

CONTACT: Victoria Winkelman  
Meadows School of the Arts  
214-768-3785; [ywinkelm@smu.edu](mailto:ywinkelm@smu.edu)

May Wijaya  
Resnicow + Associates  
212-671-5167; [mwijaya@resnicow.com](mailto:mwijaya@resnicow.com)

## **SMU'S NATIONAL CENTER FOR ARTS RESEARCH (NCAR) RELEASES NEW EDITION OF DATA ON THE HEALTH OF U.S. ARTS & CULTURAL ORGANIZATIONS**

**Evidence-based insights and trend analysis focus on metrics related to community engagement, earned revenue and marketing efforts across the nation's arts and cultural sector**

Dallas (SMU), September 10, 2015 - The National Center for Arts Research (NCAR) at Southern Methodist University today released new data and findings on the health of the U.S. arts and cultural sector. This edition, [available publicly online](#), incorporates new data from 2013 and includes insights on trends in the data from 2010 onwards, a new feature building on the Volume II report published in 2014. The update provides an in-depth examination of seven performance indices key to assessing the health of the sector: program revenue per attendee, total earned revenue, earned relational revenue (revenue from subscriptions and memberships), return on and response to marketing, community engagement (in-person and virtual touch points), and people per program offering. With data from almost 5,000 arts and cultural organizations around the country, across industry types and sizes, this edition marks the beginning of NCAR's new reporting structure: it will release findings from new sets of data and analyses focused on particular content areas approximately every four months. With new data added continuously, the evolving online report will help inform arts organizations in their strategic planning and serve as an important resource for arts researchers and policy makers.

The Center, the first of its kind in the nation, investigates important issues in arts management and patronage, making its findings available to arts leaders, funders, policymakers, researchers and the general public. Driven by its mission to act as a catalyst for the transformation and sustainability of the national arts and cultural

community, NCAR develops reports based on a uniquely comprehensive set of arts organizations' data, integrating organizational and market-level data. It assesses the industry from multiple perspectives, including sector/art form, geography, and size of the organization, and it determines what drives health from the organization's conditions and its community's characteristics.

"This latest edition of findings demonstrates NCAR's goal to share information with industry leaders on an ongoing basis, ensuring that our report is a living tool and one that sheds critical light on what is happening in the field over time," said Dr. Zannie Voss, director of NCAR and chair and professor of arts management and arts entrepreneurship in SMU's Meadows School of the Arts and Cox School of Business. "This report aims to show arts organizations what their peers are doing, what the trends are, and how they are performing in comparison to the rest of the field. For example, one question we look to answer in this edition is how much marketing investment it takes to bring in one person to an organization. By comparing the results of sector practices, an organization can determine if its strategies are in line with those that are most effective in the industry, or if planning needs to be shifted accordingly."

Other key questions this edition addresses include:

- What is the reach of arts and culture organizations' community engagement? (Examining both in-person and virtual participation.)
- What is the relationship of earned relational revenue (revenue from subscriptions and memberships) to an organization's expenses (before depreciation)? And what is the relationship of total unrestricted earned revenue to expenses?
- How much program revenue do organizations earn from their total investment in marketing (including staff and non-staff costs) and from non-staff marketing costs alone?
- How much total marketing investment does it take to bring in one person, first considering all marketing costs and then only non-staff costs?
- What is the program revenue per attendee?
- How many people are engaged per offering (not including virtual activity)?

The edition answers these questions using data from 4,946 arts and cultural organizations, and addresses each question separately by sector (e.g. theatre, community organizations, museums, performing arts centers, etc.), by organization size, and by organization geography—providing a holistic view of field practices nationwide. It also drills down into sector trends by organization size so that one can tell whether a trend was widely experienced by the sector or whether organizations of varying size experienced different trends. The evolving online report will continue to grow as new data and new lines of inquiry are added through the release of new editions approximately every four months. The findings in the newly released edition will provide particular support for organizations’ efforts to establish a balance and synchronicity in programming and marketing initiatives.

Select findings from the new edition include:

- While the **in-person engagement level across all sectors remained virtually unchanged from 2010 to 2013, 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.
- **Across the field, NCAR found that the subscription and membership model is not dead.** Earned revenue from subscriptions and memberships, termed “earned relational revenue,” varies in robustness not only between the sectors but also among various organizational budget sizes within each sector. For instance, for medium-sized organizations (with “medium” budget ranges defined differently for every arts sector), the earned relational revenue index increased in both 2012 and 2013 – demonstrating that for organizations of this size, the subscription-membership model is becoming increasingly important.
- Across sectors, the **number of people engaged per program offering diminished slightly from 2010 to 2012 and 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.** For six of the 11 sectors, the average organization touched fewer people over time while continuing to add programmatic offerings. NCAR offers several hypotheses as to why such a mismatch in supply and demand exists— new programmatic initiatives may be taken on for mission-fulfillment purposes, not to draw in people; it may be that funders encourage new program development without recognizing an organization’s need to concentrate on attracting more participants to current offerings; organizations experiencing a decline in touch points may see the need to bring in new, diverse participants and add program offerings to attract them; or lastly, it may be indicative of gaps in communication and strategy between departments responsible for programming and those responsible for connecting the organization to its community.

### **About NCAR**

In 2012, the Meadows School of the Arts and Cox School of Business at SMU launched the National Center for Arts Research (NCAR). The Center, the first of its kind in the nation, analyzes the largest database of arts research ever assembled, investigates important issues in arts management and patronage, and makes its findings available to arts leaders, funders, policymakers, researchers and the general public. The vision of NCAR is to act as a catalyst for the transformation and sustainability of the national arts and cultural community.

With data from the Cultural Data Project and other national and government sources such as the Theatre Communications Group, the League of American Orchestras, the National Endowment for the Arts, the Census Bureau and the National Center for Charitable Statistics, the National Center for Arts Research is creating the most complete picture of the health of the arts sector in the U.S. The goal of the Center is to become the nation’s leading source of expertise on: 1) arts attendance and patronage, 2) understanding how managerial decisions, arts attendance and patronage affect one another, and 3) the fiscal trends and fiscal stability of the arts in the U.S., and to create an

in-depth assessment of the industry that allows arts and cultural leaders to make more informed decisions and improve the health of their organizations.

The project's indices were created in partnership with TRG Arts, Nonprofit Finance Fund and numerous field leaders. NCAR's dashboard is being created in partnership with IBM. The Center also partnered with the Boston Consulting Group to develop its mission, vision and long-term strategies.

NCAR is led by Dr. Zannie Voss, chair and professor of arts management and arts entrepreneurship in the Meadows School of the Arts and Cox School of Business, and Dr. Glenn Voss, Endowed Professor of Marketing at Cox School of Business. Through this leadership, NCAR sources its cross-disciplinary academic expertise in the fields of arts management, marketing and statistics from Meadows and Cox faculty.

More than a dozen visionary foundations and individual arts patrons have supported NCAR with financial investments, including the Communities Foundation of Texas, M. R. & Evelyn Hudson Foundation, Carl B. & Florence E. King Foundation, Doris Duke Charitable Foundation, Jennifer and Peter Altabef, Marilyn Augur, Molly Byrne, Bess and Ted Enloe, Melissa and Trevor Fetter, Carol and Don Glendenning, Jeanne R. Johnson, Nancy Nasher and David Haemisegger, Nancy Perot, Sarah and Ross Perot, Jr., Bonnie Pitman, Caren Prothro and Donna Wilhelm.

For more information, please visit the NCAR website at [smu.edu/artsresearch](http://smu.edu/artsresearch).

### **About the Meadows School of the Arts**

The Meadows School of the Arts, formally established at SMU in 1969 and named in honor of benefactor Algur H. Meadows, is one of the foremost arts education institutions in the United States. The Meadows School offers undergraduate and graduate degrees in advertising, art, art history, arts management and arts entrepreneurship, communication studies, creative computation, dance, film and media arts, journalism, music and theatre. The goal of the Meadows School of the Arts, as a comprehensive educational institution, is to prepare students to meet the demands of professional careers. The Meadows School is a leader in developing innovative outreach and community engagement programs, challenging its students to make a difference locally and globally by developing connections between art, entrepreneurship and change.

The Meadows School of the Arts is also a convener for the arts in North Texas, serving as a catalyst for new collaborations and providing critical industry research. For more information, visit [www.smu.edu/meadows](http://www.smu.edu/meadows).

### **About the Cox School of Business**

SMU's Cox School of Business, originally established in 1920 and named in honor of benefactor Edwin L. Cox in 1978, offers a full range of undergraduate and graduate business education programs. Among them: BBA, Full-Time MBA, Professional MBA (PMBA), Executive MBA (EMBA), Master of Science in Accounting, Master of Science in Business Analytics, Master of Science in Entrepreneurship, Master of Science in Finance, Master of Science in Management, Master of Science in Sport Management and Executive Education. The school also offers a number of unique resources and activities for students, ranging from its Business Leadership Center, Caruth Institute for Entrepreneurship, Folsom Institute for Real Estate, Latino Leadership Initiative, Maguire Energy Institute and Global Leadership Program to its Associate Board Executive Mentoring Program and an international alumni network with chapters in more than 20 countries.

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