How the COVID-19 pandemic has wreaked havoc on American theaters

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The latest edition of *Theatre Facts*, the annual survey of the state of the not-for-profit theater world in the US, came out in late 2022. The report is prepared each year by the Theatre Communications Group (TCG), an organization that promotes professional non-profit theater.

The most recent survey covers the state of the field in 2020-2021. That is to say, it provides a glimpse of the conditions produced by the COVID-19 pandemic, both short- and long-term.

Not surprisingly, theaters in the US (and elsewhere) were devastated. They remain threatened.

Theatre Facts explains that starting in March 2020, "theatres across the country closed their doors as the virus spread. The total loss to the performing arts industry attributable to the pandemic is over $3.2 billion, and changing COVID-related behavioral patterns have decreased audience ticket demand by 20-25 percent."

The report focuses on 136 theaters that completed a TCG survey each year from 2017 to 2021—out of a nationwide total of 1,852 non-profit theaters, whose productions played before some 2.9 million audience members in 2021.

The total income of these 136 "trend theaters" peaked in 2019, then fell by 49 percent between 2020 and 2021. That amounts to a $900,000 loss in earned income per theater. Over the five-year period, earned income contracted by *61 percent*.

Average subscription income to the 136 theaters fell by *82 percent* over the same period. Average single ticket income also plummeted by *82 percent* from 2020 to 2021, and fell *93 percent* between 2017 and 2021.

Startlingly, the "net effect," the report indicates, was a "a 90% reduction in total ticket income over the trend period, punctuated by a drop of 88% from 2020 to 2021. Total ticket income covered a high of 42% of expenses in 2019, in contrast to the low of 7.3% in 2021."

"It was a crash," as one media account commented bluntly.

Meanwhile, corporate funding fell by 28 percent from 2017 to 2021, and by 21 percent in 2021 over 2020 alone. Various other forms of private giving also fell. "Considering both earned and contributed income combined, total income fell over the 5-year period by 25%," according to *Theatre Facts*.

If those operating not-for-profit theaters in the US did not lock up their venues and walk away it was principally because government funding increased sharply, reflecting political concerns about the consequences of the arts sector simply collapsing.

For the same group of 136 theaters, average federal government funding, for example, "ended the period more than 14 times greater than the 2017 level." State support was more than 200 percent higher in 2021 than in 2017, while average local government funding ended 43 percent higher at the end of the same period.

These not-for-profit US theaters survived because of government subsidies. Of course, serious theater by its very nature requires state support. It is not a profit-making venture. The current artistically degenerated state of *for-profit* Broadway (where the average paid admission to a musical was $132 during the 2021-2022 season) and even Off-Broadway is convincing evidence of that.

Government funding was so relatively generous during the pandemic that many of the theaters, because of vastly reduced expenses, actually experienced operating surpluses. The various theaters' working capital hit a peak in 2021.

This came in large measure at the expense of their workforce. At the “trend theatres,” average total staff fell 66 percent from 2017 to 2021, and total compensation declined by 33 percent. “There was slight growth in management and general personnel expenses over the trend period,” the survey points out, “but total personnel expenses in all categories fell from 2020 into 2021 with program personnel expenses cut by 44%.”

In any event, the “frothy blip of budget surpluses” will be short-lived. Special government programs and funding have disappeared, but audiences have not yet returned in force.

According to an October 2022 article at Marketplace.org, regional theaters, for example, “have particularly struggled to recover from those losses and get customers back in seats. Average ticket sales for performing arts organizations are at 75% of what they were pre-pandemic, and may reach 80% by year’s end.” The reality of “how audiences have and have not returned and where organizations are feeling that strain is different place to place, but across the board, almost nowhere is [it] back to 2019 numbers.”

Expenses, partly due to the general inflationary trends, have risen. “Sheets of plywood, sticks of steel, bolts of fabric, and then even the cost of paper to send the postcard out about the production costs more than it used to,” the managing director of one theater explained to Marketplace.org

Moreover, the pandemic brought with it “new health and safety protocols. Routine testing is the norm now in many theater companies, which isn’t cheap. Some organizations purchased HEPA air filters for theaters and rehearsal spaces, as well as see-through masks used in the earlier part of the pandemic during performances.” In addition, hiring understudies, previously impossible for smaller companies “is now in many cases necessary. As is the hiring of a COVID safety officer to oversee ever-changing pandemic protocols.”

A survey of Washington D.C. theatergoers discovered what should come as no shock to anyone, “Theatre attendance is down overall, and it is driven by continued concerns about COVID-19.” Theatre Washington found that while “58 percent of respondents previously attended the theatre six or more times, only 31 percent did so after reopening. Almost half (46 percent) of respondents have attended the theatre just three times or less since reopening.”

Again, unsurprisingly, the survey found that the central reason “why some patrons had not returned to theatres since reopening was their concern over becoming ill from COVID exposure. A full 68 percent of patrons stated that they consider the possibility of contracting COVID-19 to be a very important reason for not attending theatres.”

Concluding the survey, *Theatre Facts 2021* observes that only “sharp reductions in expenses coupled with large growth in government contributions and investments kept theatres afloat” in 2020-2021. However, as audiences return to live performances, “theatres will be challenged to revive earned revenue income sources to counter reduced government relief and the effects of high inflation.”

Strikingly, over the four-year period 2017-2021, the number of theater performances in the US dropped more than 70 percent and attendance fell by over 80 percent, “with more pronounced drops for audiences age 18 and under.”

The study finally asks: “Will audiences, ticket sales, and subscriptions return to pre-pandemic levels? Will new sources of government support emerge to replace programs such as the Paycheck Protection Program and the Shuttered Venue Operators Grant program? Will rising inflation hamper fiscal sustainability, and what impact might that have on pay equity in the sector?” The bureaucratic language notwithstanding, these are existential questions for serious theater production in the US.