



Research Division  
Note # 68  
May, 1998

**Classical Music Groups Report 22% Growth in Economic Census: 1987-1992**

According to the most recent census, the 1992 Census of Service Industries, the Census bureau counted 740 classical music organizations (both tax-exempt and taxable) whose total receipts and revenues totalled \$1.2 billion.<sup>1</sup> The number of classical music groups was up 22% from 1987 and their combined revenues/receipts were up 44%. Of these, the number of tax-exempt (nonprofit) organizations (689) was over 13 times the number of taxable organizations (51). The number of tax-exempt organizations grew by almost 25% since 1987, while the number of taxable organizations fell 5%.

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

	1982	1987	1992	Percentage Change	
				1982-1987	1987-1992
<b>Tax-exempt Classical Music Groups</b>					
Number	423	552	689	30.5%	24.8%
Revenues (\$1,000)	\$ 477,209	\$ 796,464	\$ 1,153,708	66.9%	44.9%
<b>All Tax-exempt Performing Arts Organizations</b>					
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%
<b>Taxable Classical Music Groups</b>					
Number	61	54	51	-11.5%	-5.6%
Receipts (\$1,000)	\$ 17,911	\$ 26,474	\$ 32,316	47.8%	22.1%
<b>All Taxable Performing Arts Organizations</b>					
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%

Classical music organizations are dominated by tax-exempt groups which number 23% of the nonprofit performing arts organizations; however, their revenues are about 41% of all performing arts revenues. Taxable classical music groups continued to fall in numbers and in their percent of total receipts. They are about 0.5% of all taxable performing arts groups and their receipts are about 0.3% of all taxable

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

performing arts organization receipts. The next paragraph addresses taxable music organizations; the rest of this note refers to nonprofit organizations.

The Census Bureau divides classical music into three detailed categories: opera companies, symphony orchestras and chamber music groups. The numbers of taxable classical music groups in 1992 in each of the three categories are small as is the average size (as measured by total receipts taken in by an organization) when compared to their tax-exempt counter-parts. Appendix Table A (at the end of this note) provides the figures for 1982, 1987, and 1992 for both taxable and tax-exempt groups. In 1992 the census found nine taxable opera companies, ten taxable symphony orchestras, and eight taxable chamber music groups. The average total receipts per organization for each of these categories is smaller than their tax-exempt equivalents: Opera companies: \$560,000, Symphony Orchestras: \$564,000, and chamber music groups: \$110,000. For taxable groups, those that did not provide a designation (24) are 47% of the total number of taxable classical music groups. This category accounted for 64% of the total receipts of taxable classical groups.

The numbers of tax-exempt classical music organizations and their revenues in the three census categories for 1987 and 1992 are:

**TABLE 2: Tax-exempt Classical Music Groups (1987 and 1992)**

	Number	Average Revenues (\$1,000)	Total Revenues (\$1,000)
<u>1987</u>			
Opera company	75	\$ 2,679	\$ 200,900
Symphony orchestra	261	1,720	448,908
Chamber music organization	69	323	22,317
No designation given	147	846	124,339
	-----		-----
All tax-exempt groups (1987)	552	\$ 1,443	\$ 796,464
	Number	Average Revenues (\$1,000)	Total Revenues (\$1,000)
<u>1992</u>			
Opera company	94	\$ 3,765	\$ 353,910
Symphony orchestra	349	1,881	656,401
Chamber music organization	130	326	42,437
No designation given	116	870	100,960
	-----		-----
All tax-exempt groups (1992)	689	\$ 1,674	\$ 1,153,708

All organizations sent a questionnaire are asked to designate the appropriate category for the organization. It is important to note that 21% of classical music groups (116) did not provide a designation. This is down from 27% of the 1987 organizations. These organizations actually belong to one of the three categories. This results in less of an undercount in the individual categories than in 1987. However, the data in this note on these detailed categories is still somewhat incomplete and understates the actual numbers. (also see the **Notes...** section at the end for more information about potential undercount of organizations.)

The average size of an organization as measured by total revenues varied by category. The 94 opera companies were only 13% of the total number of organizations but had the largest average total revenues among classical music organizations (\$3,765,000). Symphony Orchestras had the greatest number (349)

which was 50% of the total number of classical music groups. This number of orchestras grew by 34% since 1987 (some of the growth was due to fewer “no designation given” organizations). Their average total revenues were also large (\$1,881,000). The 130 chamber music groups that were counted in the census were much smaller in comparison and had average total revenues in 1992 of \$326,000.

Appendix Table A provides the same information as Table 2 and compares this to data from 1982. It also includes average total revenues adjusted for inflation. The three categories (opera, symphony, and chamber music) show different growth patterns in average total revenues. The number of opera companies increased from 65 in 1982 to 75 in 1987, to 94 in 1992. The average total revenue of an opera company rose from \$1,983,000 in 1982 to \$2,679,000 in 1987 (a 35% increase; when adjusted for inflation, the increase is 14%). From 1987 to 1992, the nominal increase in average total revenues was 41%; when adjusted for inflation, the increase was less, at 17%. Symphony orchestras also grew in number from 212 in 1982 to 261 in 1987, to 349 in 1992. Their average total revenues grew from \$1,306,000 to \$1,720,000 in 1987 (a 32% increase, 11% when adjusted for inflation). From 1987 to 1992, the nominal increase in average total revenues was 9%; when adjusted for inflation, this was a decrease of 9%. Part of this decrease may be due to smaller orchestras entering this category of organization. Chamber music groups went from 47 in 1982 to 69 in 1987, to 130 in 1992. Their average total revenues grew from \$245,000 in 1982 to \$323,000 in 1987 (a 32% increase, 13% when adjusted for inflation). From 1987 to 1992, the nominal increase was negligible (under 1%) and when adjusted for inflation fell by 16%.

### **Aggregate Financial Statistics for Tax-exempt Classical Music Organizations**

Because 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. Then these averages can be 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.

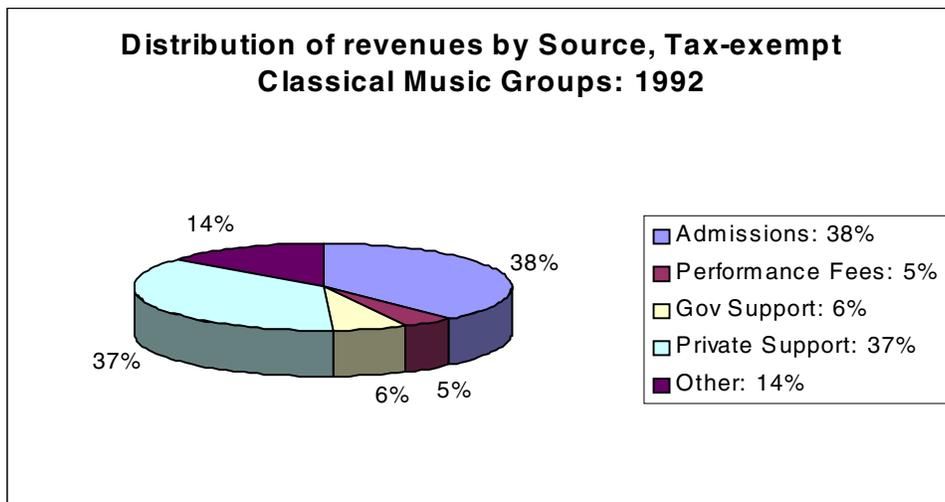
**TABLE 3: Percentage Change in Revenue Items of Tax -exempt Classical Music Organizations (inflation adjusted averages)**

	<u>1977-1982</u>	<u>1982-1987</u>	<u>1987-1992</u>
Admission receipts	12.4%	4.7%	-0.2%
Contract fees for entertainment	-21.9%	17.1%	-15.6%
Sale of merchandise	4.2%	49.1%	-7.5%
Services to performing arts industry	174.5%	-48.2%	74.3%
Other patron, contract fees	1.1%	162.7%	-50.6%
Royalties, residual fees, subsidiary rights	-25.2%	-19.2%	-47.9%
Government contributions/grants:			
National Endowment for the Arts	-26.4%	-31.6%	-35.6%
All other government sources	6.1%	3.4%	-21.6%
Private Contributions/grants:			
Individuals	0.5%	30.9%	5.7%
Foundations	-12.0%	-10.4%	41.6%
Business and industry	80.4%	28.1%	-9.4%

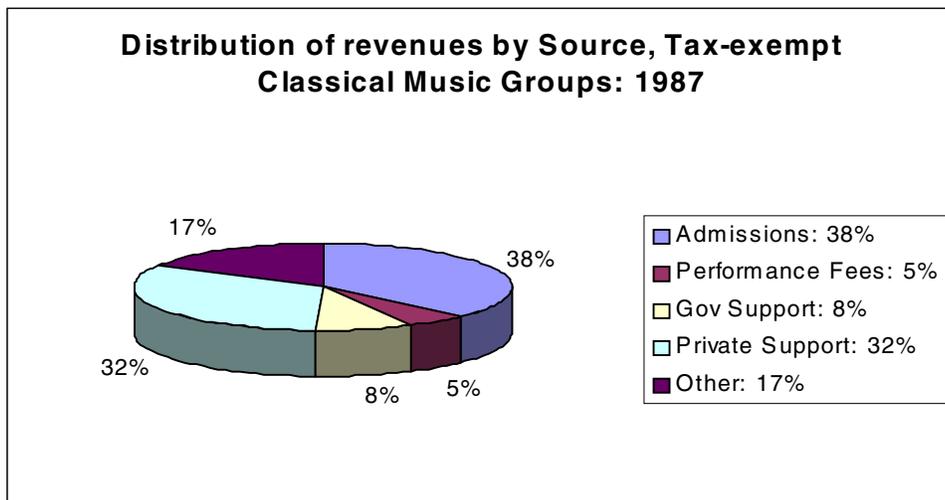
All other non-government sources	-32.6%	-12.0%	42.3%
Other revenues	57.3%	-18.8%	-5.2%
<b>TOTAL REVENUES</b>	<b>8.3%</b>	<b>8.9%</b>	<b>-3.6%</b>

These figures show that the average classical music organization had steady growth of 8.3% from 1977 to 1982 and 8.9% from 1982 to 1987 and then from 1987 to 1992 the real total revenues fell. All revenue sources were down except services to the industry (which may include some performing fees) and private giving. Support from the National Endowment for the Arts was down substantially in all three periods. Other government sources showed some growth between 1977 and 1987 but fell between 1987 and 1992. Private giving from individuals was up in each period; foundation giving was down in the first two periods but regained in the last period; and business and industry giving was up, especially in the first period (80%), but fell in the last period.

The figures below present pie charts of the percentages of total revenues from various income sources for 1987 and 1992. Admission receipts and performance fees stayed the same; earned income as a percent of total income fell by three percentage points (the drop in “other” which includes “sales”). Private support rose substantially to 37%, more than off-setting the fall in government support. This may be in part due to the increased sophistication of fund raising (development) staffs.



**Figures: Tax-exempt Classical Music Groups: 1992 (above) and 1987 (below)**



### 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. (See Research Division Note #50.) This survey, Survey of Public Participation in the Arts (SPPA), calculates the rates of American adults' participation in many arts activities. (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 opera performance during the last twelve months?" and a similar question about attendance at "classical music" performances. The increase in opera participation by adult Americans does fit with the increase in the number of opera companies from 78 companies (both taxable and tax-exempt) in 1982 to 103 companies in 1992. Classical music is more difficult to assign, because it includes both symphony orchestras and chamber music groups (and most likely a large proportion of the "not self-designated" category). Although the rate of adult Americans who said they attended at least one performance was down from 13.0% to 12.5%, the actual numbers of Americans was up (because of the increase in the total population).

The rates for participation were:

	<u>Opera</u>	<u>Classical Music</u>
<u>1982</u>		
participation rate	3.0%	13.0%
number of adult Americans who said they attended	4.9 million	21.4 million
<u>1992</u>		
participation rate	3.3%	12.5%
number of adult Americans who said they attended	6.1 million	23.2 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 classical music 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\\_Content.html](http://arts.endow.gov/Resource/Catalogue/Research_Content.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 # 67: Dance Organizations Report 43% 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 CLASSICAL MUSIC ORGANIZATIONS AND THEIR REVENUES/RECEIPTS (\$1,000) BY YEAR**

Tax-exempt Classical Music Groups	<----- 1982 ----->		<----- 1987 ----->		<----- 1992 ----->	
	Number of Estblshmnts	Total Revenues	Number of Estblshmnts	Total Revenues	Number of Estblshmnts	Total Revenues
All Classical Music Organizations	423	\$477,209	552	\$796,464	689	\$ 1,153,708
Opera Company	65	\$128,927	75	\$200,900	94	\$ 353,910
Symphony Orchestra	212	\$276,842	261	\$448,908	349	\$ 656,401
Chamber Music Organization	47	\$11,497	69	\$22,317	130	\$ 42,437
Classical Music Not Self-Designated**	99	\$59,943	147	\$124,339	116	\$ 100,960
	Average Revenues	Adjusted for Inflation*	Average Revenues	Adjusted for Inflation*	Average Revenues	Adjusted for Inflation*
All Classical Music Organizations	\$ 1,128	\$ 1,607	\$ 1,443	\$ 1,736	\$ 1,674	\$ 1,674
Opera Company	\$ 1,983	\$ 2,825	\$ 2,679	\$ 3,223	\$ 3,765	\$ 3,765
Symphony Orchestra	\$ 1,306	\$ 1,860	\$ 1,720	\$ 2,070	\$ 1,881	\$ 1,881
Chamber Music Organization	\$ 245	\$ 348	\$ 323	\$ 389	\$ 326	\$ 326
Classical Music Not Self-Designated**	\$ 605	\$ 863	\$ 846	\$ 1,018	\$ 870	\$ 870

Taxable Classical Music groups	<----- 1982 ----->		<----- 1987 ----->		<----- 1992 ----->	
	Number of Estblshmnts	Total Revenues	Number of Estblshmnts	Total Revenues	Number of Estblshmnts	Total Revenues
All Classical Music Organizations	61	\$17,911	54	\$26,474	51	\$ 32,316
Opera Company	13	\$2,482	5	\$1,604	9	\$ 5,044
Symphony Orchestra	11	\$3,289	12	\$4,075	10	\$ 5,643
Chamber Music Organization	9	\$630	6	\$445	8	\$ 881
Classical Music Not Self-Designated**	28	\$11,510	31	\$20,350	24	\$ 20,748
	Average Revenues	Adjusted for Inflation*	Average Revenues	Adjusted for Inflation*	Average Revenues	Adjusted for Inflation*
All Classical Music Organizations	\$ 294	\$ 418	\$ 490	\$ 590	\$ 634	\$ 634
Opera Company	\$ 191	\$ 272	\$ 321	\$ 386	\$ 560	\$ 560
Symphony Orchestra	\$ 299	\$ 426	\$ 340	\$ 409	\$ 564	\$ 564
Chamber Music Organization	\$ 70	\$ 100	\$ 74	\$ 89	\$ 110	\$ 110
Classical Music Not Self-Designated**	\$ 411	\$ 586	\$ 656	\$ 790	\$ 865	\$ 865

\*\* 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 CLASSICAL MUSIC ORGANIZATIONS	Total Amounts (\$1,000)	As % of Total Income	Average Amounts (\$1,000)
Type of Receipt			
-----	-----	-----	-----
Admission receipts	\$ 1,117	3.5%	\$ 21.9
Contract fees for entertainment	\$11,994	37.1%	\$ 235.2
Sale of food/drink exc alcohol bev	(D)	0.0%	\$ -
Sale of alcoholic beverages	\$0	0.0%	\$ -
Sale of merchandise	(D)	0.0%	\$ -
Services to performing arts industry	\$ 5,122	15.8%	\$ 100.4
Other patron, contract fees	\$14,079	43.6%	\$ 276.1
Royalties, residual fees, subsidiary rights	(x)	(x)	(x)
<i>Government contributions/grants</i>			
National Endowment for the Arts	(x)	(x)	(x)
All other government sources	(x)	(x)	(x)
<i>Private contributions/grants</i>			
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)
	-----	-----	
<b>TOTAL RECEIPT</b>	<b>\$32,316</b>	<b>100.0%</b>	<b>\$ 633.6</b>
Number of Establishments	51		

(x) means data was not gathered from taxable organizations  
(D) means data was not disclosed, but is included in the totals

TAX-EXEMPT CLASSICAL MUSIC ORGANIZATIONS	Total Amounts (\$1,000)	As % of Total Income	Average Amounts (\$1,000)
Type of Revenue			
-----	-----	-----	-----
Admission receipts	\$ 440,703	38.2%	\$ 639.6
Contract fees for entertainment	\$ 53,660	4.7%	\$ 77.9
Sale of food/drink exc alcohol bev	\$ 2,919	0.3%	\$ 4.2
Sale of alcoholic beverages	\$ 1,659	0.1%	\$ 2.4
Sale of merchandise	\$ 4,779	0.4%	\$ 6.9
Services to performing arts industry	\$ 9,973	0.9%	\$ 14.5
Other patron, contract fees	\$ 36,014	3.1%	\$ 52.3
Royalties, residual fees, subsidiary rights	\$ 6,006	0.5%	\$ 8.7
<i>Government contributions/grants</i>			
National Endowment for the Arts	\$ 15,157	1.3%	\$ 22.0
All other government sources	\$ 59,027	5.1%	\$ 85.7
<i>Private contributions/grants</i>			
Individuals	\$224,259	19.4%	\$325.5
Foundations	\$ 81,345	7.1%	\$118.1
Business and industry	\$ 85,608	7.4%	\$124.2
All other non-government sources	\$ 34,692	3.0%	\$ 50.4
Other revenues	\$ 97,907	8.5%	\$ 142.1
	-----	-----	
<b>TOTAL REVENUES</b>	<b>\$1,153,708</b>	<b>100.0%</b>	<b>\$1,674.5</b>
Number of Establishments	689		