

In Whom We Trust V: Theatre Governing Boards in 2013

By Zannie Giraud Voss, Juliana Rogers, Laurie Baskin and Ilana B. Rose

Since 1998, Theatre Communications Group (TCG) has periodically conducted a survey that explores theatre governing boards in depth. These surveys have formed the basis of a series of reports revealing the critical role that board members play in our organizations. This year we continue this exploration into the individuals who give of their talents and time and into how boards organize and operate in the service of theatres.

This report begins with a look at the **Survey Universe Theatres**, the 116 theatres that responded to TCG Governing Boards Survey 2013. Also, we examine some of the variety in governing boards that arises between theatres of different budget size. When no mention is made, it is because there is little size-related variation in average activity.

Theatres are organized into six budget groups, based on annual expenses, as depicted in the table below. The average budget size for participating theatres is \$6.05 million. Large theatres skew the average size. If we examine the median rather than the arithmetic mean, we see that the midpoint in the budget range is \$2.56 million. Twenty theatres reported that they have no managing leader, so calculations related to questions regarding managing leaders are based only on those organizations that do have a dual leadership structure. Nine of the 20 are in Budget Group 1 or Budget Group 2.

2013 Survey Universe

Budget Group	Number of Theatres	Budget Size
6	23	\$10 million or more
5	21	\$5 million-\$9,999,999
4	8	\$3 million-\$4,999,999
3	36	\$1 million-\$2,999,999
2	16	\$500,000-\$999,999
1	12	\$499,999 or less

After providing the Survey Universe findings, we highlight significant changes for the 32 **Trend Theatres** that participated in the Governing Boards Survey in 2004, 2007 and 2013, the 3 most recent surveys. Following the same set of theatres over time eliminates the variation that arises when different theatres participate in some years but not others, and it allows us to follow their changes in board composition, structure, policies, development, staff relations and committee involvement. Rather than repeat similar findings across years, we highlight only results that are significantly different over time. In the majority of cases, this set of theatres has changed very little related to governance over time.

THE BIG PICTURE: THE SURVEY UNIVERSE OF THEATRES

The 116 theatres in the Survey Universe are, on average, in their 36th season and have 28 board members, 66% of whom attended the theatre's last board meeting. In general, the older the theatre is, the larger the budget and board.

The number of individuals serving on Survey Universe theatre boards totals 3,233, 90% of whom make a personal annual fund contribution that averages over \$13,000. Board members who serve give generously of their time as well: theatres average six board meetings a year lasting two hours each—not to mention a myriad of other activities designed to strengthen board performance and increase ownership in the theatre.

Founding artistic leaders continue to lead their organizations at 31% of theatres, while a mere 5% of theatres have a founding managing leader, none of them in either Budget Group 4 or 5. While only 3% of theatres have a board chair who is a founding member of the theatre—none of them in Budget Group 4, 5, or 6—17% of theatres reported other board members who are founding members of the theatre. Generally, the smaller the theatre, the younger it is and the more likely it is to have a founder involved in some capacity. Sixty-seven percent of Group 1 Theatres and 44% of Group 2 Theatres are run by their founding artistic leader. Nearly 60% of theatres have no founders serving in any capacity; this figure jumps to 83% for Group 6 Theatres.

Budget Group	Average Theatre Age	Average Number of Board Members
6	47	47
5	48	38
4	37	28
3	32	22
2	29	14
1	17	10

BOARD COMPOSITION AND STRUCTURE

Board members are a conduit to our communities. They are made up of individuals who are committed, value live theatre and want to see it thrive. They support the advancement of mission in a myriad of ways. In this section we examine the socio-demographics of those who take on the responsibility of theatre governance. We also look at fundamental aspects of board structure and how we cultivate board members.

For the 2013 Survey Universe of Theatres:

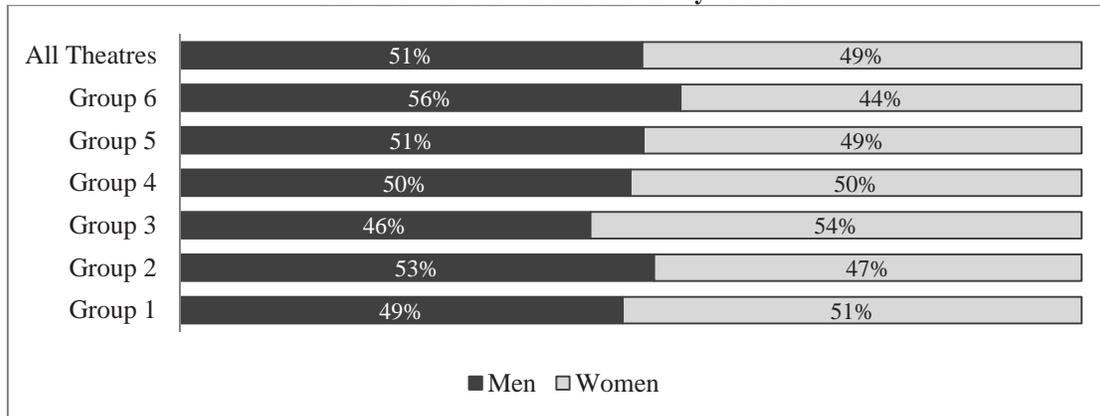
- The race/ethnicity of board members as reported by theatres was, in the aggregate, 52 Asian Americans, 21 South Asian Americans, 170 Black/African Americans, 62 Latinos/Hispanics/Chicanos, 11 Middle Easterners, 5 Native Americans, 7 Pacific Islanders; 2,879 Whites/Caucasians, 19 people of multiracial descent and 7 of another heritage. The table that follows summarizes the racial/ethnic composition of boards per Budget Group.
- Group 1 Theatre boards have the lowest representation of White/Caucasian members and by far the highest representation of Black/African American, Latino/Hispanic/Chicano and Multiracial members.

Racial/Ethnic Breakdown of Board Members, by Budget Group (men and women)

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
White/Caucasian	89%	88%	93%	91%	90%	84%	72%
Black/African American	5%	6%	4%	5%	5%	5%	12%
Latino/Hispanic/Chicano	2%	2%	1%	2%	1%	2%	10%
Asian American	2%	2%	1%	<1%	2%	3%	1%
South Asian American	1%	<1%	1%	1%	1%	1%	1%
Multiracial	1%	<1%	0%	<1%	1%	1%	3%
Middle Eastern	<1%	1%	0%	0%	<1%	1%	0%
Pacific Islander	<1%	<1%	0%	0%	0%	3%	0%
Native American	<1%	<1%	<1%	0%	0%	<1%	1%
Other	<1%	<1%	0%	<1%	<1%	0%	1%

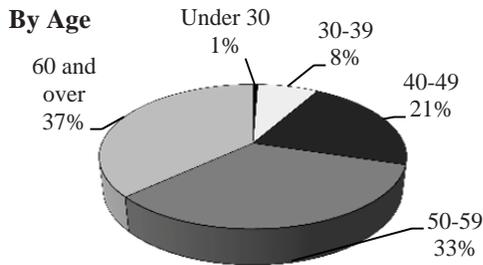
- Overall, the average board's gender balance is 51% male and 49% female. No theatres reported board members who identify as transgender or genderqueer.
- Women outnumber men on the average Group 1 and 3 Theatre's board. Generally, the percentage of men on the board increase as theatre size increases.

Breakdown of Board Members by Gender



- Less than 1% of board members identify as having a disability.

- The majority of board members are aged 50 or older.
 - One percent of board members are under the age of 30.
 - Smaller theatres tend to have a greater percentage of board members under the age of 40 than larger theatres. Only 1 individual under the age of 30 was serving as a Group 6 Theatre board member.



- Less than half (43%) of theatres have artists on their board, aside from the artistic leader.
 - The 50 organizations that have artists other than their artistic leader as board members average 2 artists per board.
 - On average, the smaller the theatre, the more likely the board is to include an artist: 67% for Group 1 Theatres and 26% for Group 6 organizations.
- Only one Group 1 Theatre and no Group 2 Theatre reported: a) political figures on the board and b) board members whose primary contribution is their name.
- All but one Group 1 Theatre and one Group 6 Theatre have board professionals that provide pro bono work.

- Group 3 Theatres have the highest proportion of artistic and managing leaders who do not have a seat on the board, at 17% and 19%, respectively.
- Managing leaders sit on other not-for-profit boards at 47% of theatres while only 35% of managing leaders have voting privileges at their own organizations.

Do you have...?

Political figures on your board: 10%

Political figures with a formal relationship with your theatre, other than as a board member: 16%

Board members whose primary contribution is their name: 7%

Board professionals that provide pro bono work: 85%

Voting privileges for your artistic leader: 47%

Voting privileges for your managing leader: 35%

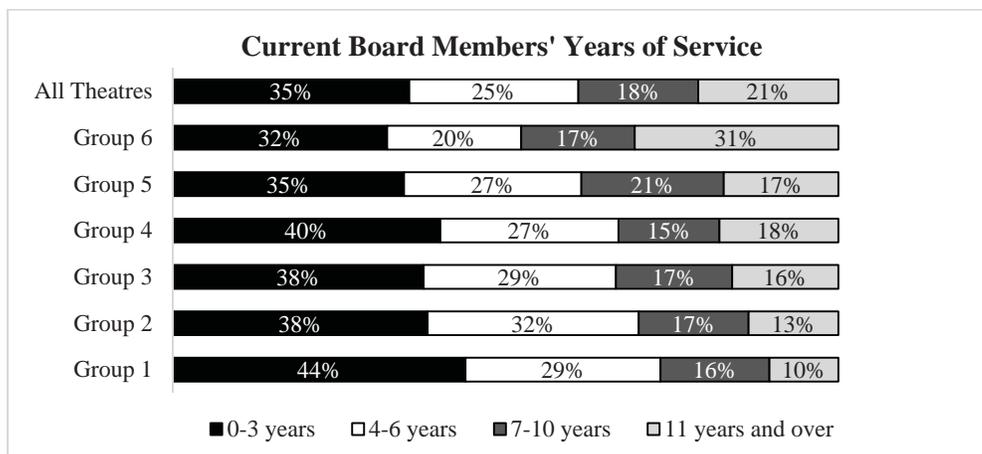
Non-voting board participation for your artistic leader: 32%

Non-voting board participation for your managing leader: 29%

An artistic leader who serves on other not-for-profit boards: 35%

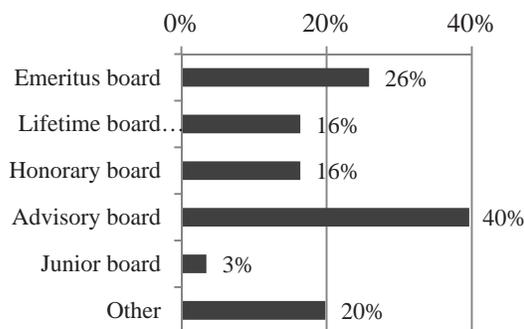
A managing leader who serves on other not-for-profit boards: 47%

- Across all theatres, 35% of current board members have served 0-3 years; 25% 4-6 years; 18% 7-10 years; and 21% 11 years and over. In general, the larger the annual budget, the longer current board members have been serving. Seventy-three percent of current board members at Group 1 Theatres have served 6 years or less, compared to 52% at Group 6 Theatres.

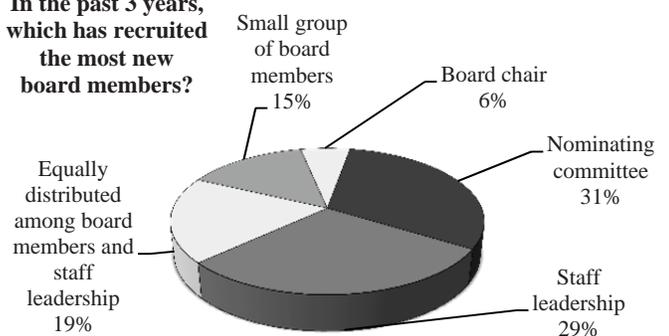


- The majority of theatres (64%) have a mechanism for retaining the wisdom and involvement of members who have retired from the board.
 - Just 44% of Group 2 and 50% of Group 3 Theatres have a knowledge retention mechanism in place compared to 87% of Group 6 organizations.
- More than three quarters of theatres (78%) have a mechanism for identifying and developing new members.
- More than three quarters of theatres (78%) have other kinds of boards in addition to the governing board. Advisory boards are the most common.
 - All Group 6 Theatres have established additional boards.
 - No Group 1 or Group 3 Theatre reported having a Junior board.
 - No Group 2 Theatre had either Lifetime or Honorary board members.
 - “Other” board mechanisms include a leadership council, corporate board, alumni board, student board and an artistic cabinet.
- Most often, nominating committees do recruiting of new members.
 - 57% of Group 6 Theatres rely on nominating committees for new board members, compared to zero Group 1 Theatres.
 - 58% of Group 1 Theatres depend on staff leadership for new board members.

In addition to the governing board, which of the following does your theatre have?



In the past 3 years, which has recruited the most new board members?



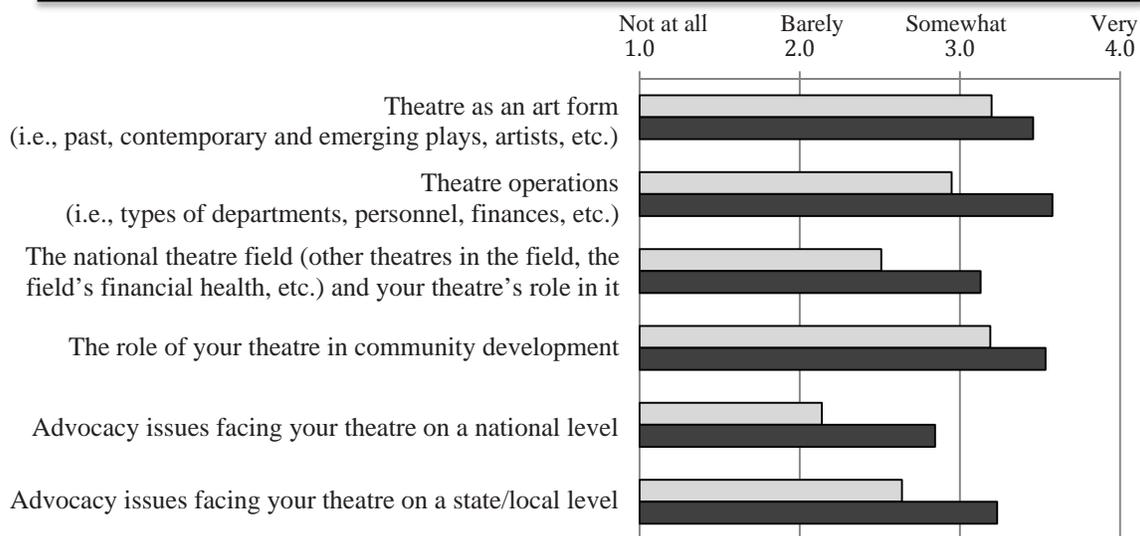
BOARD DEVELOPMENT/TRAINING

Healthy governance starts with cultivation and getting the desired mix of individuals to serve. Once those individuals join the board, Board Development and Training comes into play. When someone commits to serving as a trustee, it is up to the theatre to orient the new board member and to nurture in them a sense of investment in and commitment to the long-term life of the organization. Otherwise, even the most enthusiastic new board member will lose interest if the only way the organization engages them is with an annual gift request. We look at how theatres work to strengthen board performance and ownership in this section. Also, we take a look at perceptions of how success is measured.

Twenty-eight percent of managers believe their board to be very knowledgeable about theatre as an art form, 8% consider their board barely knowledgeable and the remaining 65% see their board as somewhat knowledgeable. Ninety-four percent of managers believe it is at least somewhat their responsibility to educate trustees on theatre as an art form. The chart that follows shows the extent to which managers believe their board members are knowledgeable about different aspects of the theatre, and the extent to which they see it as the theatre’s responsibility to educate trustees on that aspect. In every case, managers perceive a higher level of responsibility for educating the board about an area than they perceive the board’s knowledge level about that area.

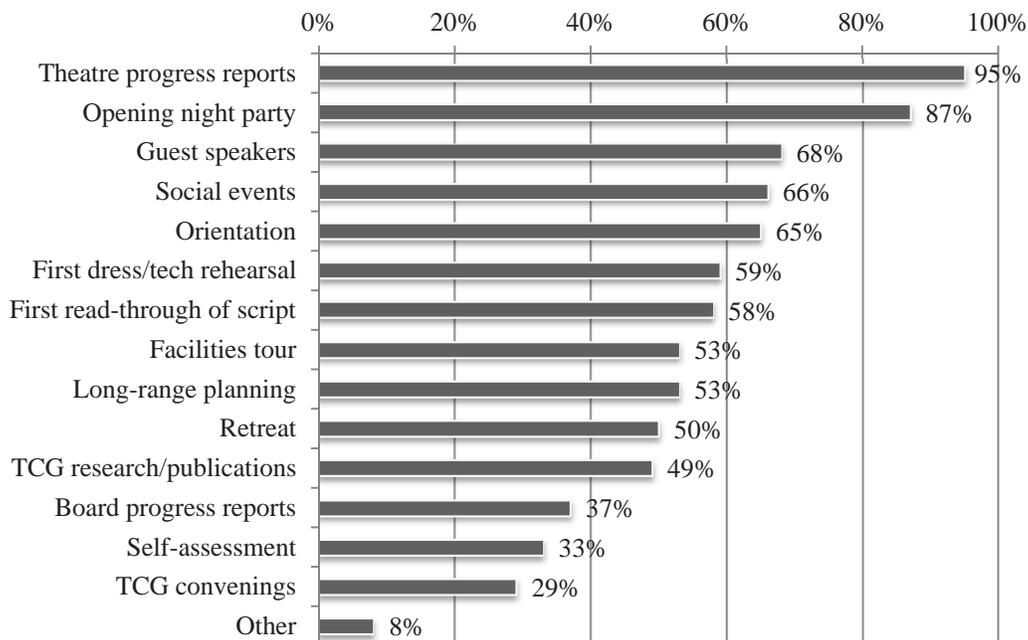
□ How knowledgeable do you believe your board is in terms of each of the following?

■ How responsible do you feel your theatre is for educating the board about each of the following?



These efforts to educate and to connect board members with the life of the theatre take various forms. One way that board education occurs is through sharing of TCG resources with board members, including *Theatre Facts* and research reports, conference materials, advocacy alerts and publications such as *American Theatre*. The chart below shows the many activities designed by theatres to strengthen board performance that board members were encouraged to engage in during the past fiscal year. In addition to buying into a theatre's mission and goals financially with contributions, board members give generously of their time as they become intertwined with the theatre's artistic, administrative and community life. Presumably, as board relationships are strengthened and board members become more knowledgeable of the art that is at the core of our organizations, they become more valuable and effective.

Which of the following activities designed to strengthen board performance has your theatre engaged in within the most recently completed fiscal year ?



Of the 2013 Survey Universe of Theatres:

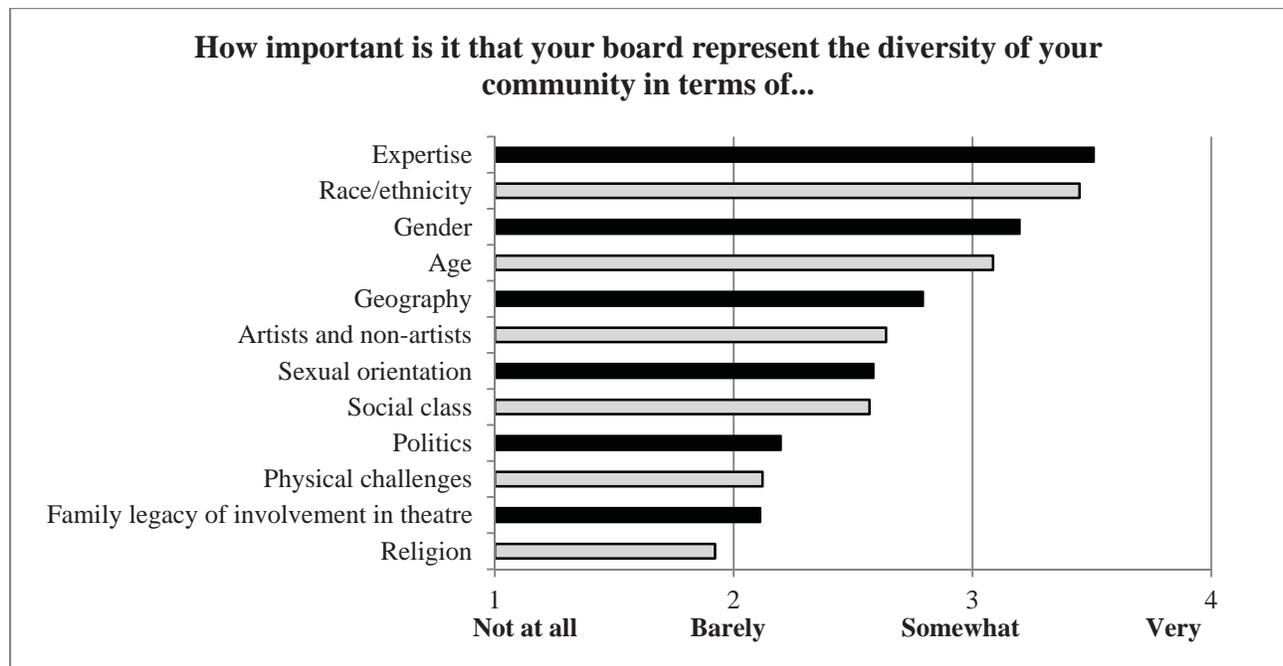
- Managers who believe it is *very much* their responsibility to educate trustees on theatre as an art form are 12% more likely to bring guest speakers to board meetings; 10% more likely to offer facilities tours; and 14% and 10% more likely to invite board members to first dress rehearsals and first script read-throughs, respectively.
- Every Group 4 and 6 Theatre distributes theatre reports to the board, and every Group 6 Theatre also brings in guest speakers and invites trustees to opening night parties.
- Fewer Group 1 and 2 Theatres conduct a board orientation for new members than other Groups—42% and 38% respectively.
- Group 5 and 6 Theatres are more likely to conduct board self-assessments.
- Other activities that theatres use to engage board members include workshops invitations and field trips.
- Nearly 70% of the theatres surveyed have a long-range plan in place.
 - Group 3 Theatres are less likely to engage the board in long-range planning—just 42% do so.
 - The larger the theatre, the more likely it is to have a long-range strategic plan.
 - 100% of Group 4 Theatres have a long-range plan, compared to just 58% of Group 1 and 50% of Group 2 Theatres.
 - Of those 80 theatres that have a long-range plan, 91% report that it helps in daily decision making and short-term planning.
- 58% of theatres have a board manual.
 - Generally, the larger the theatre the more likely it is to have a board manual—17% of Group 1 Theatres compared to 83% of Group 6 Theatres have a board manual.
- More than half (58%) of theatres do not have a leadership succession plan in place. Five of the theatres with no succession plan are in the process of creating one.
 - Of theatres with a succession plan, 58% have a succession plan for their artistic leader, 61% have one for their board chair and 31% have a succession plan for their managing leader.
 - 48% of Group 6 Theatres have a board chair succession plan.
 - More than half of the Group 4 Theatres have succession plans for both their artistic and managing leader.
- 41% of theatres conduct an exit interview when an individual leaves the board.
 - Most often, this interview is conducted by the board chair.
- 69% of theatres report lack of board time and 68% site lack of staff time as obstacles to board development and training. Just 27% report disinterest as an obstacle. Over half list lack of budget (51%) as well as other priorities (53%) as obstacles to board development.
 - More than three quarters of Group 1 and Group 2 Theatres see both lack of staff time and lack of money as obstacles to board development.
 - The most common obstacle for Group 6 Theatres is board members' lack of time.
 - Just 9% saw no obstacles to board development.
- While just 50% of theatres surveyed held a retreat in the last fiscal year, 68% have held one in the past 4 years.
 - Among those holding a retreat in the past four years, 87% achieved their desired results.
 - Every Group 6 Theatre retreat yielded the desired results.
 - 54% of these organizations used a professional facilitator during the retreat, and 88% of them would recommend the outside moderator used to other theatres.

Managers perceive that boards rank financial stability as the most important measure of success across all Budget Groups except Group 1, where strength of artistry is ranked as slightly more important. The table below shows the relative emphasis that board members place on various measures of success, with 1 being the most important measuring point and 9 being the least important measuring point. The overall average score accounts for the fact that theatres varied in their ranking of each success metrics' importance.

How Does Your Board Measure Your Theatre's Success?

Overall Rank	Success Metric	Overall Average Score
1	Financial stability	2.1
2	Strength of artistry	2.6
3	Attendance	3.8
4	Cultivation of relationship with community	5.3
5	Financial growth	5.4
6	Reviews/critical success	5.9
7	Members' own experience with the art	6.5
8	Cultivation of relationships with artists	6.5
9	Staff retention/satisfaction	6.8

The following chart indicates that managers believe, on average, that it is more than somewhat important that the board represent the diversity of their communities in terms of expertise, race/ethnicity, gender and age, on a scale of 1 to 4 (*not at all* to *very important*); religious diversity is seen as least important. The highest average indicated was 3.8 by Group 6 Theatres regarding the importance of board race/ethnic diversity.



The table below indicates what considerations managers emphasize in terms of board composition and recruitment, with 1 being the most important measuring point and 7 being the least important measuring point. Overall, access to wealth is the most important consideration when composing a board. Across all Budget Groups, access to wealth was rated as the most important consideration, on average, except at Group 1 Theatres where community connections was deemed most essential. At Group 6 organizations, personal wealth is an important factor as 65% rank it as the number one or number two consideration when composing or recruiting for the board. The overall average score accounts for the fact that theatres varied in their ranking of each factor’s importance.

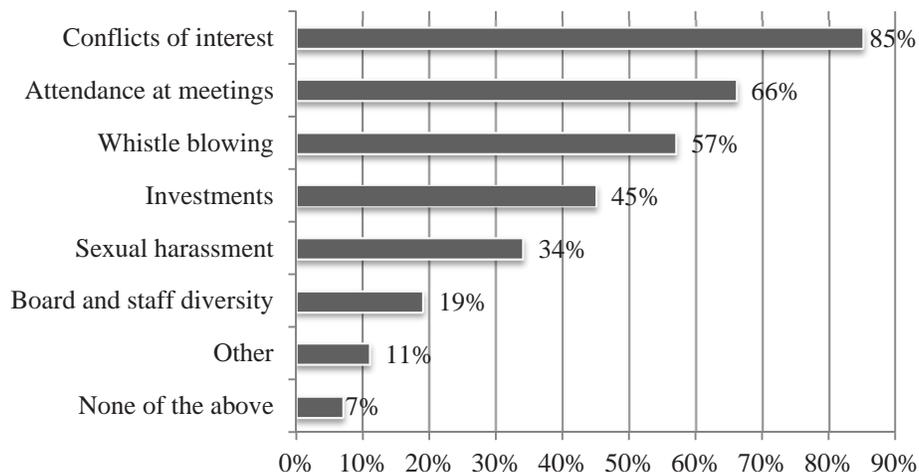
What are the most important considerations in terms of board composition/board recruitment?

Overall Rank	Considerations Regarding Board Composition/Recruitment	Overall Average Score
1	Access to wealth	2.6
2	Community connections	2.7
3	Expertise	3.1
4	Personal wealth	3.6
5	Diversity	4.5
6	Different perspectives	5.4
7	Prior not-for-profit board experience	6.0

BOARD POLICIES

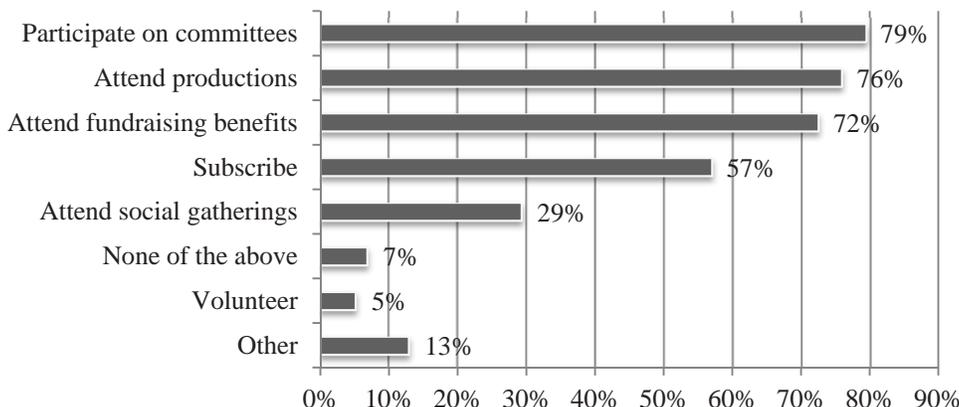
Having explored board composition and structure as well as board development practices and perspectives, we now turn to board policies. Formal policies and procedures establish clear articulation of expectations and priorities. They help staff leadership know what to expect of board members while helping board members know the full scope of what is expected from them. Many theatres have developed and formalized numerous board policies (see the table below for details). Nearly 90% of the Survey Universe theatres report having a written list of board members’ responsibilities and more than half have a board manual.

Does your theatre have a written policy on...



In addition to the policies described in the chart above, theatres require board members to participate in a variety of activities designed to engage them with the organization, described in the chart that follows.

Which of the following activities does your theatre require of board members?



Of the 2013 Survey Universe of Theatres:

- Board members are more likely to be required to attend productions than to subscribe.
 - Just 57% of theatres require board members to subscribe while 76% require they attend productions (acknowledging that most but not all theatres offer subscriptions).
 - Larger theatres are more likely to require board members to participate on committees.
 - Smaller theatres are more likely to require board members to volunteer in a hands-on capacity.
- Just 41% of theatres impose limits on the number of consecutive years that someone can serve as a member of the board. On average, board members may serve 7 consecutive years. This translates to an average of 3 consecutive terms.
- Nearly all theatres (97.4%) allow board members to rotate off the board and then serve once again.
 - Of these, 52% set no minimum number of gap years required before one may rejoin the board and all but 2 of the remaining theatres require only 1 year off before rotating on again.
 - 71% of theatres that allow board members to rotate off the board and serve again do not set a maximum number of terms that someone can serve.
- One quarter of theatres set limits to the number of consecutive years that an individual can serve as an officer of the board.
 - Of these, only 2 allow someone to serve as an officer for more than 6 consecutive years.
 - Two theatres do not allow a board member to serve more than one term as an officer.

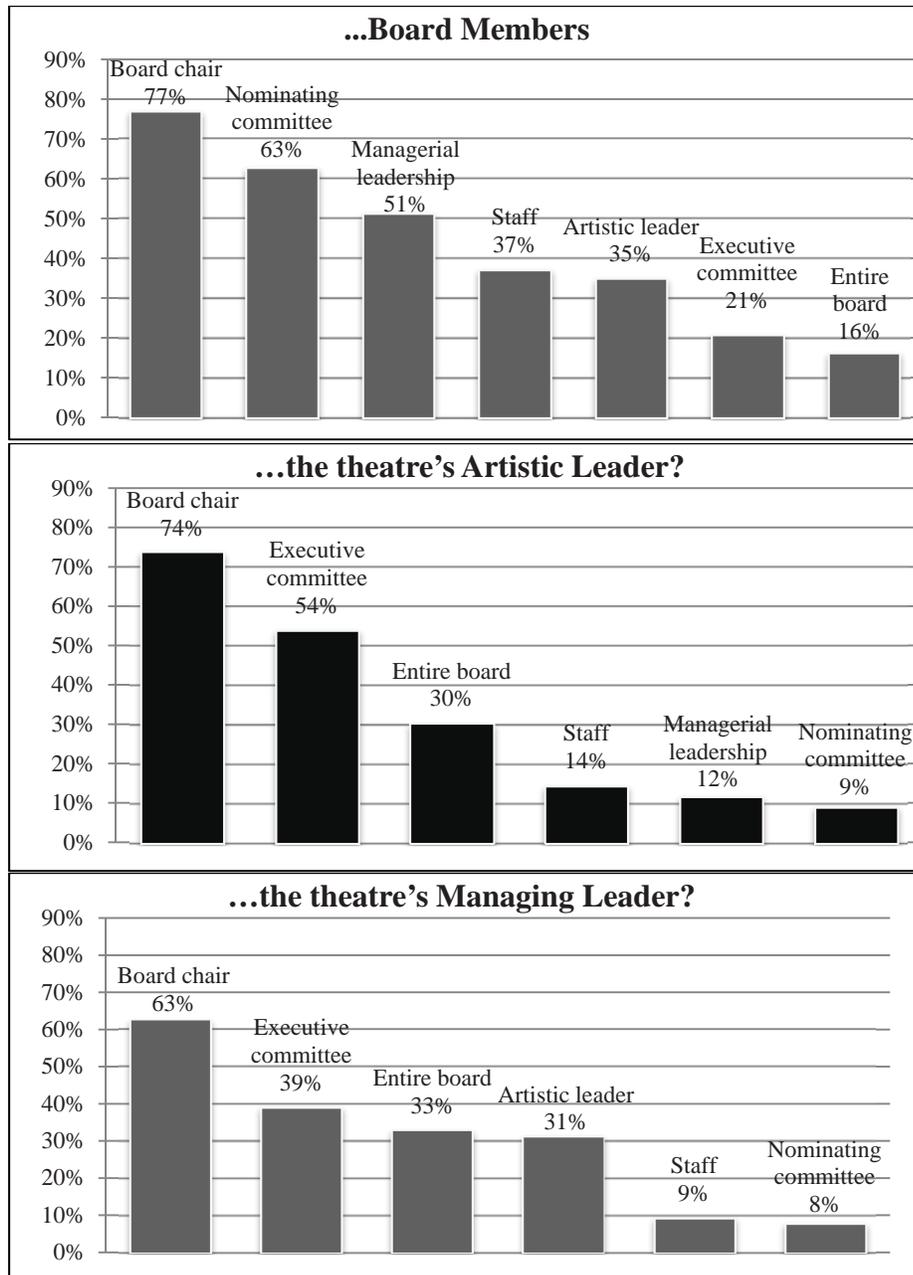
Nearly all artistic leaders (91%) report directly to the board at survey theatres, and managing leaders report directly to the board in 79% of the cases. Four percent of theatres also have some other staff position reporting directly to the board, including the development director and business manager.

The charts on the following page provide details on policies related to evaluation. Formal board evaluation of both managing and artistic leadership was conducted in 66% of theatres. By comparison, only 37% of boards conduct formal evaluations of board members. Sixty-five percent of theatres, however, report they ask board members to leave when they are not fulfilling their duties. Most of the time, this is the responsibility of the board chair.

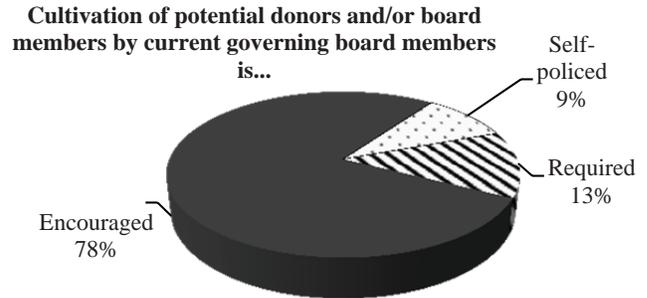
Of the 2013 Survey Universe of Theatres:

- Group 6 Theatres are more likely to have formal evaluations across these main roles.
- The board chair and the nominating committees have the greatest level of participation in evaluating board members at 77% and 63%, respectively.
- Nominating committees play a minimal role in the evaluation of artistic and managing leadership. Rather, the board chair and executive committees are most likely to participate in these evaluations.
- In theatres where formal evaluations occur, just 12% of managing leaders evaluate the artistic leader, while 31% of artistic leaders evaluate the managing leader.

Which of the following participate in the evaluation of...



- Only 15% of trustees provide professional services for which the theatre pays a fee or retainer. Four theatres reported that, if that fee is at a substantially reduced rate, the difference is considered an in-kind donation.
- Most theatres (83%) carry insurance for board members.
 - The average cost per year is \$4,472.
 - 96% of theatres that do carry insurance pay for it out of the theatre's budget.
- The large majority of board members are encouraged to cultivate potential donors and/or board members. Only 13% of theatres *require* board members to do so and in 9% of cases cultivation is left to board member discretion.



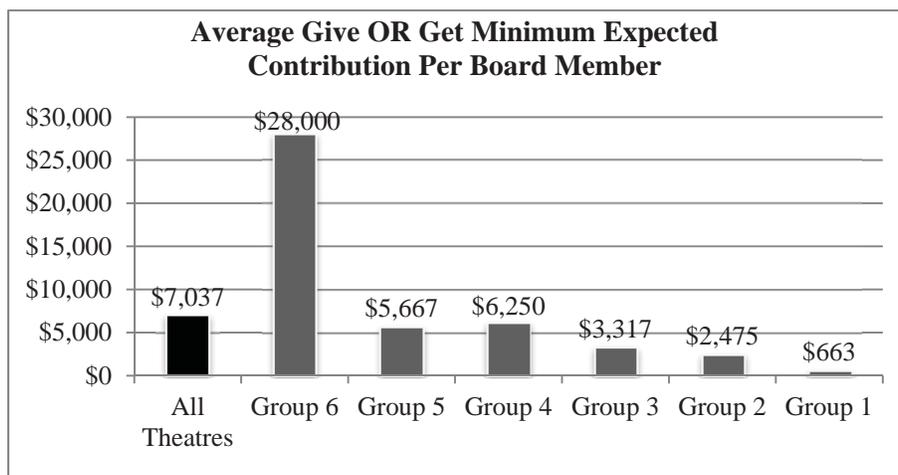
BOARD GIVING

Here we report on board giving policies and practices. Overall 22% of responding theatres do not have a donation requirement. The remaining 78% have a Give AND/OR Get requirement. The following table summarizes the percentage of theatres in each Budget Group that have Give AND/OR Get requirements.

	All Theatres	Group 6	Group 5	Group 4	Group 3	Group 2	Group 1
Give OR Get requirement	53%	45%	43%	25%	61%	63%	75%
Give AND Get requirement	25%	45%	33%	50%	17%	6%	0%
No donation requirement	22%	9%	24%	25%	22%	31%	25%

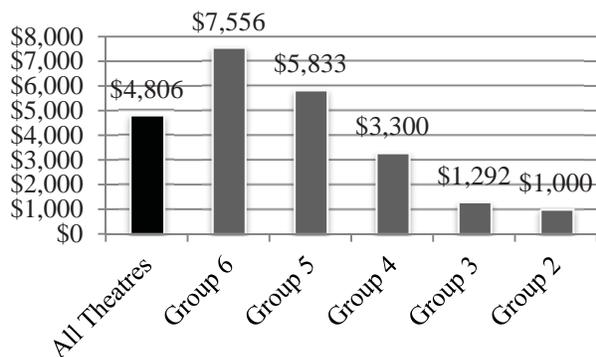
When a theatre has a Give OR Get requirement, the average minimum contribution per board members is \$7,037.

- Two of these organizations require their board members Give OR Get at a level that is “personally significant.”
- Group 6 board members are expected to give significantly larger gifts.

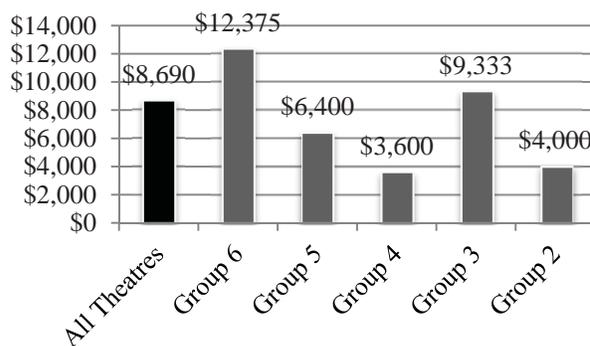


Alternatively, when a theatre has a Give AND Get requirement, board members are expected to contribute a minimum of \$13,496 on average through personal donations and other sources. The following charts break down expected contributions by budget group (Group 1 Theatres do not appear since no Group 1 Theatre has this policy).

Average Minimum Expected Personal Contribution Per Board Member: Give AND Get



Average Minimum Expected Contribution Per Board Member from Other Sources: Give AND Get



Of board members at theatres with a required minimum giving level, more than half—58%—give *above* that minimum level while 23% give *at* the minimum level, 15% gave less than the minimum level and only 4% give no gift at all. Group 1 Theatres reported an average of 74% of board members giving above the minimum level and all board members making some financial contribution. Group 2 Theatres had the lowest average level of board members giving above the minimum level (52%) and the highest level of board members making no gift at all (11%).

	Annual Fund	Capital Campaign	Cash Reserve	Other
% of theatres responding	97%	36%	34%	30%
Total # board members making gifts	2,903	566	38	158
Average # board donors per theatre	26	13	1	5
Total cash/cash equivalent gifts	\$38,918,717	\$32,703,374	\$972,838	\$3,656,106
Average total \$ per theatre	\$347,489	\$778,652	\$24,321	\$104,460
Average per person	\$13,406	\$57,780	\$25,601	\$23,140
Total in-kind	\$2,807,125	\$131,000	\$9,500	\$35,500
Average total in-kind per theatre	\$25,064	\$3,119	\$238	\$1,014

Of the 2013 Survey Universe of Theatres:

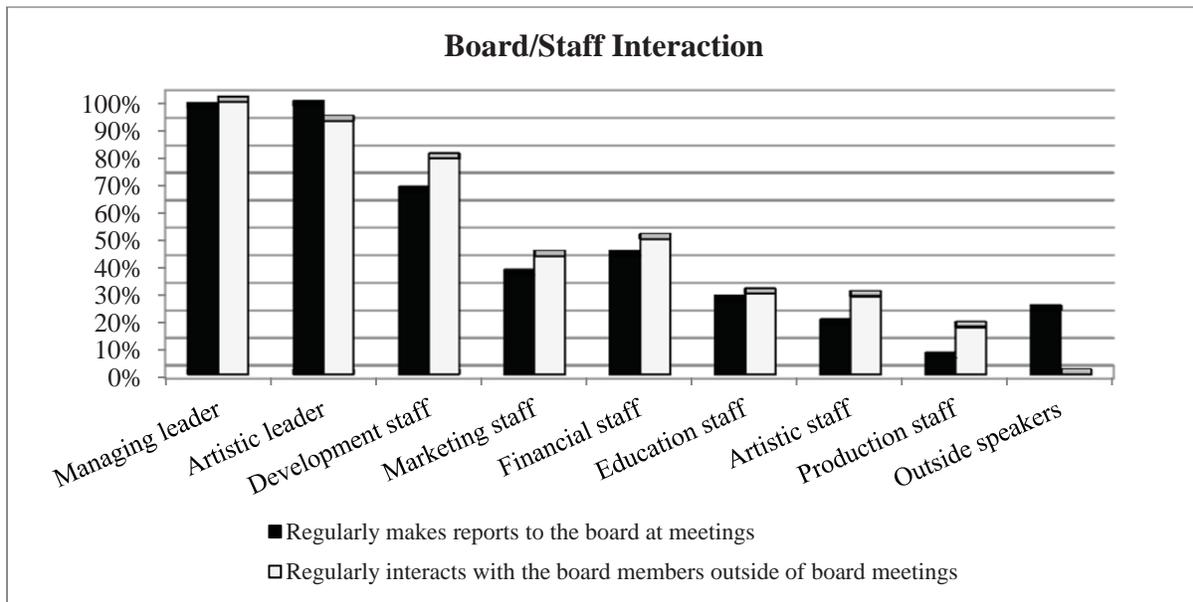
- An average of \$347,489 in total cash/cash equivalent gifts to the annual fund was donated by trustees, or \$13,406 per board member.
- All Budget Groups reported board contributions to the annual fund.
- The larger the theatre, the bigger the average contribution to the annual fund.

BOARD/STAFF RELATIONS

Well-defined, strong relationships between board and staff members can increase trustees’ sense of ownership in a more personal way than can policies and responsibilities. Furthermore, strong staff-board relationships require a commitment of time and effort from both sides. In this section we explore board-staff interaction, both the amount of time spent and the perceived relationship quality that results from those efforts.

Of the 2013 Survey Universe of Theatres:

- As shown in the following chart, most managing leaders (97%) and artistic leaders (97%) regularly make reports to the board at meetings.
 - All managing leaders at Budget Group 3, 4 and 5 Theatres make regular reports to the board, and 100% of managing leaders at all except Budget Group 2 Theatres regularly interact with the board outside of meetings.
 - Most staff members interact with board members on a regular basis outside board meetings rather than make formal board reports.
 - No Group 1 Theatre conducts regular artistic staff reports to the board and no Group 4 or 5 Theatre provides regular production staff reports to board members.
 - All Group 5 and 6 Theatres report that development staff members interact regularly with board members outside of board meetings.



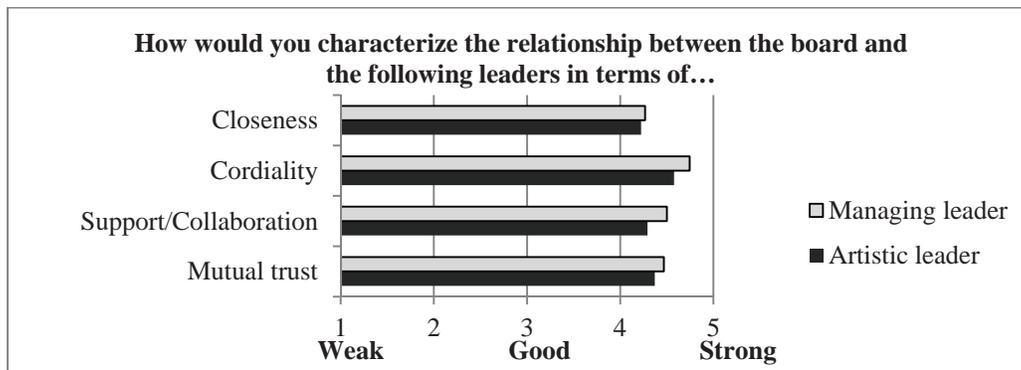
Of the 2013 Survey Universe of Theatres:

- On average, managing leaders spend 9 hours 7 minutes per week working with board members on board related matters, while artistic leaders average 5 hours 25 minutes, development directors average 7.5 hours, finance directors average 2 hours 16 minutes and marketing directors 1 hour 13 minutes.
 - These averages differ depending on theatre size. In general, at larger organizations, the managing leaders and development staff spend significantly more time working with board members than their counterparts at smaller organizations.
 - At Group 5 and 6 Theatres, managing leaders spend 12.4 hours and 10.2 hours, respectively, working with board members. Comparatively, Group 1 managing leaders spend 5 hours working with board members.
- Development directors at Group 5 and 6 Theatres work with board members an average of 10 hours 48 minutes per week and 12 hours 24 minutes per week, respectively. One Group 1 Theatre reported that a development director works with board members, dedicating 2 hours per week to that interaction.
- Non-senior staff interact with board members as follows:
 - 59% permit staff to sit in on board meetings.
 - 42% provide staff with board meeting updates.
 - 26% have board department tours.
 - Other activities mentioned include: theatre social activities and special events, as well as board committee work.
 - 16% report no non-senior staff members and board member interaction.

At the 2013 Survey Universe of Theatres:

- The governing board is responsible for hiring the artistic leader in 84% of the theatres. In 4% of theatres the artistic leader is hired by both the board and managing leader. At some of the remaining theatres, the managing leader (1%) or an umbrella organization does the hiring. Some theatres continue to be led by their founding artistic leader and have never had to hire new leadership.
- 75% of managing leaders are hired by the governing board, while 33% are hired by the artistic leader. Just one organization reports that hiring the managing leader is the joint responsibility of the board and company members.
- The board chair interviews candidates for important staff positions that require a high level of interaction with the board at 67% of organizations. The larger the theatre, the more involved the board chair is in these hiring decisions.
- Only 36% of artistic leaders formally solicit feedback from board members on the theatre's artistic work. Artistic leaders gather feedback through surveys, conversations, or during board meetings.

As seen in the chart below, managers perceive the relationships between their boards and the theatres' artistic and managing leadership as strong. Managing leaders characterize their relationship with the board as quite close and very cordial, with a high level of support/collaboration and mutual trust. The relationship between the artistic leader and board is also perceived as close and cordial with high levels of support and mutual trust, but slightly less so.



BOARD COMMITTEES

Committee work is required of governing board members by 79% of theatres. It is the most mandatory obligation asked of trustees and deserves greater examination, which the chart below provides. In addition to the committees listed below, theatres also form committees to address investments, community engagement, human resources, audit, outreach, scholarships, facilities, endowment, commercial projects and a host of other issues.

Which of the following committees does your board regularly employ?

	Executive	Nominating	Finance	Development	Marketing	Gala/ benefit	Artistic	Capital campaign	Staff and board diversity	Strategic planning
Percentage of theatres with this committee	90%	88%	91%	73%	34%	65%	10%	28%	11%	47%
Average number of members	9	6	7	10	6	6	7	6	5	7
Average number of annual meetings	6	5	7	7	5	7	3	7	5	5

Of the 2013 Survey Universe of Theatres:

- Executive, nominating and finance committees are active in more than 88% of theatres.
 - Every Group 4 and Group 5 Theatre reports having an executive committee.
 - All Group 5 and 6 Theatres have a nominating committee, and all Group 4, 5 and 6 theatres have a finance committee.
- No Group 5 Theatres reported having an artistic committee. With that exception, every type of committee was reported by at least one theatre in every budget group.
- On average, all committees are rated at least somewhat effective. Managers believe that the finance, executive and gala/benefit committees are the most effective in achieving their objectives and rate staff and board diversity committees least effective.
- 24% of theatres say they involve board members through mechanisms in lieu of committees. A common strategy for involving trustees is through task forces.

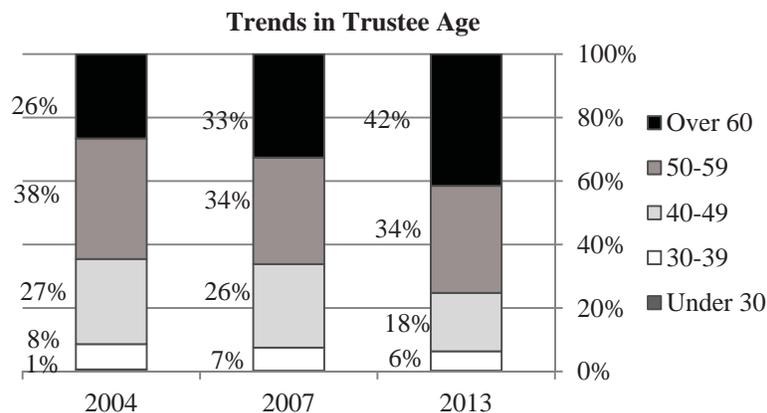
TREND THEATRES

There were 32 theatres that participated in the TCG Governing Boards Survey in 2004, 2007 and 2013, with an average of 32 board members average and an average budget of \$8.56 million in 2013. Several large theatres skew the average budget size. If we look at the median instead of the arithmetic mean, the midpoint in the budget range is \$4.6 million. The youngest of the group is 15 years old and the average organizational age is 41.

We now offer some insights into how board policies, composition, structure, relationships and decisions have changed over time for these 32 theatres. Where no trend is noted, it is due either to the fact that: 1) responses fluctuated so little over time that no trend emerged, or 2) new questions were added or questions were asked differently over the years so it isn't possible to examine responses consistently over time.

Theatres' responses varied insignificantly in most areas over time. The male/female ratio remains stable, as does the racial/ethnic composition of board members, both for men and women. Voting privileges have remained steady as has the duration of board meetings and the representation of artists on boards. Theatres appear to require the same activities of their board members over the years and the number of theatres with formal evaluations of managing, artistic and board leadership remains steady. There are no significant changes to the activities theatres engage in designed to strengthen board performance. The average number of board members serving on committees and the number of times per year that each committee met remained steady, as did the perceived levels of closeness and cordiality in both the managing and artistic leaders' relationship with the board. There has been virtually no change in whether the artistic leader solicits feedback from the board on the theatre's artistic work, whether the board chair interviews candidates for important staff positions or whether the board hires the artistic leader.

One area that has shifted over time is the age distribution of board members, as shown in the chart below. Specifically, there are now significantly fewer board members aged 40-49 and more trustees 60 and older.



For the Trend Theatres:

- Although the racial/ethnic make-up of these theatres' boards has not changed significantly over time, there is a sense of increased importance that the board represent the community in terms of race/ethnicity.
- More theatres now have a senior board mechanism that is used to retain the wisdom and involvement of board members who have retired from the board: 19 of 32 theatres in 2004, growing to 28 in 2013. Emeritus boards in particular have increased in number, from being in place at 13 Theatres in 2004 to 16 in 2013.
- Similarly, there has been tremendous growth in the use of board mechanisms to identify and develop future board members: 7 in 2004 and 2007, mushrooming to 26 in 2013.
- All but one theatre reported having a conflict of interest policy in 2013, whereas only 18 theatres had such a policy in place in 2004 and 25 in 2007.
- Written policies on sexual harassment and board/staff diversity have been on the decline. In 2004, 20 of the 32 Theatres reported having a sexual harassment policy and 15 had a diversity policy. Those figures steadily declined to 10 and 3, respectively, by 2013.
- Likely due to the timing of campaigns, far fewer board members were reported to have made personal contributions to cash reserve or board-designated funds in 2013 and 2007 than in 2004.
- Fewer nominating committees now take part in a formal evaluation of board members. In 2004, 12 theatres reported nominating committee participation in that process, rising to 14 in 2007 and ending at 9 in 2013.
- Similarly, 17 theatres reported that their executive board committee participated in an evaluation of the artistic leader in 2004, rising to 19 in 2009. By 2013, that figure dropped to 8.
- In 2004, 11 artistic leaders participated in a formal evaluation of the managing leader. Only 5 did so in 2007 and 2013.
- Increasingly, theatres see lack of theatre budget as an obstacle to board development/training: only 5 theatres perceived this to be the case in 2004 whereas it was reported by 16 theatres in 2013.
- Managing leaders and development directors now spend more hours per week working with the board than they did in 2004 or 2007, in both cases rising from 6 hours per week to 11 hours per week on average.

CONCLUSION

Active board leadership enhances the community ties and fiscal stability of theatres, ultimately supporting the foundations of great art. Going beyond stewardship to active leadership takes effort on the part of both the governing board member and the organization. TCG's last governance report, *In Whom We Trust: Theatre Governing Boards in 2007*, revealed trends showing significant improvement in trustees' level of knowledge about theatre and an increase in theatres' board development activities designed to strengthen bonds. In this report, we see a leveling off with no significant differences over time in these areas, perhaps due to organizations ramping up their efforts to a strong and effective level in earlier years. What we do see in the subset of Trend Theatres is a greater proportion of board members aged 60 and over, and little change in racial/ethnic diversification of board members over time.

TCG's current multi-year Diversity & Inclusion Initiative responds to this challenge by empowering theatres to diversify not only their board, but also their staff, artists and audiences; and to adopt organization-wide inclusive and equitable practices. In particular, TCG's Diversity & Inclusion Institute has assembled a peer cohort of theatres nationally to create action plans, manage diversity and serve as a laboratory for activating change. TCG is working with its membership to ensure that the next report will show demonstrable progress in achieving greater diversity at the board level across all intersections of difference, including racial and ethnic diversity.

In light of the critical role that governing boards play, it is essential that we understand more about governing board members, their relationship with theatre staff and how theatres structure board policies and activities. This report is

not intended to be prescriptive of an ideal, but merely descriptive of theatres' average response to questions. It is a place to begin considering how board composition, structure, policies and development, all work towards integration of governance—and those responsible for it—with the life and mission of the organization.

METHODOLOGY

The information in this report is based on the results of a Snapshot Survey administered by TCG to its Member Theatres. The use of the term “manager” throughout the report refers to the theatre leader who completed the survey. For theatres with a dual leadership structure—the majority of the survey participants—that individual was the managing leader. Respondents were encouraged to collaborate with their board chairs in answering the more subjective survey questions so that the information collected would better reflect both points of view.

The following 116 theatres participated in TCG Governing Boards Survey 2013:

1812 Productions, ACT Theatre, Actors Theatre of Louisville, Actors Theatre of Phoenix, Alley Theatre, Alliance Theatre, AlterTheater Ensemble, American Conservatory Theater, American Repertory Theater, Arena Stage, Arkansas Repertory Theatre, Asolo Repertory Theatre, Bag&Baggage Productions, Berkeley Repertory Theatre, Bloomsburg Theatre Ensemble, Boston Children's Theatre, Cara Mia Theatre Company, Center Stage, Center Theatre Group, Charleston Stage, Chenango River Theatre, Chicago Shakespeare Theater, Children's Theatre Company, Childsplay, Clarence Brown Theatre Company, Classic Stage Company, Classical Theatre of Harlem, Cleveland Play House, Cleveland Public Theatre, Commonwealth Shakespeare Company, Contemporary American Theater Festival, The Coterie Theatre, Crossroads Theatre Company, Curious Theatre Company, Dad's Garage, Dallas Children's Theater, Dallas Theater Center, Delaware Theatre Company, Denver Center Theatre Company, Dorset Theatre Festival, Everyman Theatre, Florida Repertory Theatre, Folger Theatre, Ford's Theatre, FUSION Theatre Company, GableStage, Geva Theatre Center, Goodman Theatre, Gulfshore Playhouse, Guthrie Theater, Hangar Theatre, Hartford Stage, Huntington Theatre Company, Idaho Shakespeare Festival, Indiana Repertory Theatre, Intiman Theatre, Jet City Improv, Kansas City Repertory Theatre, La Jolla Playhouse, Lantern Theater Company, Lark Play Development Center, Lexington Children's Theatre, Long Wharf Theatre, Manhattan Theatre Club, Marin Theatre Company, Ma-Yi Theater Company, McCarter Theatre Center, Merrimack Repertory Theatre, Milwaukee Repertory Theater, Mo'olelo Performing Arts Company, New Paradise Laboratories, New Repertory Theatre, New York Stage and Film, Inc., New York Theatre Workshop, Northlight Theatre, Off The Wall Productions, Omaha Theater Company, The Open Eye Theater, Oregon Contemporary Theatre, Oregon Shakespeare Festival, Palm Beach Dramaworks, Penumbra Theatre Company, Ping Chong + Company, PlayMakers Repertory Company, The Playwrights' Center, Playwrights Horizons, Portland Center Stage, Profile Theatre, The Public Theater, The Repertory Theatre of St. Louis, Round House Theatre, Roundabout Theatre Company, Seattle Children's Theatre, Seattle Repertory Theatre, Shakespeare Theatre Company, Shotgun Players, SITI Company, Soho Repertory Theatre, South Carolina Repertory Company, South Coast Repertory, Southern Rep, Theater J, TheatreWorks, TimeLine Theatre Company, Trinity Repertory Company, Two River Theater Company, Unicorn Theatre, Victory Gardens Theater, The Warehouse Theatre, WaterTower Theatre, Weston Playhouse Theatre Company, The Wilma Theater, Woolly Mammoth Theatre Company, Writers Theatre, Z Space, ZACH Theatre

For more information on TCG's research efforts, including *Theatre Facts* and prior reports from the Governing Boards Survey, visit the Research section of the TCG website at <http://www.tcg.org/tools/index.cfm>. For more information on TCG's Diversity & Inclusion Initiative, visit <http://www.tcg.org/fifty/diversity.cfm>.

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