812	5.2%	142.3%	140.5%
Ave. Population	774,060		780,897		763,904		779,946		0.8%	
Medium										
Ave. In-person Touch Points/	34,436	4.0%	32,067	3.7%	30,817	3.5%	32,374	3.8%	-6.0%	-6.6%
Ave. Total Touch Points (in-person and virtual)/	51,156	6.0%	71,904	8.4%	75,999	8.6%	78,696	9.1%	53.8%	52.9%
Ave. Population	854,801		855,712		879,899		860,265		0.6%	
Large										
Ave. In-person Touch Points/	178,733	16.3%	180,387	16.4%	177,406	16.0%	174,237	15.3%	-2.5%	-5.8%
Ave. Total Touch Points (in-person and virtual)/	304,557	27.7%	404,987	36.8%	464,529	41.8%	541,349	47.6%	77.7%	71.8%
Ave. Population	1,098,463		1,099,119		1,112,232		1,136,663		3.5%	

What we learned.

- Population growth was greatest in communities where Large organizations are located.
- **Small organizations experienced growth in the number of people they touch on site, and had the largest percentage increase in total touch points** reflecting the biggest proportional boost in virtual participation.
- **Medium organizations' in-person touch points** declined annually from 2010 to 2012 then regained some ground in 2013, resulting in a **6% reduction over time**.
- **Large organizations' in-person touch points waned annually from 2011 to 2013** while their total touch points grew nearly **78%**.

2013, By Geography

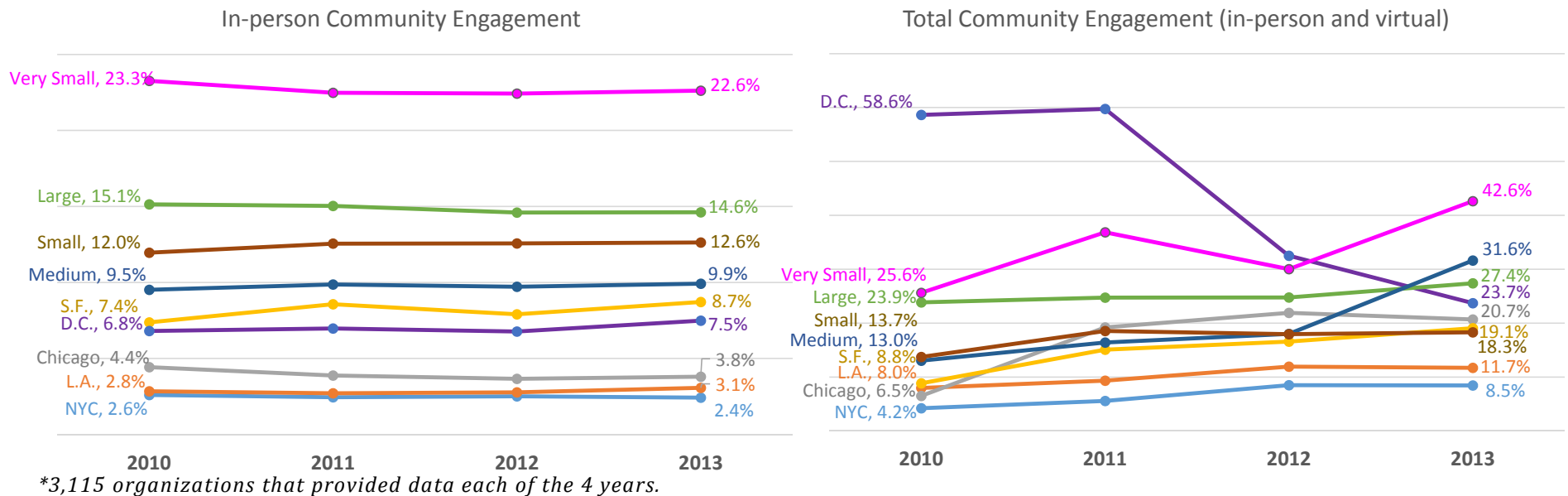


What we learned.

- While organizations in New York have the highest average total touch points and Very Small Markets the lowest, it is not surprising that organizations in Very Small Markets have the highest market penetration and those in New York the lowest given their radical differences in local population density.
- The highest average in-person touch points per organization can be found in Large Markets, followed by New York.
- There is higher spatially adjusted average population in Medium Markets than in Large Markets due to differences in population density. The Medium Markets tend to have lower total population than Large Markets; however, Large Markets tend to have more dispersed populations than Medium Markets (e.g., Phoenix compared to Boston), so the trade areas around the arts organizations are less densely populated.
- While virtual participation in digital programming occurs in all markets, it contributes to the lowest percentage of total touch points in Small Markets.

	New York-White Plains-Wayne, NY-NJ	Los Angeles-Long Beach-Glendale	Chicago-Naperville-Arlington Heights	San Francisco-Redwood City-So. S.F.	Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg	Large Markets	Medium Markets	Small Markets	Very Small Markets
Ave. Total Touch Points (incl. virtual)/	176,207	98,442	149,963	106,953	147,803	112,096	134,686	52,952	46,232
Ave. Total Touch Points (in-person only)/	54,212	33,667	30,389	50,862	53,185	59,232	47,645	38,537	22,088
Ave. Population	2,769,345	1,133,190	975,284	737,470	816,216	475,193	559,093	318,284	100,300

By Geography, Trends 2010-2013*



What we learned.

- The charts lend visual emphasis to the **stark contrast in growth of in-person touch points versus total touch points, which include virtual participation in digital offerings.**
- **No market had more than a 1.5% change over time in in-person community engagement, either positive or negative.** The biggest change was 1.3% growth for San Francisco.
- **Every market except D.C. had an upward trend in total community engagement, driven by growth in virtual participation.** In some market clusters the trends are reflective of the shared experience of numerous organizations, in others it is driven by an outlier. However, in the interest of protecting organizations' anonymity, we do not identify which case is which for the various markets.

Trend table

IN-PERSON ENGAGEMENT TREND AND TOTAL ENGAGEMENT TREND, BY GEOGRAPHIC MARKET CLUSTER (3,115 ORGANIZATIONS)	2010		2011		2012		2013		2010- 2013	2010- 2013
	2010	Index	2011	Index	2012	Index	2013	Index	change	index change
New York-White Plains-Wayne, NY-NJ										
Ave. In-person Touch Points/	70,283	2.6%	66,484	2.4%	68,896	2.5%	66,948	2.4%	-4.7%	-6.9%
Ave. Total Touch Points (in-person and virtual)/	114,063	4.2%	151,356	5.6%	232,436	8.5%	233,530	8.5%	104.7%	100.2%
Ave. Population	2,702,044		2,717,349		2,739,164		2,763,312		2.3%	
Los Angeles-Long Beach-Glendale, CA										
Ave. In-person Touch Points/	31,621	2.8%	30,225	2.7%	31,069	2.8%	34,551	3.1%	9.3%	8.0%
Ave. Total Touch Points (in-person and virtual)/	88,639	8.0%	103,914	9.3%	133,438	11.9%	131,699	11.7%	48.6%	46.8%
Ave. Population	1,111,438		1,113,030		1,119,048		1,124,640		1.2%	
Chicago-Naperville-Arlington Hgts, IL										
Ave. In-person Touch Points/	42,070	4.4%	36,968	3.9%	35,122	3.7%	36,574	3.8%	-13.1%	-14.1%
Ave. Total Touch Points (in-person and virtual)/	61,763	6.5%	183,034	19.2%	210,326	21.9%	198,872	20.7%	222.0%	218.2%
Ave. Population	950,231		952,473		959,363		961,583		1.2%	
San Francisco-Redwood City- South SF, CA										
Ave. In-person Touch Points/	54,015	7.4%	63,430	8.6%	59,235	7.9%	66,182	8.7%	22.5%	18.2%
Ave. Total Touch Points (in-person and virtual)/	64,641	8.8%	111,560	15.1%	124,192	16.6%	144,694	19.1%	123.8%	116.0%
Ave. Population	732,318		740,365		749,579		758,850		3.6%	
Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg, DC-VA										
Ave. In-person Touch Points/	52,542	6.8%	54,630	7.0%	53,940	6.8%	60,876	7.5%	15.9%	10.0%
Ave. Total Touch Points (in-person and virtual)/	452,205	58.6%	467,766	59.7%	258,919	32.5%	192,685	23.7%	-57.4%	-59.6%
Ave. Population	771,234		782,997		796,721		812,633		5.4%	
Larger Markets										
Ave. In-person Touch Points/	67,813	15.1%	67,891	15.0%	66,505	14.6%	67,148	14.6%	-1.0%	-3.5%
Ave. Total Touch Points (in-person and virtual)/	106,852	23.9%	111,726	24.7%	112,775	24.8%	125,901	27.4%	17.8%	14.8%
Ave. Population	447,831		451,443		455,622		459,460		2.6%	
Medium Markets										
Ave. In-person Touch Points/	53,563	9.5%	55,756	9.9%	55,275	9.7%	56,803	9.9%	6.0%	4.2%
Ave. Total Touch Points (in-person and virtual)/	73,385	13.0%	92,706	16.4%	102,307	18.0%	181,040	31.6%	146.7%	142.3%
Ave. Population	562,599		565,184		568,646		572,740		1.8%	
Small Markets										
Ave. In-person Touch Points/	38,295	12.0%	40,540	12.6%	41,024	12.6%	41,188	12.6%	7.6%	5.6%
Ave. Total Touch Points (in-person and virtual)/	43,982	13.7%	59,865	18.5%	58,563	17.9%	59,667	18.3%	35.7%	33.2%
Ave. Population	320,201		322,867		326,388		326,037		1.8%	
Very Small Markets										
Ave. In-person Touch Points/	24,421	23.3%	23,685	22.5%	23,694	22.4%	23,945	22.6%	-2.0%	-2.8%
Ave. Total Touch Points (in-person and virtual)/	26,905	25.6%	38,842	36.9%	31,726	30.0%	45,123	42.6%	67.7%	66.3%
Ave. Population	104,978		105,360		105,643		105,863		0.8%	

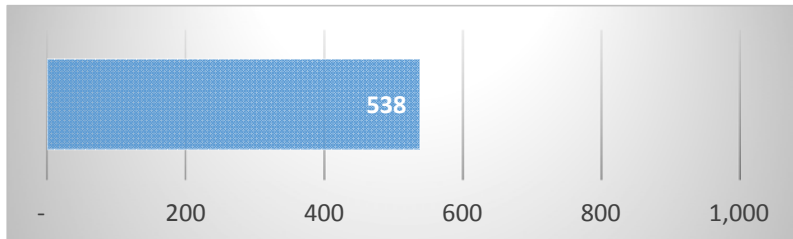
What we learned.

- The **biggest** in-person engagement **increase** occurred in **San Francisco**, followed by **DC**. In-person touch points grew in these markets by 22.5% and 15.9%, respectively.
- The **biggest in-person engagement decrease** was in **Chicago**, where the number of in-person touch points was 14.1% lower in 2013 than in 2010.
- There was population growth in every market.
- All markets except DC saw at least double-digit percentage increases in the number of total touch points, driven mainly by growth in virtual participation with digital offerings. **DC was the only market where in-person touch points went up while total virtual attendance went down.**

People per Offering Index

“How many people are engaged per offering (not including virtual activity)?”

View averages by: 2013 Overall



What we learned.

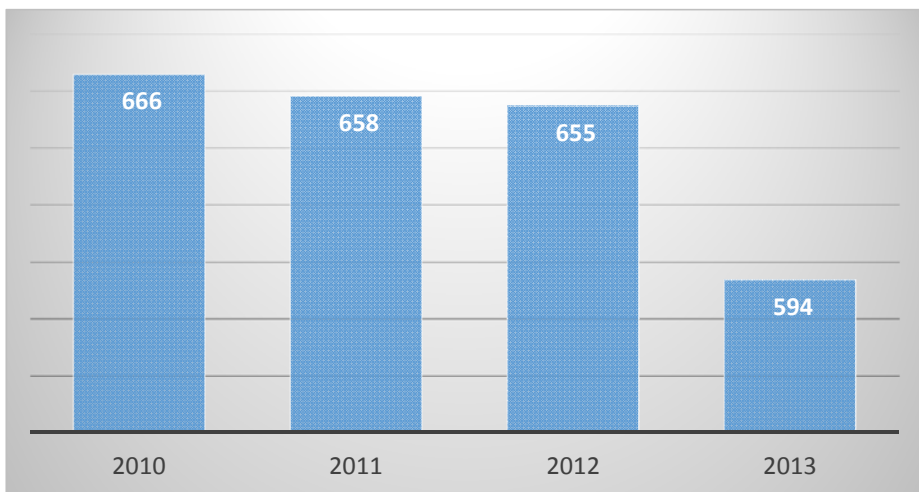
Arts and cultural organizations engaged an average of 538 people per offering.

In-person touch points for all organizations in 2013 averaged 41,499 and the average organization provided 77 offerings. The number of offerings in 2013 ranged from 1 to 7,361.

Arts and cultural organizations engage stakeholders in many ways. Here we take into account the total number of people per year that an organization engages, whether as in-person visitors, volunteers, students, donors, employees of all types, etc. At this point we do not have data on cross-over engagement – e.g., knowing that someone is a volunteer for an organization, a student of its educational programming, and an audience member. Instead, we count aggregate touch points per organization for programmatic offerings that requires a physical presence, knowing that some people will have only one touch point and others will have many. The offerings include productions, concerts, exhibitions, educational programs, catalogs, films, lectures, and tours.

Ave. Total Touch Points	<u>41,499</u>
Ave. Total Offerings	77

Overall, Trends 2010-2013*



*3,115 organizations that provided data each of the 4 years.

Trend table

RETURN ON MARKETING EFFORT AND RETURN ON DIRECT MARKETING SPEND TRENDS (3,115 ORGANIZATIONS)	2010	2011	2012	2013	2010-2013 change
Touch Points (in-person only)/ Total Offerings	666	658	655	594	-10.8%
Ave. In-person Touch Points/	47,663	47,738	47,583	48,666	2.1%
Ave. Total In-person Offerings	72	73	73	82	14.5%

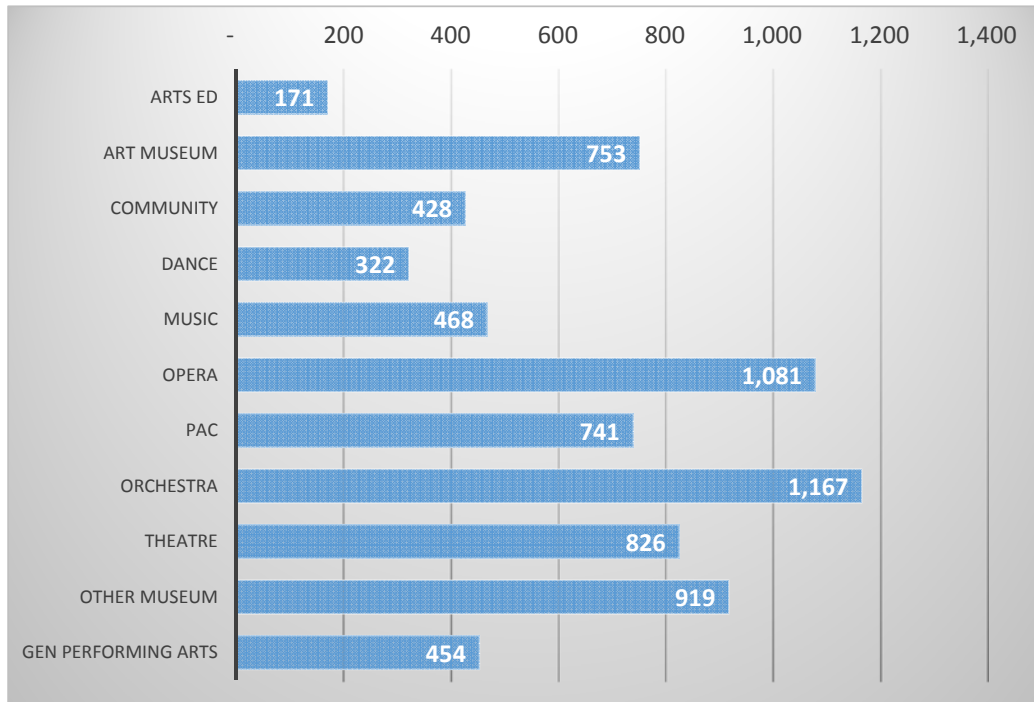
What we learned.

- The number of people engaged per offering diminished slightly from 2010 to 2012 then declined dramatically in 2013. The 10.8% drop in this index over time is due to an increase in programmatic offerings that outpaced growth in the number of people participating per offering. As we see in the details of trends by sector, size, and geography, the mushrooming of programmatic offerings is not driven by an outlier.

What we learned.

- There was big growth in programmatic offerings in 2013. There was a slight increase in touch points, but not enough to match growth in the addition of programs.

2013, By Sector

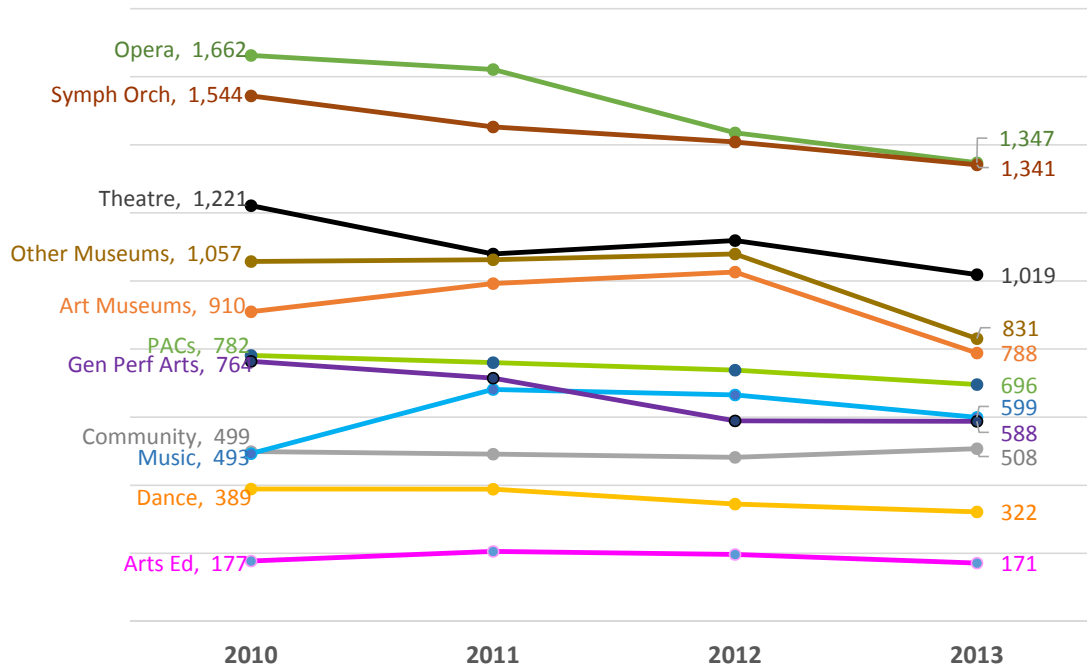


What we learned.

- The **Opera and Orchestra** sectors **engage the most people per offering**. They offer fewer programs than all sectors except **Music**, which also **has the lowest level of touch points**.
- **Art Museums** had the **highest average number of touch points and offered the greatest number of programs, followed by Other Museums** on both measures.
- Arts Education organizations engage the fewest people per offering. This may be due to the nature of their core offerings, which tend to be classes.
- Art Museums and PACs average similar levels of people per offering despite very different levels of touch points and offerings.

	Arts Education	Art Museums	Community	Dance	Music	Opera	PACs	Symphony Orchestras	Theater	Other Museums	General Performing Arts
Ave. Total Touch Points (in-person only)/	<u>21,863</u>	<u>192,681</u>	<u>40,830</u>	<u>19,445</u>	<u>13,462</u>	<u>35,577</u>	<u>92,057</u>	<u>35,352</u>	<u>29,217</u>	<u>140,139</u>	<u>31,602</u>
Ave. Total Offerings	128	256	95	60	29	33	124	30	35	153	70

By Sector, Trends 2010-2013*



*3,115 organizations that provided data each of the 4 years.

What we learned.

- **People per offering decreased over time for every sector except Community and Music.** The biggest reductions were experienced by General Performing Arts organizations, followed by Other Museums. Many sectors added programs and saw an overall deterioration in touch points. See the Trend Table for more details.

Trend table

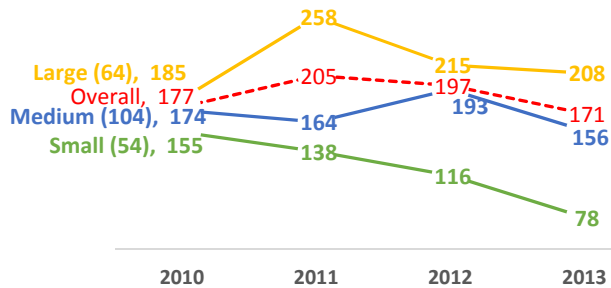
What we learned.

- The Music and Community sectors added programmatic offerings and had growth in touch points that exceeded the growth in the number of offerings. As a result, the people served per offering grew over time.
- **Art Museums and Dance companies added programming at a faster rate than touch points.** Museums added 20.9% more programs over time and saw a corresponding 4.8% increase in touch points. For Dance, there was a 36.4% rise in programmatic offerings that was met with 12.9% growth in touch points.
- Arts Education organizations cut their number of programs in 2011 and again in 2012 but ended 2013 with nearly the same level as in 2010. At the same time, their in-person touch points diminished by 4.6%.
- **For six of the 11 sectors, the average organization touched fewer people over time while continuing to add programmatic offerings. There are numerous reasons why the mismatch of supply and demand might have occurred.** It may be that new programmatic initiatives are taken on for mission-fulfillment purposes, not because they are expected to draw in people. Or, it may be that funders encourage new program development without recognizing an organization's need to concentrate on attracting more participants to existing offerings. Another hypothesis is that organizations experiencing a decline in touch points may see the need to bring in new, diverse participants and add new program offerings intended to attract them. Lastly, the divergent trends may be indicative of gaps in communication and strategy between departments responsible for programming and those responsible for connecting the organization to its community.

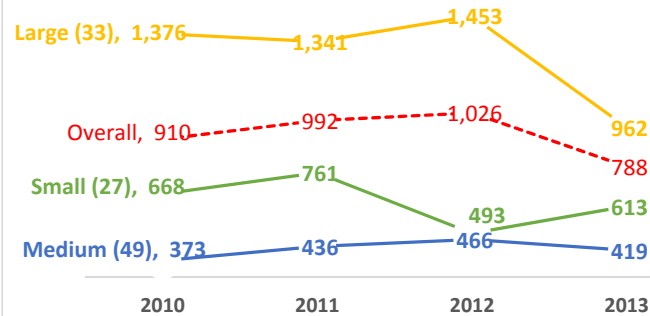
PEOPLE PER OFFERING INDEX TREND, BY SECTOR (3,115 ORGANIZATIONS)	2010	2010 Index	2011	2011 Index	2012	2012 Index	2013	2013 Index	2010- 2013 change	2010-2013 index change
Arts Education										
Ave. In-person Touch Points/	22,134	177	24,139	205	22,493	197	21,119	171	-4.6%	-3.4%
Ave. Total Offerings	125		117		114		123		-1.2%	
Art Museums										
Ave. In-person Touch Points/	193,244	910	203,919	992	202,898	1,026	202,440	788	4.8%	-13.3%
Ave. Total Offerings	212		205		198		257		20.9%	
Community										
Ave. In-person Touch Points/	46,584	499	46,739	491	48,270	482	52,924	508	13.6%	1.7%
Ave. Total Offerings	93		95		100		104		11.7%	
Dance										
Ave. In-person Touch Points/	19,762	389	21,693	389	19,793	345	22,317	322	12.9%	-17.2%
Ave. Total Offerings	51		56		57		69		36.4%	
Music										
Ave. In-person Touch Points/	12,042	493	15,823	681	15,763	666	15,629	599	29.8%	21.6%
Ave. Total Offerings	24		23		24		26		6.8%	
Opera										
Ave. In-person Touch Points/	54,974	1,662	51,965	1,621	50,795	1,435	50,501	1,347	-8.1%	-19.0%
Ave. Total Offerings	33		32		35		37		13.4%	
PACs										
Ave. In-person Touch Points/	97,724	782	100,274	760	98,573	738	97,643	696	-0.1%	-11.0%
Ave. Total Offerings	125		132		134		140		12.2%	
Symphony Orchestras										
Ave. In-person Touch Points/	51,377	1,544	49,865	1,452	50,014	1,408	48,016	1,341	-6.5%	-13.1%
Ave. Total Offerings	33		34		36		36		7.6%	
Theatre										
Ave. In-person Touch Points/	38,903	1,221	37,785	1,079	38,311	1,119	37,956	1,019	-2.4%	-16.6%
Ave. Total Offerings	32		35		34		37		17.0%	
Other Museums										
Ave. In-person Touch Points/	150,930	1,057	150,303	1,062	151,541	1,079	147,135	831	-2.5%	-21.5%
Ave. Total Offerings	143		141		140		177		24.1%	
General Performing Arts										
Ave. In-person Touch Points/	44,454	764	41,430	715	36,400	589	43,962	588	-1.1%	-23.1%
Ave. Total Offerings	58		58		62		75		28.6%	

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

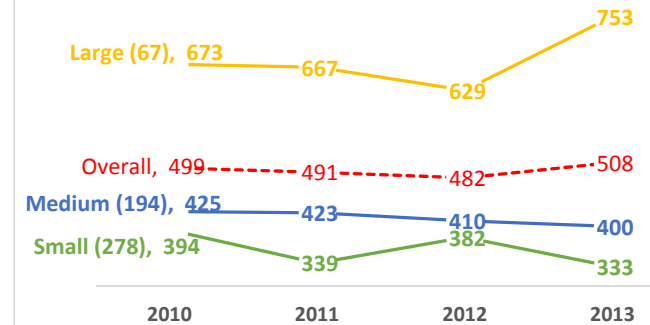
ARTS EDUCATION



ART MUSEUM,



COMMUNITY

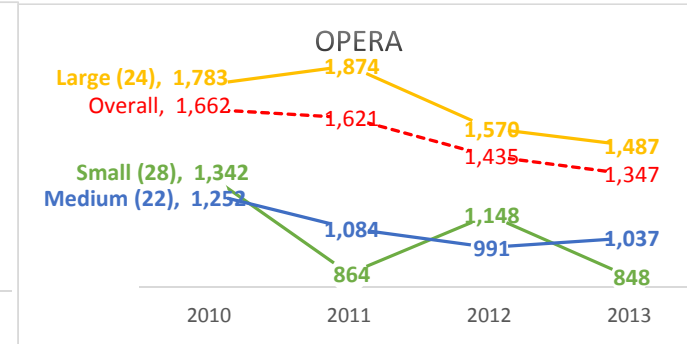
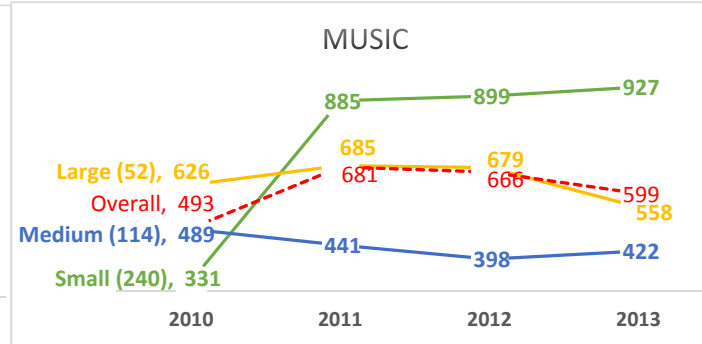
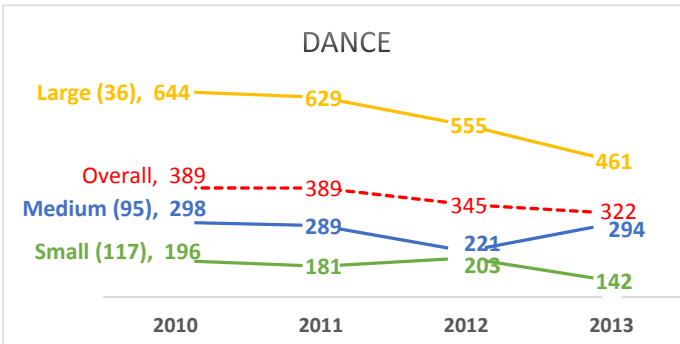


- Despite fluctuations, **Medium Arts Education organizations** experienced a **downward trend** over the period while **Small organizations' people per offering deteriorated annually. Only Large Arts Organizations served more people per offering over time.**
- Small Arts Education organizations saw in-person touch points drop 35% while adding 29% more programmatic offerings.
- Medium organizations kept the number of offerings fairly steady over time but experienced an 11% drop in in-person touch points.
- Large organizations cut programmatic offerings by 12%. However, in-person touch points diminished in response by less than 1%.

- **Medium Art Museums engage fewer people per offering than Small Arts Museums.** Medium organizations tend to offer more than 3 times as many offerings as Small organizations while engaging roughly twice as many people.
- **Large Art Museums averaged nearly twice as many programmatic offerings in 2013 as in other years.** However, in-person touch points rose only 1.8% over time.
- **Medium Art Museums cut offerings by 14%** in 2011 and kept them at virtually the same level in 2012 and 2013. In response, participation in remaining offerings rose 4%.
- Small Art Museums reduced their number of programs an average of 3% over time but encountered a corresponding 11% loss in touch points.

- The trend was downward for Small and Medium Community organizations while it was down, too, for Large organizations until a sharp rise in 2013.
- In-person touch points rose for Small and Large Community organizations while it diminished for Medium organizations. **Large organizations managed to increase touch points in 2013 while cutting the number of offerings. Small organizations added 25% more offerings but increased touch points by only 5%.**
- Medium organizations lost touch points at a higher rate than they cut offerings.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

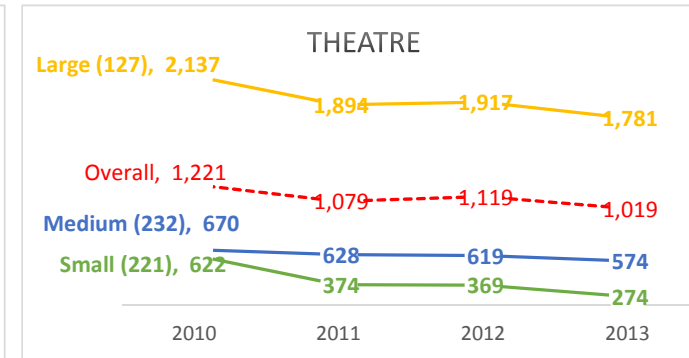
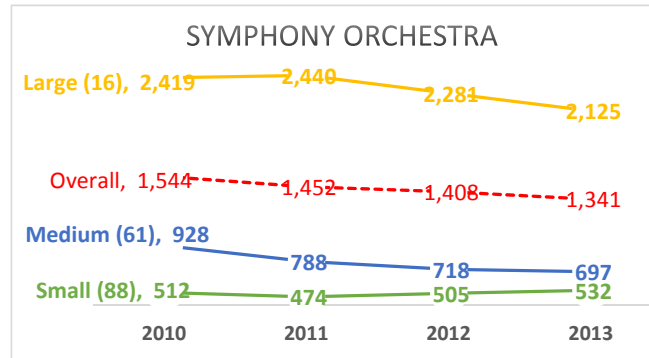
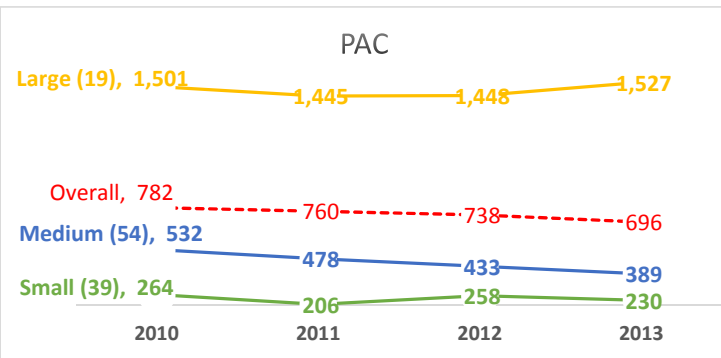


- **Dance organizations of every size had a downward trend** in people per offering.
- The average organization of every size added over 25% more programmatic offerings over time. Nevertheless, Small and Large Dance companies' total touch points declined over time.
- For Medium organizations, the increase in total touch points was nearly that of the growth in offerings.

- **Small Music organizations more than doubled their in-person touch points over time without much change in the number of programs offered** while the touch points of Medium and Large organizations diminished as organizations added offerings.
- Music is the only sector where Small organizations attract the highest number of people per offering on a fairly consistent basis.

- **Organizations of every size had double-digit increases in their average number of offerings.** Nevertheless, **Small and Large Opera companies' in-person touch points deteriorated over time.**
- Small organizations' touch points vary quite a bit from year to year.
- Medium companies had a slight uptick in in-person touch points but not nearly at the same level increase as that of programs offerings.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.

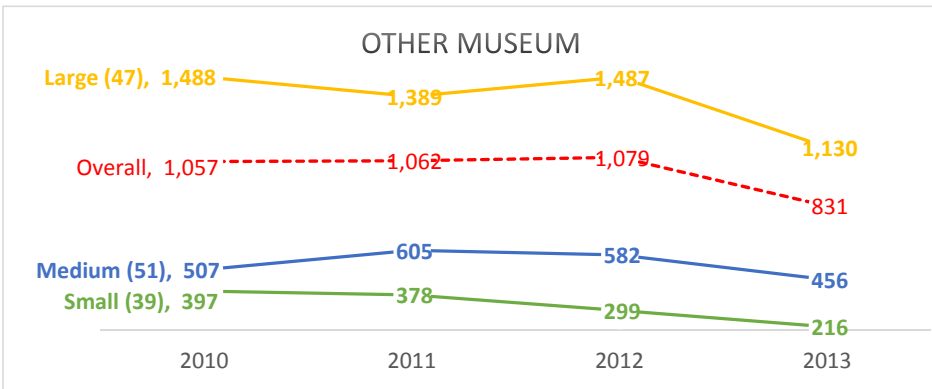


- Medium and Small PACs had a downward trend in people engaged per offering while Large PACs had a slight uptick.
- **Medium and Small PACs saw declines in total touch points while adding programmatic offerings.**
- **Large PACs cut offerings by 10% and had a corresponding drop in touch points of 9%.**

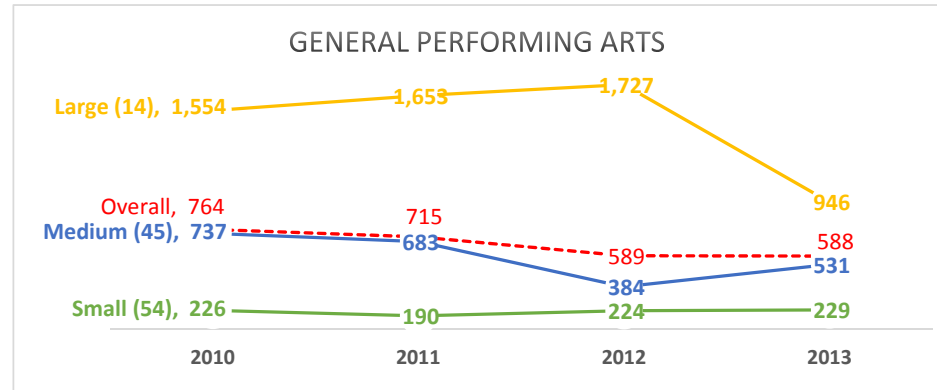
- **Large and Medium orchestras engaged fewer people per offering over time** while Small orchestras had a slight bump in 2013.
- **Medium orchestras had the biggest in-person touch point decrease** over time, followed by Small orchestras. Medium orchestras encountered this loss in touch points while adding programmatic offerings. By contrast, Small orchestras cut programming.
- Large orchestras added 15% more offerings over time while touch points ended in 2013 at nearly the 2010 level.

- **Theatres of every size saw decreases in people per offering over time.**
- Programmatic offerings increased for theatres of every size. At the same time, in-person touch points were down for Theatres of every size, with larger decreases for Small and Medium organizations.

The numbers in parentheses in every chart indicate the number of organizations of each size in that sector.



- Other Museums of every size had a downward trend in people per offering.
- **Large and Medium Other Museums had lower in-person and total touch points in 2013 than in 2010 despite fluctuations in interim years. Both Large and Medium organizations encountered these losses while adding programmatic offerings.**
- **Only Small Other Museums increased in-person touch points, but not nearly to the same extent to which they increased programmatic offerings.**

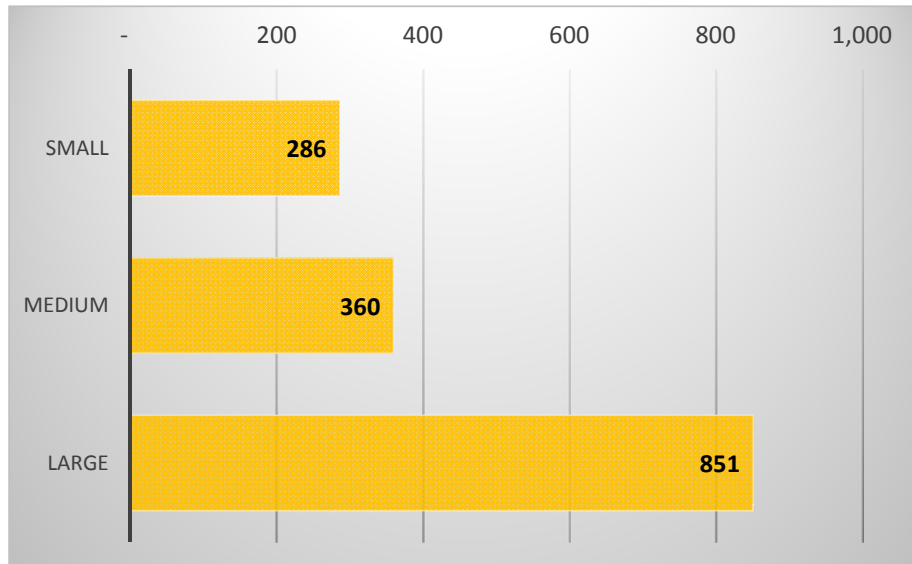


- **Medium General Performing Arts organizations lost 17% of in-person touch points over time.** In 2013 they recovered from a big drop in average in-person touch points in 2012. At the same time, they **had 15% more offerings in 2013** than in 2010.
- Small organizations' total touch points varied considerably each year while their offerings averaged 26 to 29 annually.
- Large organizations added 66% more offerings over time but saw only a 1% increase in touch points..

Budget ranges by sector

Arts Sector	Small	Medium	Large
Arts Education	\$236,182 or less	\$236,183 - \$1,296,200	\$1,296,201 or more
Art Museums	\$845,228 or less	\$845,229 - \$6,749,293	\$6,749,294 or more
Community	\$295,777 or less	\$295,778 - \$1,623,261	\$1,623,262 or more
Dance Companies	\$188,595 or less	\$188,596 - \$1,296,200	\$1,296,201 or more
Music	\$154,047 or less	\$154,048 - \$612,281	\$612,282 or more
Opera Companies	\$463,871 or less	\$463,872 - \$3,436,445	\$3,436,446 or more
Performing Arts Centers	\$845,228 or less	\$845,229 - \$8,452,293	\$8,452,294 or more
Symphony Orchestras	\$430,353 or less	\$430,354 - \$4,303,539	\$4,303,540 or more
Theater	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more
Other Museums	\$580,916 or less	\$580,917 - \$4,638,716	\$4,638,717 or more
General Performing Arts	\$236,182 or less	\$236,183 - \$1,749,688	\$1,749,689 or more

2013, By Size

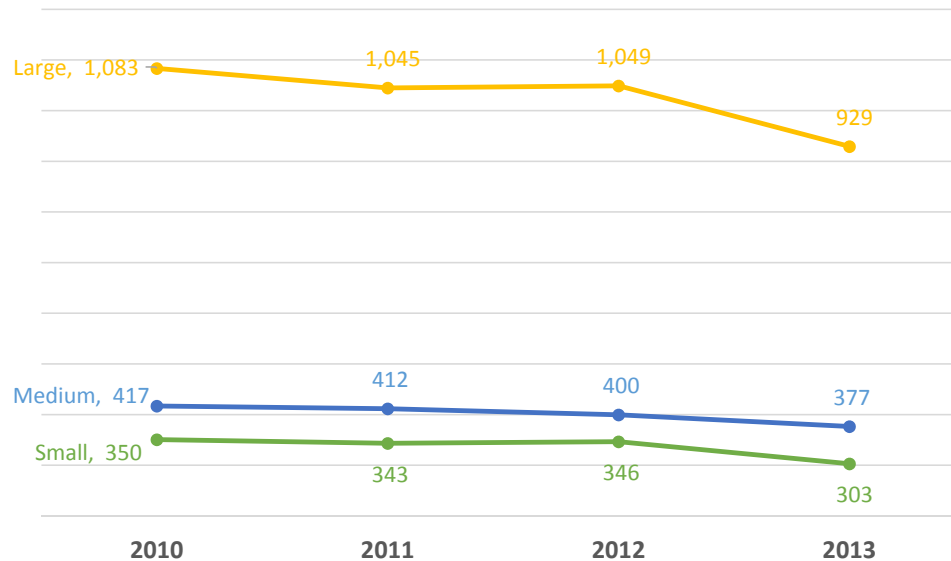


What we learned.

- The **number of offering per organization more than doubles with each increase in organizational size**. The **number of people engaged per offering also increases with size**, rising more sharply from Medium to Large organizations than from Small to Medium.
- With organizational budget growth comes a tendency for growth in staffs, boards, numbers of donors, and venue capacity, so more space to accommodate customers.

	Small	Medium	Large
Ave. Total Touch Points (in-person only)/	<u>9,357</u>	<u>31,183</u>	<u>170,822</u>
Ave. Total Offerings	33	87	201

By Size, Trends 2010-2013*



*3,115 organizations that provided data each of the 4 years.

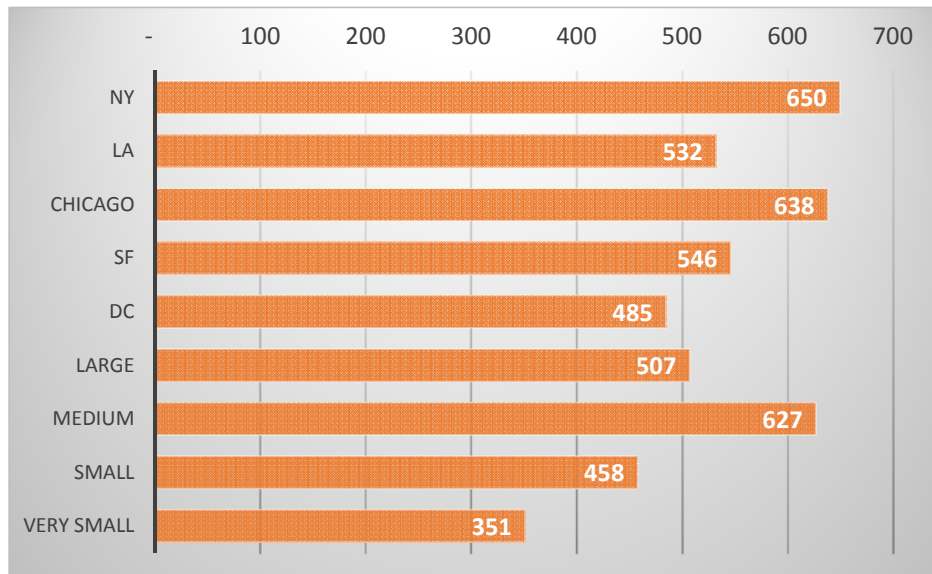
What we learned.

- Organizations of every size increased its number of offerings over time and experienced a decline in people per offering over time.
- **Small organizations increased their number of touch points over time**, but not to the same extent that they increased programmatic offerings.
- **Medium and Large organizations had a loss in the number of touch points over time but nevertheless increased offerings.**

Trend table

PEOPLE PER OFFERING INDEX TREND, BY SIZE (3,115 ORGANIZATIONS)					2010-2013 change
	2010	2011	2012	2013	
Small	350	343	346	303	-13.6%
Ave. In-person Touch Points/	9,701	10,146	10,392	10,139	4.5%
Ave. Total Offerings	28	30	30	33	20.9%
Medium	417	412	400	377	-9.6%
Ave. In-person Touch Points/	34,436	32,067	30,817	32,374	-6.0%
Ave. Total Offerings	83	78	77	86	4.0%
Large	1,083	1,045	1,049	929	-14.2%
Ave. In-person Touch Points/	178,733	180,387	177,406	174,237	-2.5%
Ave. Total Offerings	165	173	169	188	13.7%

2013, By Geography

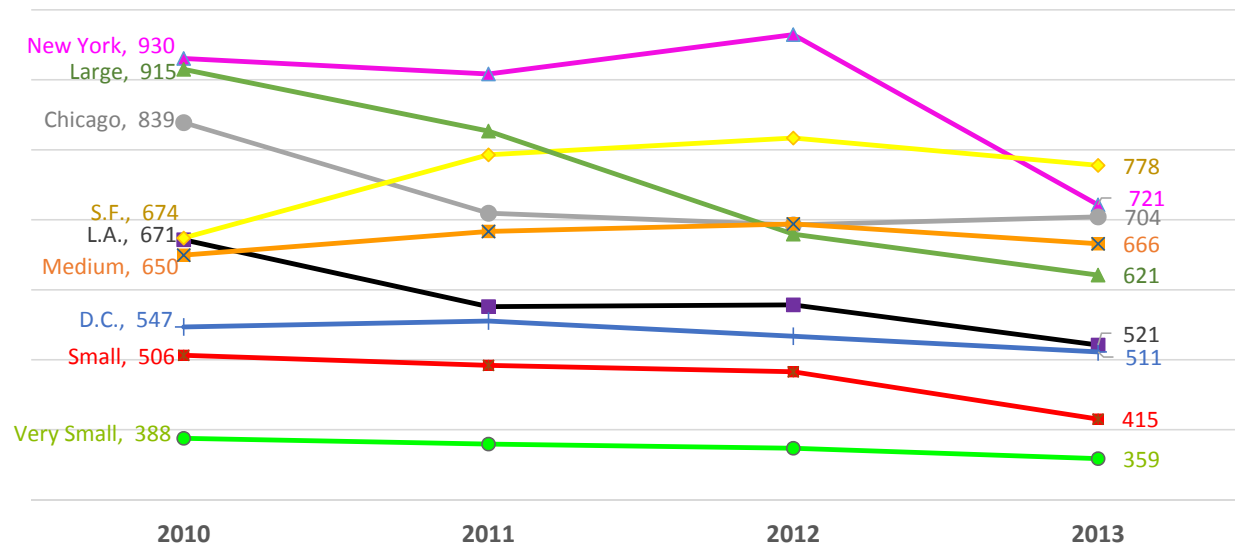


What we learned.

- **New York, Chicago, and Medium Markets** serve similarly high levels of people per offering.
- **Chicago** organizations average the **fewest programmatic offerings** annually. **DC and Large Markets** offer most.
- Organizations in **Large Markets** have the **highest average touch points**, followed by **New York**. Not surprisingly, **Very Small Markets** have the **lowest annual level of touch points**; however, they tend to have as many offerings as organizations in **Los Angeles**.

	New York-White Plains-Wayne, NY-NJ	Los Angeles-Long Beach-Glendale	Chicago-Naperville-Arlington Heights	San Francisco-Redwood City-So. S.F.	Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg	Large Markets	Medium Markets	Small Markets	Very Small Markets
Ave. Total Touch Points (in-person only)/	54,212	33,667	30,389	50,862	53,185	59,232	47,645	38,537	22,088
Ave. Total Offerings	83	63	48	93	110	117	76	84	63

By Geography, Trends 2010-2013*



*3,115 organizations that provided data each of the 4 years.

What we learned.

- **New York** organizations experienced an average **sharp decline in people per offering in 2013**.
- For the average organization in **Chicago, Los Angeles, and Large Markets, 2011 was the start of a decline** on this index.
- Only organizations in **San Francisco and Medium Markets averaged an increase in people per offering over time**.

Trend table

PEOPLE PER OFFERING INDEX TREND, BY GEOGRAPHIC MARKET CLUSTER (3,115 ORGANIZATIONS)	2010	2010 Index	2011	2011 Index	2012	2012 Index	2013	2013 Index	2010- 2013 change	2010-2013 index change
New York-White Plains-Wayne, NY-NJ										
Ave. In-person Touch Points/	70,283	930	66,484	908	68,896	964	66,948	721	-4.7%	-22.5%
Ave. Total Offerings	76		73		71		93		22.9%	
Los Angeles-Long Beach-Glendale, CA										
Ave. In-person Touch Points/	31,621	671	30,225	576	31,069	578	34,551	521	9.3%	-22.4%
Ave. Total Offerings	47		52		54		66		40.8%	
Chicago-Naperville-Arlington Hgts, IL										
Ave. In-person Touch Points/	42,070	839	36,968	709	35,122	693	36,574	704	-13.1%	-16.1%
Ave. Total Offerings	50		52		51		52		3.6%	
San Francisco-Redwood City- South SF, CA										
Ave. In-person Touch Points/	54,015	674	63,430	793	59,235	817	66,182	778	22.5%	15.4%
Ave. Total Offerings	80		80		73		85		6.2%	
Washington-Arlington-Alexandria; Bethesda-Rockville-Fredericksburg, DC-VA										
Ave. In-person Touch Points/	52,542	547	54,630	555	53,940	534	60,876	511	15.9%	-6.5%
Ave. Total Offerings	96		98		101		119		23.9%	
Larger Markets										
Ave. In-person Touch Points/	67,813	915	67,891	827	66,505	680	67,148	621	-1.0%	-32.1%
Ave. Total Offerings	74		82		98		108		45.9%	
Medium Markets										
Ave. In-person Touch Points/	53,563	650	55,756	683	55,275	694	56,803	666	6.0%	2.5%
Ave. Total Offerings	82		82		80		85		3.5%	
Small Markets										
Ave. In-person Touch Points/	38,295	506	40,540	492	41,024	483	41,188	415	7.6%	-18.0%
Ave. Total Offerings	76		82		85		99		31.1%	
Very Small Markets										
Ave. In-person Touch Points/	24,421	388	23,685	379	23,694	373	23,945	359	-2.0%	-7.5%
Ave. Total Offerings	63		62		63		67		6.0%	

What we learned.

- Organizations in **every market cluster had an average increase in the number of programmatic offerings** over time. For most, the increase was most dramatic in 2013.
- Organizations in **San Francisco managed a 22.5% increase in touch points with only a 6.2% increase in offerings. Those in Medium Markets grew touch points by 6.0% with a 3.5% increase in offerings.**
- In **New York, Chicago, Large Markets, and Very Small Markets, increases in the number of programmatic offerings were met with declines in touch points** over time.
- Although Los Angeles, DC, and Small Marketing organizations added offerings, their growth in this area was greater than the growth they saw in touch points.