



**REPORT FROM SMU'S NATIONAL CENTER FOR ARTS RESEARCH  
SHOWS PAYMENT TO ARTISTIC AND PRODUCTION PERSONNEL TO BE THE  
SINGLE LARGEST EXPENSE FOR ARTS ORGANIZATIONS**

*New report shows arts organizations spent 42% of all operating revenue on program-related personnel*

Dallas (SMU), March 1, 2017 – SMU's National Center for Arts Research (NCAR) today released the [Expenses Report](#), the latest iteration in a series of reports on the health of arts organizations in the U.S. This edition, which focuses on expenses related directly to the cost of programming, shows that **two-thirds of total program-related expenses, or 42% of all operating revenue, goes to payment of program-related personnel**. This includes both contract and permanent staff such as artists, curators, artistic program coordinators, arts educators, and collections and production staff.

Designed to help those inside and outside the field better understand how the industry currently operates, the report examines how arts and cultural organizations invest, looking at trends by sector, geography, and organizational size. Overall, arts organizations of all sizes and in all sectors across the country saw **steady increases in program expenses**, with costs rising steadily since 2013 and peaking at a 4-year high in 2015. This **growth in expenses developed at a higher rate than operating revenue**, which only grew by 17.6% from 2012 to 2015, as compared to growth in program expenses, which increased by 21.5%.

The report also shows that while symphony orchestras and opera companies are the most labor-intensive art forms, with over 60% of their total revenue going to payment of artists and program-related personnel, **every sector saw growth in average total compensation to artists and other program personnel**.

“Despite widespread concern that arts organizations are not spending enough on artist compensation, this report shows that arts organizations are in fact spending increasingly more on paying their artistic personnel, with growth of these expenses

outpacing revenue,” 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. “We hope that findings in this report can provide clarity on what is happening in the field.”

With its reports, white papers, and planning tools such as the KPI Dashboard, NCAR works to help arts organizations gain a deeper understanding of the cultural landscape they operate in by tracking industry trends and providing benchmarking data. Arts organizations around the country are using NCAR data to help inform their strategic planning. “NCAR’s research and work has recently presented to us other very interesting ways for us to track our metrics,” said John S. Stanley, chief operating officer of The Whitney Museum of American Art. “The Whitney has always been an advocate for tracking KPI’s across all areas of the museum. As a result, NCAR has helped to broaden our analytical horizon.”

For more findings from the Expenses Report, please see the full report on the [NCAR website](#).

### **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 vision of NCAR is to act as a catalyst for the transformation and sustainability of the national arts and cultural community. The goals of the Center are to unlock insights on: 1) arts attendance and patronage; 2) understanding how managerial decisions, arts attendance, and patronage affect one another; and 3) 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. To work toward these goals, NCAR integrates data from DataArts and its Cultural Data Profile<sup>1</sup> and other national and government sources such as Theatre Communications Group, the League of American Orchestras, the National Endowment for the Arts, the Census Bureau, and the

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<sup>1</sup> “DataArts is a nonprofit organization that empowers the arts and cultural sector with high-quality data and resources in order to strengthen its vitality, performance, and public impact. Any interpretation of the data is that of NCAR, not DataArts. For more information, visit [www.culturaldata.org](http://www.culturaldata.org).”

National Center for Charitable Statistics. NCAR makes its findings available free of charge to arts leaders, funders, policymakers, researchers, and the general public.

NCAR develops reports based on this uniquely comprehensive set of arts organizations' 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. Recent publications include a white paper on [diversity and equity in the arts](#), [reports on the health of the U.S. arts and cultural sector](#), and NCAR's [2016 Arts Vibrancy Index](#), which outlines the 20 most arts vibrant communities around the country. In July 2016, NCAR launched the [KIPI Dashboard](#), a free online diagnostic tool that allows arts organizations to benchmark their individual performance in nine finance and operations categories against their peers.

The project's indices were created in partnership with DataArts, TRG Arts, Nonprofit Finance Fund, and numerous field leaders. IBM and Linchpin Programming contributed to the creation of NCAR's Dashboard. The Center also partnered with the Boston Consulting Group to develop its mission, vision, and long-term strategies.

NCAR's director is 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, serves as research director. Through this leadership, NCAR sources its cross-disciplinary academic expertise in the fields of arts management, marketing, econometrics, and statistics from Meadows and Cox faculty.

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

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