



Research Division
Note # 67
May 1998

Dance Organizations Report 43% Growth in Economic Census: 1987-1992

According to the most recent census, the 1992 Census of Service Industries, the Census Bureau counted 408 dance groups (tax-exempt and taxable) whose total receipts and revenues were \$ 286.5 million in 1992.¹ The number of dance groups was up 43% from 1987, and their combined revenues/receipts were up 53%. The number of tax-exempt (nonprofit) organizations (275) was more than twice the number of taxable (for profit) organizations (133). In 1982 the numbers of taxable and nonprofit groups had been much closer: 159 and 142 respectively. In the ten year period since 1982, the number of nonprofit groups had grown by 73%, and the number of taxable groups had fallen by 32%, and then risen back almost to the 1982 level (also see Appendix Table A at the end of this note).

TABLE 1: Number of Dance Groups and Number of Performing Arts Organizations (1982, 1987 and 1992)

	1982	1987	1992	Percentage Change	
				1982-1987	1987-1992
Tax-exempt Dance Groups					
Number	159	188	275	18.2%	46.3%
Revenues (\$1,000)	\$ 89,152	\$ 137,297	\$ 217,976	54.0%	58.8%
All Tax-exempt Performing Arts Organizations					
Number	1,610	2,038	2,961	26.6%	45.3%
Revenues (\$1,000)	\$ 1,780,521	\$ 1,098,099	\$ 2,819,694	62.1%	58.4%
Taxable Dance Groups					
Number	142	97	133	-31.7%	37.1%
Receipts (\$1,000)	\$ 27,125	\$ 32,981	\$ 68,490	21.6%	107.7%
All Taxable Performing Arts Organizations					
Number	6,712	7,233	9,325	7.8%	28.9%
Receipts (\$1,000)	\$ 3,301,101	\$ 4,904,224	\$ 8,625,489	48.6%	75.9%

Dance groups form a small part of the performing arts community in terms of their number and revenues: about 10% of the number of nonprofit organizations and only about 1.5% of taxable organizations. Their respective shares of the revenues and receipts are even less. The next paragraph addresses taxable dance organizations; the rest of this note refers to tax -exempt groups.

¹ See the discussion at the end of this note for methodology, definition of terms, and other notes about the Census of Service Industries.

The Census Bureau divides the dance groups into four categories: ballet, modern dance, folk/ethnic dance and other. The numbers of taxable companies in the first three categories are small: eleven in ballet, six in modern dance and seven in folk/ethnic dance. Their average total receipts are larger than the average total revenues for the corresponding tax-exempt dance companies. Appendix Table A (at the end of the note) provides the figures for 1982, 1987, as well as 1992. The small numbers of companies in these categories has appeared in each of the censuses. The category for Other dance group, artist, presentation had a count of 29 groups in 1992, and the No designation given category had 80 groups (60% of the total number of dance groups). This category accounted for 46% of the total revenues of taxable dance companies, which was down from 73% in 1987. In 1987, the average total receipts of taxable dance groups (\$340,000) were on average about half the size of nonprofit groups (\$730,300); in 1992 the average total receipts (\$515,000) was about 2/3 of the average total revenues of tax-exempt groups (\$793,000).

The numbers of tax-exempt dance groups and their revenues in the four dance categories for 1987 and 1992 are:

TABLE 2: Tax-exempt Dance Groups (1987 and 1992)

	Number	Average Revenues (\$1,000)	Total Revenues (\$1,000)
<u>1987</u>			
Ballet company	78	\$ 1,135	\$ 88,538
Modern dance company	33	527	17,384
Folk/ethnic dance company	6	133	798
Other dance group, artist, presentation	5	297	1,486
No designation given	66	441	29,091
	-----		-----
All tax-exempt dance groups (1987)	188	\$ 730	\$ 137,297
<u>1992</u>			
Ballet company	108	\$ 1,271	\$ 137,278
Modern dance company	58	479	27,799
Folk/ethnic dance company	22	206	4,538
Other dance group, artist, presentation	17	541	9,196
No designation given	70	560	39,165
	-----		-----
All tax-exempt dance groups (1992)	275	\$ 793	\$ 217,976

All organizations sent a Census questionnaire are asked to designate the appropriate category for their organization. It is important to note that 70 nonprofit dance groups (25%) did not provide a designation. This percentage is down from 1987 when the "Not-Self-designated" category was 35% of the total. These dance groups actually belong to one of the four categories. Therefore, the data on these detailed categories is somewhat incomplete and understates the actual numbers. (Also see the **Notes...** section at the end for more potential undercount of organizations.)

Ballet companies are the largest in number (108) and in average size of total revenues (\$1,271,100). This has been true for the last three censuses. They account for 39% of all nonprofit dance groups and 63% of all revenues. Modern dance companies were the next largest in number (58) and average size (\$479,300). The other two categories are small in number and in average revenues. Appendix

Table A gives the number of dance groups in each category, their total and average revenues (both in nominal dollars and adjusted for inflation) for 1982, 1987, and 1992. The number of ballet companies has increased from 39 in 1977 to 58 in 1982 to 78 in 1987 to 108 in 1992. No revenue figures were provided in 1977. In 1982 the average revenues of a ballet company were \$1,033,100. When adjusted for inflation this figure is equivalent to \$1,471,600 in 1992. Since 1982, there has been a real decline in the average revenues of a ballet company to \$1,271,100 in 1992. Modern dance companies had fallen in number (39 companies in 1977, 34 companies in 1982, and 33 companies in 1987) but rose in 1992 to 108. Their average total revenues (adjusted for inflation) increased from 1982 when they were \$379,800 to \$633,900 in 1987, but fell again in 1992 to \$479,300.

Aggregate Financial Statistics for Tax-exempt Dance Groups

Due to the fact that the Census Bureau holds the identification of individual organizations in confidence (thus preventing the construction of control groups of specific organizations from two or more censuses), it is impossible to draw conclusions about the "total" statistics from one census to another. However, averages can be calculated to find a "typical" organization and compared from one census to another. To focus on the change, the figures below provide the percentage changes from 1977 to 1982, 1982 to 1987, and 1987 to 1992. These figures were prepared by calculating averages, adjusting for inflation, and calculating the percentage change between years. See Appendix Table B for complete 1992 figures. Figures from previous censuses are presented in the notes on those censuses; see the end of this note for citations.

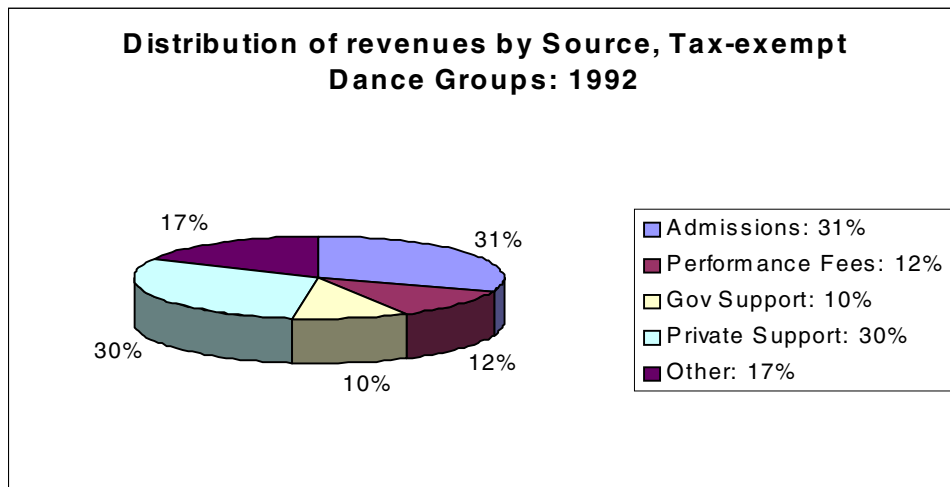
TABLE 3: Percentage Change in Revenue Items of All Tax -exempt Dance Organizations (inflation adjusted averages)

	<u>1982-1987</u>	<u>1987-1992</u>
Admission receipts	-21.0%	7.7%
Contract fees for entertainment	16.4%	-39.9%
Sale of merchandise	287.2%	-58.1%
Services to performing arts industry	-67.4%	153.0%
Other patron, contract fees	48.5%	1.3%
Royalties, residual fees, subsidiary rights	(D)	3351.7%
Government contributions/grants:		
National Endowment for the Arts	31.7%	6.2%
All other government sources	38.4%	-14.1%
Private Contributions/grants:		
Individuals	-11.2%	10.2%
Foundations	12.3%	-22.9%
Business and industry	45.5%	-33.7%
All other non-government sources	9.1%	21.0%
Other revenues	(D)	-55.8%
TOTAL REVENUES	10.9%	-9.8%

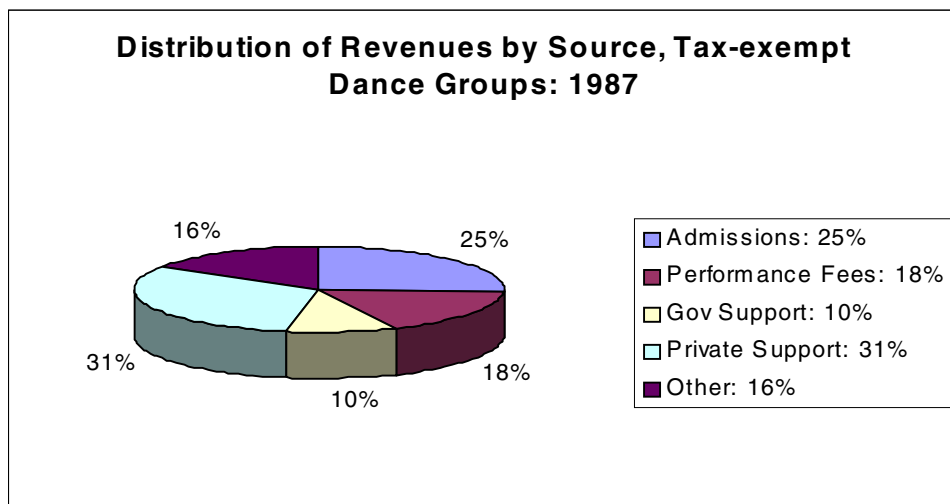
(D) means the data were withheld to avoid disclosure of individual organizations. The data, however are included in the totals.

Since the number of dance groups has increased over the four censuses, it is possible that the additional dance groups have been small ones, resulting in declining averages. However, it is unlikely that it would account for the total decrease.

The figures show that the total revenue for an average dance group increasing 10.9% from 1982 to 1987, but dropped between 1987 and 1992 by almost 10%. Average admission receipts overall were down significantly for dance groups from 1982 to 1987, but regained a small amount in 1992. Sales of merchandise were up 287% between 1982 and 1987, but fell by almost 60% in 1992. Services to the industry dropped off 67% between 1982 and 1987; this category rebounded in 1992. The Arts Endowment and other government funding increased by over 30% from 1982 to 1987, but both were down significantly from 1987 to 1992. Each of the private giving categories has shown a reverse trend from 1982-1987 compared to 1987-1992 (whether increase or decrease), except for other non-government sources, which rose in both periods. This category, however, is still small, 2.5% of the total revenue. The Figures below present pie charts of the percentages of total revenues from various income sources for tax-exempt dance groups in 1987 and 1992.



Figures: Tax-exempt Dance Groups: 1992 (above) and 1987 (below)



Admission receipts (ticket sales) had an overall increase as a proportion of total revenue. In 1987, admission receipts were 25% of the total; they increased to 31% of total revenue in 1992. This increase

offset the drop in performance fees from 18% in 1987 to 12% in 1992. The other three categories stayed almost the same in the five year period. The proportion from earned income (admission receipts, performance fees, and other) for dance groups saw almost no change: from 60% in 1982 to 59% in 1987 and back to 60% in 1992. Support from the National Endowment for the Arts had fallen by more than half from 1977 to 1982 when it was just over 2%; in 1987 it rose slightly to just below 3% and rose again in 1992 to 3.5%.

Comparison to the Survey of Public Participation in the Arts

The Research Division of the National Endowment for the Arts also sponsors another large survey during the same years as the Census of Service Industries. This survey, Survey of Public Participation in the Arts (SPPA), calculates the rates of American adults’ participation in many arts activities. (See Research Division Note #50.) There was no survey in 1987; however, there were surveys in 1982 and 1992. Although direct comparisons between the Census and SPPA cannot be made, it is interesting to note the general direction of the numbers. The relevant questions asked in the SPPA were “did you attend a live ballet performance during the last twelve months?” and a similar question about attendance at “other dance” (this question was not asked in 1982). These questions can not be equated exactly to a particular dance category, because the type of dance presentation does not always match the type of dance group. However, the increase in ballet participation by adult Americans does fit with the increase in ballet groups (both taxable and tax-exempt) from 62 companies in 1982 to 119 companies in 1992. Other dance is more difficult to assign, since it can include every other category.

The rates for participation were:

	<u>Ballet</u>	<u>Other Dance</u>
<u>1982</u>		
participation rate	4.2%	Not asked
number of adult Americans who said they attended	6.9 million	
<u>1992</u>		
participation rate	4.7%	7.1%
number of adult Americans who said they attended	8.7 million	13.2 million

The increase in the overall numbers (number of adults who said they attended) in the ten-year period does move in the same direction as the increase in the number of dance groups.

Notes on the Census and about methodology: An Economic Census is conducted by the U.S. Bureau of the Census every five years. The reference years are the second and seventh year of the decade. The National Endowment for the Arts commissioned the Census Bureau to produce special tables of previously unpublished data collected in these censuses.

The universe of organizations that receive questionnaires is obtained from two sources: (1) filers of FICA reports (payroll tax report sent to the Social Security Administration) and (2) filers of IRS business income tax or informational reports (Form 990). The counts of numbers of organizations and their receipts/revenues in the tables and the analysis understate somewhat the actual levels of activity that occurred for two reasons. First, very small performing organizations are likely not to be included, because they have no personnel who are “employees” and do not file Form 990’s if their gross receipts are under \$25,000. Secondly, some performing organizations are operated as subsidiaries of organizations that are in a different industry (such as colleges and universities, art centers and museums). These subsidiary performing organizations would not be part of the Economic Census universe of performing arts organizations, but may be counted as part of the universe of higher education, entertainment facilities, or museums.

Because the Census Bureau releases only aggregated information, thus making it impossible to construct control groups of the same organizations from one census to the next, direct comparisons from one census to the next should be made with caution. It is the common experience of ongoing periodic surveys that the survey process, especially the development of the universe, improves with each survey. This probably results in more organizations being included each time. So an increase may be due in part to better coverage. Also, over time, more organizations may have become FICA report or Form 990 filers. It is not possible to sort out the relative importance of the various factors for increases in numbers; therefore, the characterizations of “growth” should be used cautiously.

Various terms are used interchangeably through this note. Although these terms have subtle differences in connotation, for this note, they can be thought of as synonyms. “Establishment” and “entity” are used for “organization”; “taxable” and “for profit” are interchangeable, as are “tax-exempt” and “nonprofit”.

The difference between “receipts” (used for taxable establishments) and “revenues” (used for tax-exempt establishments) is that revenues include contributed (or unearned) income such as grants and contributions from individuals, corporations, and governments. These monies can be accounted for by the organization over a period of years, making comparisons with data from funders difficult.

To compare the real growth in revenues, receipts or expenses between censuses, the monetary figures in some of the analyses have been adjusted to account for inflation by using the Chain-type price index as published in *The Economic Report of the President 1997* (p. 304). The discussion uses the term "constant dollars" or “real growth” when figures have been adjusted for inflation. (“Nominal dollars” are figures not adjusted for inflation.) The year 1992 has been given the base of 100. The actual dollar figures for the years 1977, 1982 and 1987 can be inflated by dividing them as shown below.

year	inflater figure
1977	.475
1982	.702
1987	.831
1992	1.000

For more details on the economic censuses and discussion about other arts organizations, see other notes on the 1992 Census of Service Industries available on the National Endowment for the Arts World Wide Web site: http://arts.endow.gov/Resource/Catalogue/Research_Contents.html.

Note # 62: Count of performing Arts Organizations Up by Over 30%, 1987-1992

Note # 63: The Performing Arts Spread Out: the Geography of Performing Arts Organizations, 1992

Note # 64: Museums, Arboreta, Botanical and Zoological Gardens Report 18% Growth in the Census, 1987-1992

Note # 65: Retail Art Galleries Continue Strong Growth in the Economic Census of 1992

Note # 66: Theaters Report 22% Growth in Economic Census: 1987-1992

Note # 68: Classical Music Organizations Report 22% Growth in Economic Census: 1987-1992

Reports and Notes on previous Censuses are:

Arts Organizations and the 1987 Census of Service Industries, available through the ERIC system:
ERIC # ED410185

Note # 43: Census Reports Number of Performing Arts Organizations Up 11% from 1982 - 1987

Note # 44: U.S. Performing Arts organizations Increase by 11% (State and regional analysis)

Note # 45: Census Reports 28% Increase in Number of Nonprofit Theaters: 1982 - 1987

Note # 46: Census Reports 18% Increase in Nonprofit Dance Groups: 1982 - 1987

Note # 47: Census Reports 30% Increase in Nonprofit Classical Music Groups: 1982 - 1987

Note # 48: Census Reports 6% Increase in Art Museums and Art Galleries: 1982 - 1987

Note # 49: Census Reports 91% Increase in Retail Art Dealers: 1982 -1987

Note # 19: 1,563 Retail Art Dealers Report 1982 Sales of Nearly \$700,000,000

Note # 21: 8,322 performing Arts Organizations Report 1982 Receipts/Revenues of \$4,399,200,000

Note # 23: Geography of U.S. Performing Arts Organizations in 1982 (Part 1)

Note # 24: Geography of U.S. Performing Arts Organizations in 1982 (Part 2)

Note # 25: Geography of U.S. Performing Arts Organizations in 1982 (Part 3)

Note # 26: Aggregate Financial measures of Nonprofit Theater, Dance, and Classical Music Organizations in 1982

APPENDIX TABLE A: NUMBER OF TAX-EXEMPT and TAXABLE DANCE GROUPS AND THEIR REVENUES (\$1,000) BY YEAR

Tax-exempt Dance Groups	<----- 1982 ----->		<----- 1987 ----->		<----- 1992 ----->	
	Number of Estblshmnts	Total Revenues	Number of Estblshmnts	Total Revenues	Number of Estblshmnts	Total Revenues
All Dance Groups and Artists	159	\$89,152	188	\$137,297	275	\$ 217,976
Ballet Company	58	\$59,919	78	\$88,538	108	\$ 137,278
Modern Dance Company	34	\$9,066	33	\$17,384	58	\$ 27,799
Folk/Ethnic Dance Company	10	(D)	6	\$798	22	\$ 4,538
Other Dance Group,Artist, Presentation	5	(D)	5	\$1,486	17	\$ 9,196
Dance Not Self-Designated**	52	\$17,650	66	\$29,091	70	\$ 39,165
	Average Revenues	Adjusted for Inflation*	Average Revenues	Adjusted for Inflation*	Average Revenues	Adjusted for Inflation*
All Dance Groups and Artists	\$560.70	\$798.72	\$730.30	\$878.82	\$792.64	\$792.64
Ballet Company	\$1,033.09	\$1,471.63	\$1,135.10	\$1,365.95	\$1,271.09	\$1,271.09
Modern Dance Company	\$266.65	\$379.84	\$526.79	\$633.92	\$479.29	\$479.29
Folk/Ethnic Dance Company	(D)	(D)	\$133.00	\$160.05	\$206.27	\$206.27
Other Dance Group,Artist, Presentation	(D)	(D)	\$297.20	\$357.64	\$540.94	\$540.94
Dance Not Self-Designated**	\$339.42	\$483.51	\$440.77	\$530.41	\$559.50	\$559.50

Taxable Dance Groups	<----- 1982 ----->		<----- 1987 ----->		<----- 1992 ----->	
	Number of Estblshmnts	Total Revenues	Number of Estblshmnts	Total Revenues	Number of Estblshmnts	Total Revenues
All Dance Groups and Artists	142	\$27,125	97	\$32,981	133	\$ 68,490
Ballet Company	4	(D)	2	(D)	11	\$ 20,372
Modern Dance Company	2	(D)	2	(D)	6	\$ 4,573
Folk/Ethnic Dance Company	4	\$423	3	(D)	7	\$ 3,732
Other Dance Group,Artist, Presentation	23	(D)	23	\$6,141	29	\$ 8,324
Dance Not Self-Designated**	109	\$17,409	67	\$23,981	80	\$ 31,489
	Average Revenues	Adjusted for Inflation*	Average Revenues	Adjusted for Inflation*	Average Revenues	Adjusted for Inflation*
All Dance Groups and Artists	\$191.02	\$272.11	\$340.01	\$409.16	\$514.96	\$514.96
Ballet Company	(D)	(D)	(D)	(D)	\$1,852.00	\$1,852.00
Modern Dance Company	\$0.00	\$0.00	(D)	(D)	\$762.17	\$762.17
Folk/Ethnic Dance Company	\$105.75	\$150.64	(D)	(D)	\$533.14	\$533.14
Other Dance Group,Artist, Presentation	(D)	(D)	\$267.00	\$321.30	\$287.03	\$287.03
Dance Not Self-Designated**	\$159.72	\$227.52	\$357.93	\$430.72	\$393.61	\$393.61

** Organizations in this group did not provide a specific classification

* Figures adjusted for inflation using the chain-type price index; 1992 = 1.0

APPENDIX TABLE B: INCOME SOURCES TOTAL AND AS A PERCENT OF TOTAL RECEIPTS/REVENUES: 1992

TAXABLE DANCE GROUPS	Total Amounts (\$1,000)	As % of Total Income	Average Amounts (\$1,000)
Type of Receipt			
-----	-----	-----	-----
Admission receipts	\$12,597	18.4%	\$ 94.7
Contract fees for entertainment	\$26,666	38.9%	\$ 200.5
Sale of food/drink exc alcohol bev	\$1,652	2.4%	\$ 12.4
Sale of alcoholic beverages	\$236	0.3%	\$ 1.8
Sale of merchandise	\$2,727	4.0%	\$ 20.5
Services to performing arts industry	\$1,469	2.1%	\$ 11.0
Other patron, contract fees	\$23,143	33.8%	\$ 174.0
Royalties,residual fees, subsidiary rights	(x)	(x)	(x)
Government contributions/grants			
National Endowment for the Arts	(x)	(x)	(x)
All other government sources	(x)	(x)	(x)
Private contributions/grants			
Individuals	(x)	(x)	(x)
Foundations	(x)	(x)	(x)
Business and industry	(x)	(x)	(x)
All other non-government sources	(x)	(x)	(x)
Other revenues	(x)	(x)	(x)
TOTAL RECEIPT	\$68,490	100.0%	\$ 515.0
Number of Establishments	133		

(x) means data was not gathered from taxable organizations

TAX-EXEMPT DANCE GROUPS	Total Amounts (\$1,000)	As % of Total Income	Average Amounts (\$1,000)
Type of Revenue			
-----	-----	-----	-----
Admission receipts	\$ 66,197	30.4%	\$240.7
Contract fees for entertainment	\$ 25,600	11.7%	\$93.1
Sale of food/drink exc alcohol bev	\$ 183	0.1%	\$0.7
Sale of alcoholic beverages	\$ 13	0.0%	\$0.0
Sale of merchandise	\$ 1,660	0.8%	\$6.0
Services to performing arts industry	\$ 2,009	0.9%	\$7.3
Other patron, contract fees	\$ 12,205	5.6%	\$44.4
Royalties,residual fees, subsidiary rights	\$ 12,565	5.8%	\$45.7
Government contributions/grants			
National Endowment for the Arts	\$7,553	3.5%	\$27.5
All other government sources	\$14,362	6.6%	\$52.2
Private contributions/grants			
Individuals	\$28,555	13.1%	\$103.8
Foundations	\$18,858	8.7%	\$68.6
Business and industry	\$13,368	6.1%	\$48.6
All other non-government sources	\$5,487	2.5%	\$20.0
Other revenues	\$9,361	4.3%	\$34.0
TOTAL REVENUES	\$217,976	100.0%	\$792.6
Number of Establishments	275		