AMS PLANNING & RESEARCH

ARTS PRESENTERS TRACKING SURVEY | JANUARY 2009 | Vol. 1.1

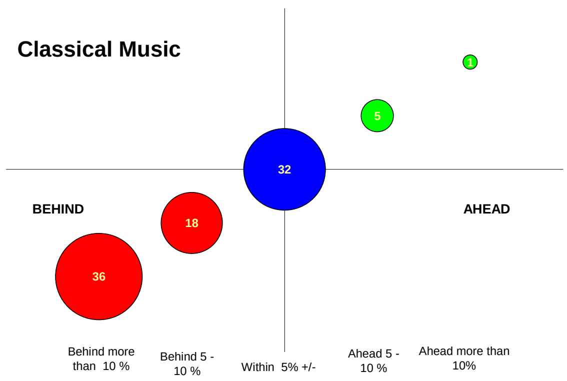
Welcome to the first report of the Arts Presenters Tracking Survey. Our goal in this short online survey and report is to provide a snapshot of impacts on activity, ticket sales and fundraising among ‘presenter’ members of the Association of Performing Arts Presenters during this period of economic uncertainty. The information provided in this report was collected in late December 2008 and reflects the prior thirty day period. A total of 209 organizations responded to the survey. Of these, nearly all (175) where presenters with their own facilities while approximately 15% (37) where independent presenters and the balance (4) were rentals facilities.

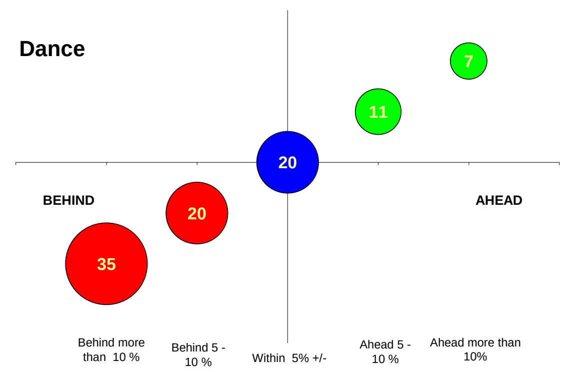
As a reminder, the next survey will be issued in mid-February. If you have any questions, please do not hesitate to contact us at 203-256-1616 or ams@ams-online.com. Thanks again for your participation; we trust you will find this information useful.

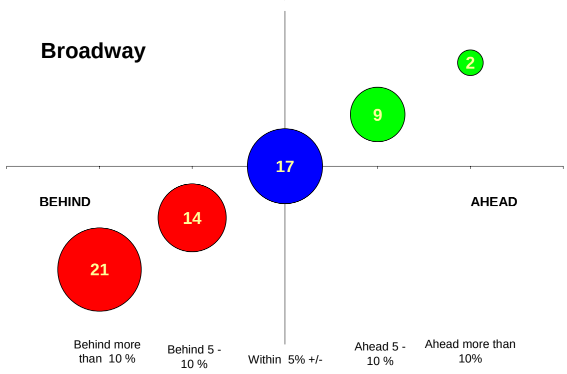
WARY AND CAUTIOUS – PRESENTERS ARE HIGHLY SENSITIVE TO WEAKENING INDICATORS.

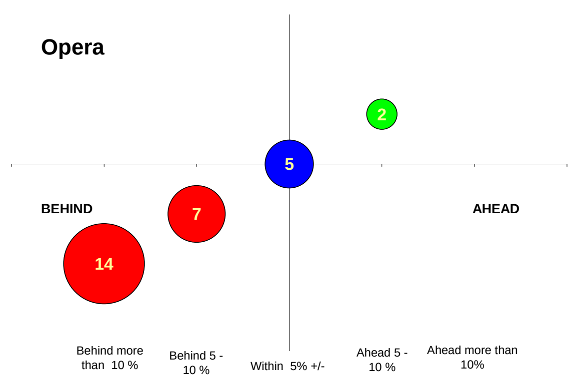
There is a clear sense is that the impact of the “economic crisis” is only beginning to be felt in the arts and culture sector. Many organizations have subscription seasons in place and grants and sponsorships that were committed earlier in 2008. Initial indications for the future are not positive as more targets are not being met than are in most categories. Presenters are also being challenged by “the tidal wave of negative data” present in the media. At present, most responses are cautious in nature as organizations seek to be responsible but not over-react.

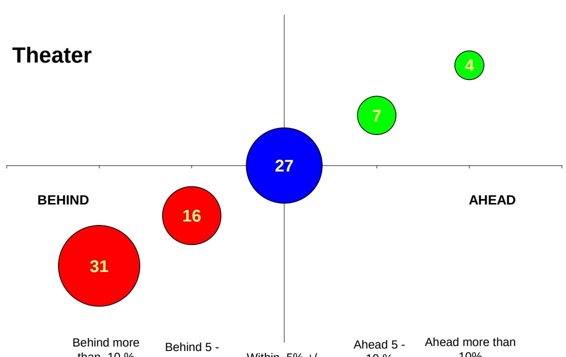
PROGRAMMING All disciplines reported by respondents with facilities show substantially more categories behind their budget targets than within 5% or ahead. The only category in which a majority of organizations are meeting or exceeding budget is variety and headliner acts. The trend for presenters without facilities was similar except for Broadway which reported slightly better performance.

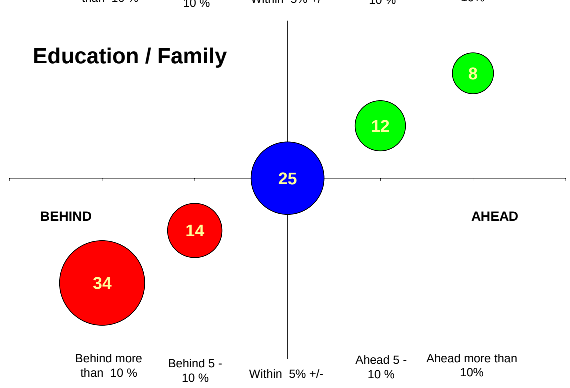


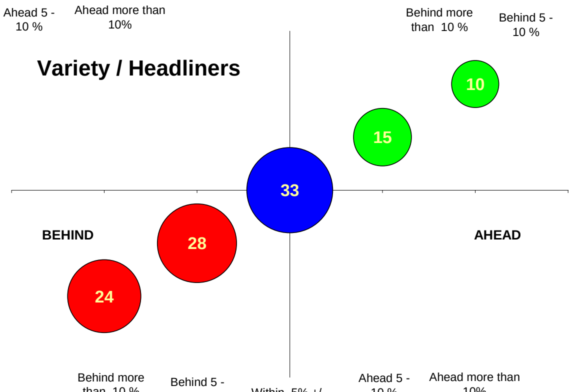




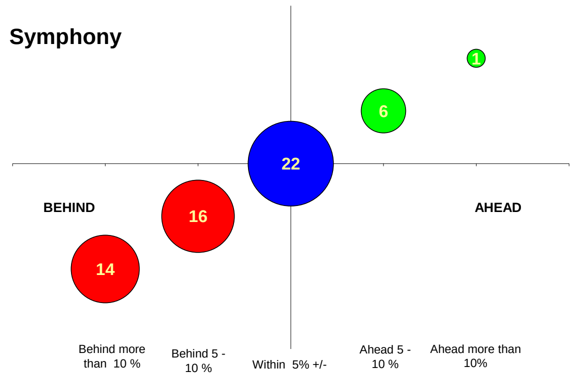


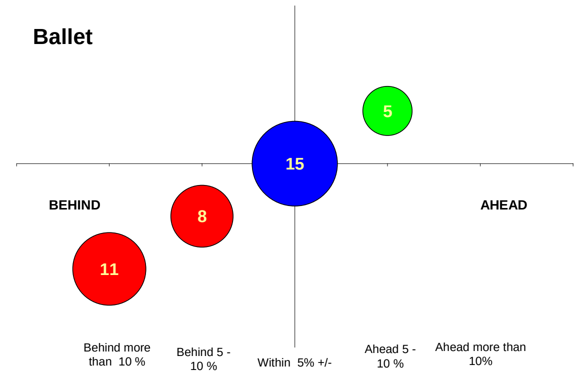


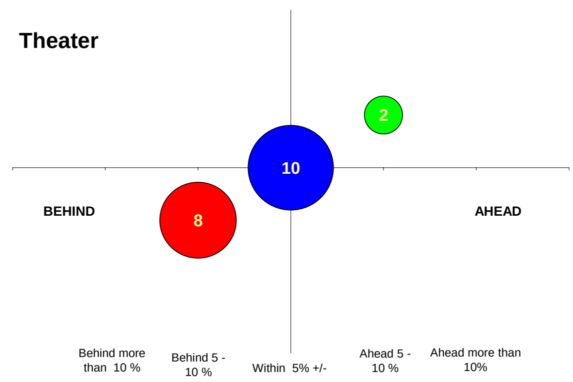


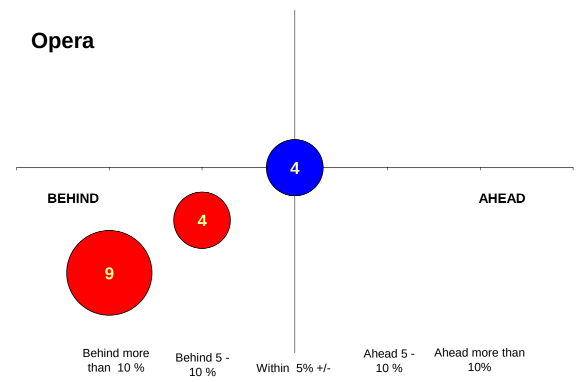


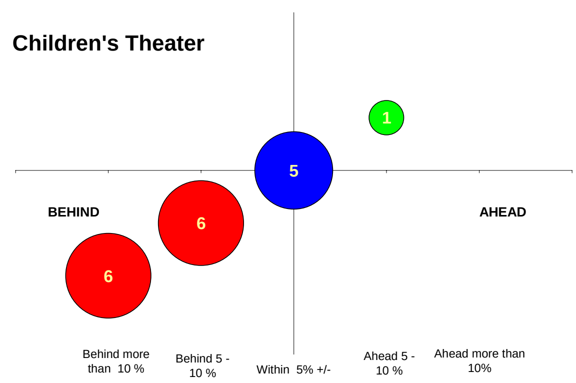
RESIDENT COMPANY PROGRAMMING Approximately 30% of respondents with facilities reported on resident company activity. In all cases except theater, the majority of organizations are reportedly behind their budget forecasts.







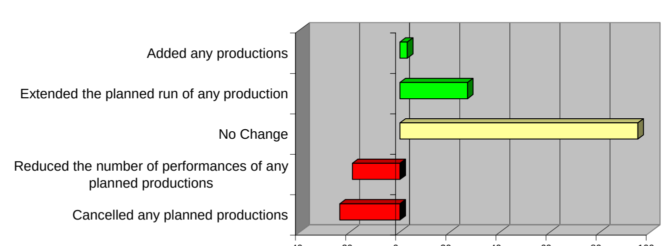




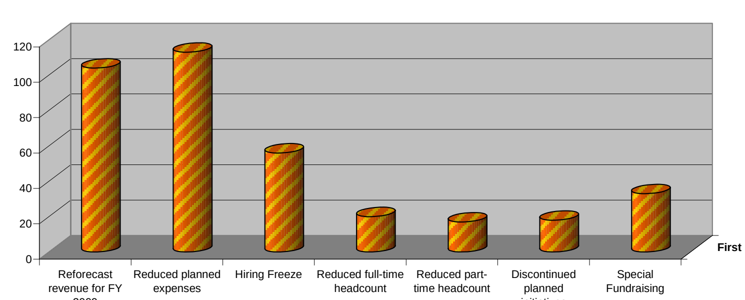
Managing Change

During the past thirty days, 43.5% of presenters with facilities made some change to their production calendars (33% of presenters without facilities). 25% either reduced or eliminated planned productions (22% among those without venues) while 18% (11%) added activity. Simultaneously, management has taken a number of operational actions. A majority (53% of presenters with facilities and 62% of those without venues) have reforecast revenue while

Programming Actions

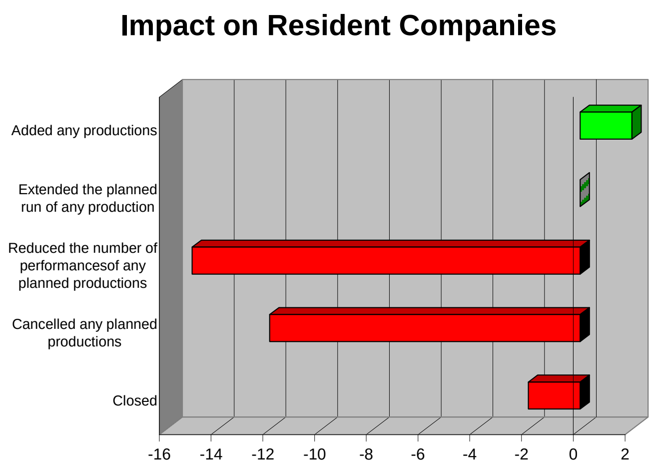


Management Actions



(approximately 65% of both categories) have reduced planned expenditures. Many (32% and 24% respectively) have instituted a hiring freeze while only a small number (11%) have reduced headcount at this time – largely through attrition though there are future reductions projected. Slightly more than 1 in 5 in both categories have initiated special fundraising efforts.

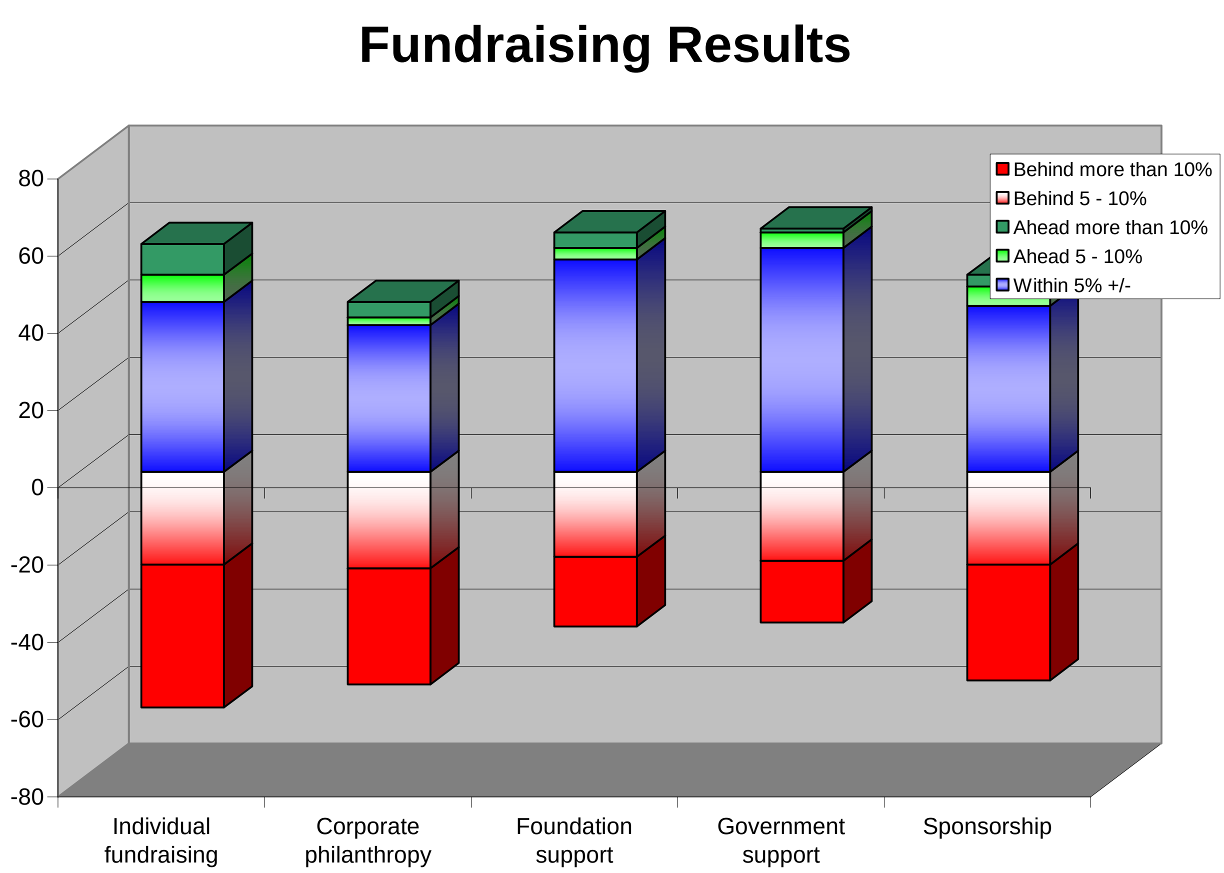
Impact on Resident Companies



During the past thirty days, respondents that operate facilities reported that a number of Resident Companies (15%) either reduced or eliminated planned productions. Two resident companies closed in the time period. Only two Resident Companies added activity.

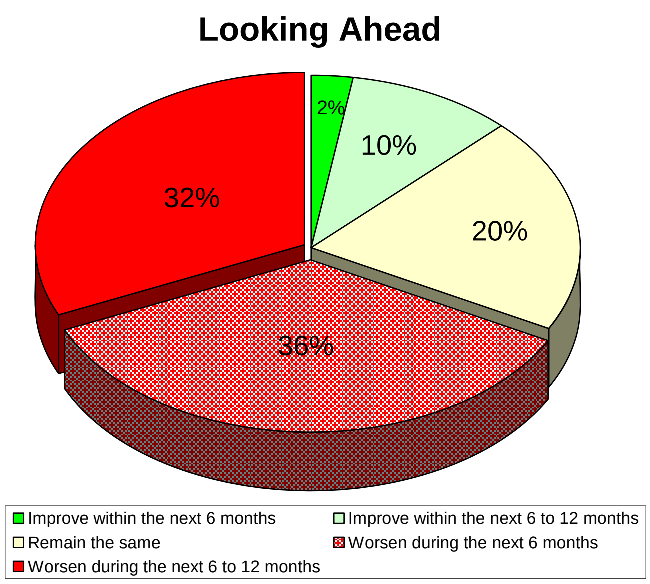
Fundraising Results

During the past thirty days, fundraising has been significantly affected. Among presenters with facilities over 50% report efforts have failed to meet budgeted goals. Presenters without facilities are fairing slightly better. Individual fundraising, corporate sponsorship and philanthropy are all behind budget for the majority of presenters with facilities and between a third and 45% of those without. In a small number of cases (15% and 24% respectively), individual fundraising is ahead of budget with effective special appeals in place. On respondent summed up the sense of the group saying, “Much of this year's sponsorship success was secured early in the season. Although we are beyond budget for this entire year we anticipate a large drop off of support next season because of conversations we are having now with current sponsors who say next year is not likely.”



Looking Ahead

Fully two-thirds (68%) of respondents with facilities expect conditions to get worse over the twelve months versus 53% of those without. Facility operators are nearly evenly divided between those who expect the slip in the next 6 months (32%) and those who think it will hit more than 6 months from now (36%). Presenters with venues are more optimistic with less than 10% expecting conditions to worsen beyond six months from now. On a positive note, one-third (55) of the respondents with facilities believe conditions will remain the same or improve as do 47% of presenters with facilities.



Closing thoughts

Clearly, we are only at the outset of learning about how the changing economy will affect the arts and culture sector. The real impact is largely an unknown at this time. As always, remaining alert to opportunity and proactively managing challenges is essential. At present, there is substantial planning and proactive control in place. It will be essential going forward to explore strategies which drive revenue, create or utilize reserves and allow companies to manage an effective transition. Those most susceptible will be those already in difficult financial condition. Over the next several months, we will be monitoring the impact and report trends as they emerge. In closing, the well-chosen words of two colleagues:

> *"We are watching earned and unearned income sources very carefully for early signs of trouble, but we are also focused on not acting prematurely to make reductions or fix "phantom problems." We think the potential for damage from "panic actions" may be greater than real damage from any downturn."*

> *"We have been messaging to staff to be very thoughtful and consciences on spending. We are moving year-end projects forward one month. We are reallocate[ing] and shift[ing] work within departments -- and look for capacity for new and added tasks. We are making program decisions for FY10 very conservatively and have moved the booking cycle back a bit -- so we can be more reactive to available tours --rather than be the anchor for tours. We are also talking more with colleagues …"*