SMU DataArts

Analysis of the Arts and Culture Sector of Rhode Island

Published July 2025

Research conducted by SMU DataArts

Produced in collaboration with Rhode Island State Council on the Arts (RISCA) and Rhode Island Foundation (RIF)

Data Collection

Phase 1

Report Goals & Context

The team at the Rhode Island State Council on the Arts (RISCA) and Rhode Island Foundation (RIF) approached SMU DataArts in early 2024 with the goal of understanding the impact of the pandemic and other challenges on the financial and operational health of organizations funded by the state and RIF as well as to support collective case-making. In collaboration with RISCA and RIF, SMU DataArts developed a multi fiscal-year survey to be distributed to 140 funded organizations. The survey collected data on organizational characteristics, financial and operating health metrics, as well as perspectives on organizational successes, changes, and future priorities.

FY2022 and FY2023 fiscal years data were collected, with the option of completing FY2019 data. The survey took approximately 1-2 hours per fiscal year collected and was offered in both English and Spanish. Participating organizations who completed both FY2022 and FY2023 received a $100 grant/stipend from RIF.

Complete data was collected from 39 member organizations from September 2024 to January 2025. Partial data was accepted from 11 members for a **total of 50 participating organizations for a 36% response rate**. In addition to data collection, data from the IRS was also integrated to provide a more robust picture of those organizations who did not participate in data collection efforts.

This report provides highlights trends related to financial health, workforce, programming, and audiences from 2019 to 2023. As such, this report is a look back at the health of Rhode Island organizations before and after the early stages of emergence from the pandemic.

Methodology

To gain insights into the financial and operational health of funded organizations, we focused on key financial metrics such as revenue, expenses, and surplus/deficit for fiscal years 2019, 2020, 2021, 2022, and 2023. Other operational metrics such as workforce composition and programming trends are analyzed for fiscal years 2022 and 2023 due to data availability.

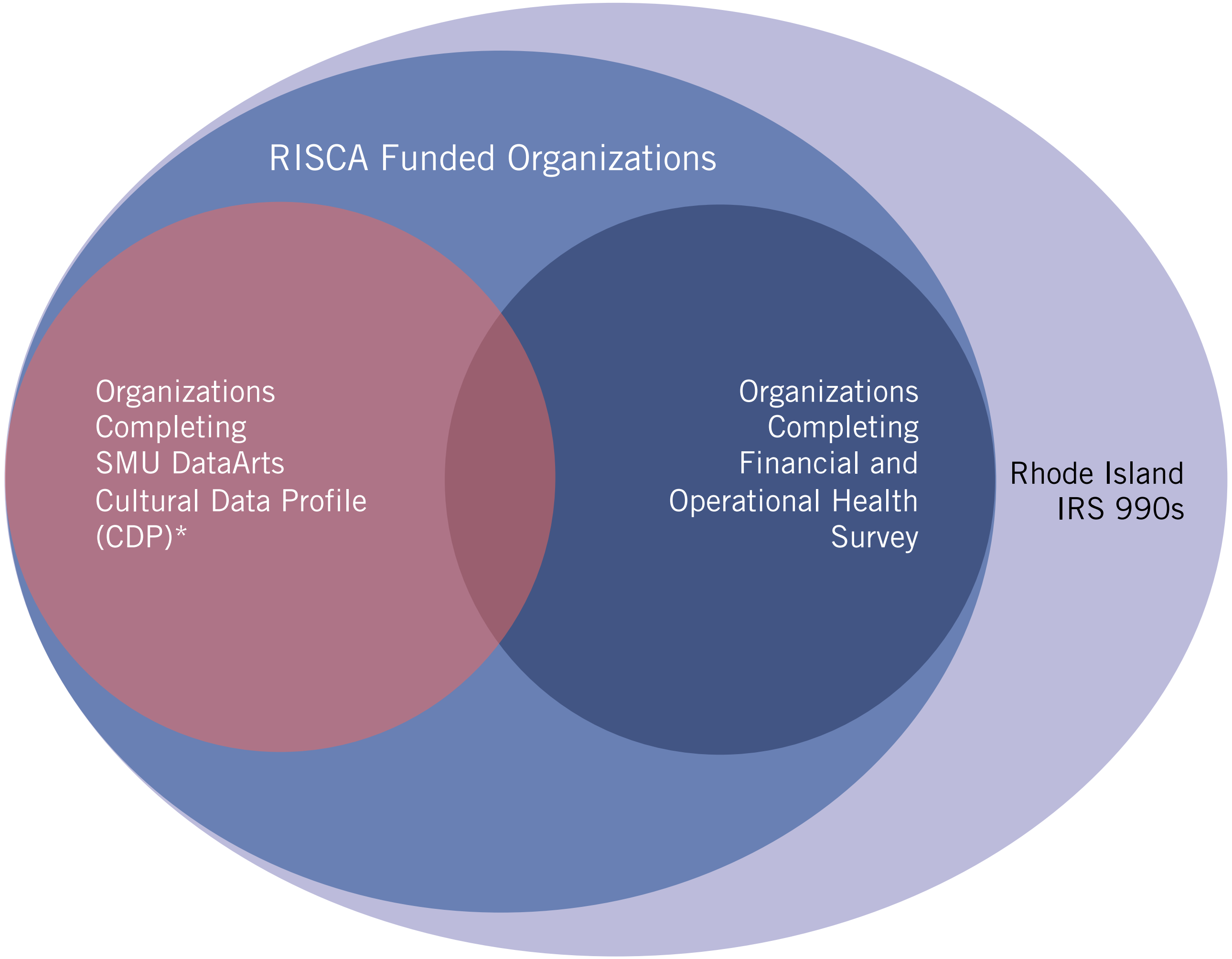
Comparisons to neighboring states in New England are included in this report. Additionally, data is analyzed by budget size, discipline, and revenue composition splits which adds context to where trends diverge based on organizational characteristics.

Throughout the report, we may draw comparisons to national trend findings using data collected through the Cultural Data Profile (CDP). The median budget size of the national findings is large ($357K) compared Rhode Island organizations. It is important to note that the median budget size fluctuates depending on the lens through which we view the data; funded organizations have a lower median budget size when compared to only those who participated.

Financial data in this report reflect a 19% adjustment for inflation when comparing 2019 to 2023 and 3% when comparing 2022 to 2023 figures. This adjustment is critical to understanding the very real impact on the cost of operations. Inflation causes economic uncertainty which can translate to fewer recreational expenses on artistic experiences as well as more discretion in donations.

Our approach included using medians instead of averages to represent the typical values in the data, a decision driven by the need to mitigate the influence of outliers or skewed data toward large values for certain metrics.

IRS Data Integration



Data from 2019-2023 was integrated using a hierarchical progression:

1. Integration first looked at available CDP and Financial and Operational Health Survey data first, followed by IRS 990s.
2. Since 2019 was optional and the Operational Health Survey did not collect FY20 and FY21, most of this data depended on IRS 990 inputs.

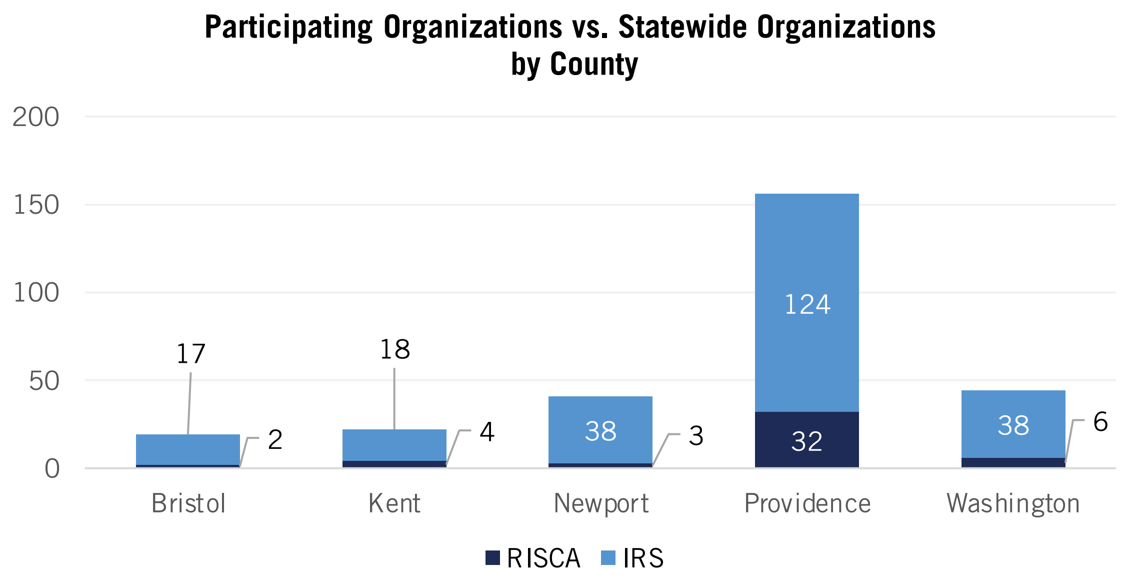
The IRS990 data can address only a very limited number of topline measures.

Throughout the report, different sample sizes exist due to the availability of measures across sources, and the reliability of each source across the 5 fiscal years.

**Only two organizations completed the Cultural Data Profile*

Organization Characteristics

	Participating Organizations [Operational Health Survey]	All Invited Organizations [Survey Collection + IRS 990*]	Statewide Organizations [Operational Health Survey+ IRS 990]
Count Organizations	52	103	282
Available Fiscal Year(s)	2019 (optional); 2022; 2023	2019;2020;2021;2022;2023	2019;2020;2021;2022;2023
Median 2023 Expenses	$142,670	$189,755	$139,194



- The analysis in this report focuses on available data for statewide organizations (n=282).
- For some detailed datapoints, we are limited to only those who participated in the survey collection (n=52).
- *Only 501(c)(3) nonprofits with IRS 990 data or survey participation are included; some invited organizations were excluded if they did not complete the Operational Health Survey.*

Changes in the Rhode Island Creative Workforce

- The creative workforce as defined by occupation is significantly larger than the group of independent artists, who are a subset of this workforce.
- The artist and creative workforce in Rhode Island has grown at a faster pace than the state's population.
- Independent artists may have experienced a higher growth rate compared to the overall creative workforce.

Rhode Island	2019	2023	# Change	2022-23 % Change
# Independent Artists	1,024	1,556	532	52%
95% Confidence Interval	(856-1,192)	(1,330-1,782)	(250 – 814)	(24%-79%)
# Creative Workforce	43,668	54,509	10,814	25%
95% Confidence Interval	(42,514 – 44,822)	(55,927 – 53,091)	(9,013 – 12,669)	(21% - 29%)
Total Population	1,057,231	1,095,371	38,140	4%

Data from the Census Bureau's American Community Survey Public Use Microdata Sample 5-yr Estimates (ACS PUMS)

Understanding the New England Benchmark

To contextualize Rhode Island's performance within the broader New England region, a comparison cohort was constructed using IRS data from arts and cultural organizations across Massachusetts, Connecticut, Vermont, New Hampshire, and Maine, *excluding* those based in Rhode Island.

Organizations were selected based on similar reporting periods and data completeness criteria, ensuring consistency across financial and metrics. The cohort was then filtered to include only organizations within a comparable range of budget sizes and arts-related sectors. This approach enabled a like-for-like analysis of trends in revenue growth, expense management, and financial health across structurally similar institutions.

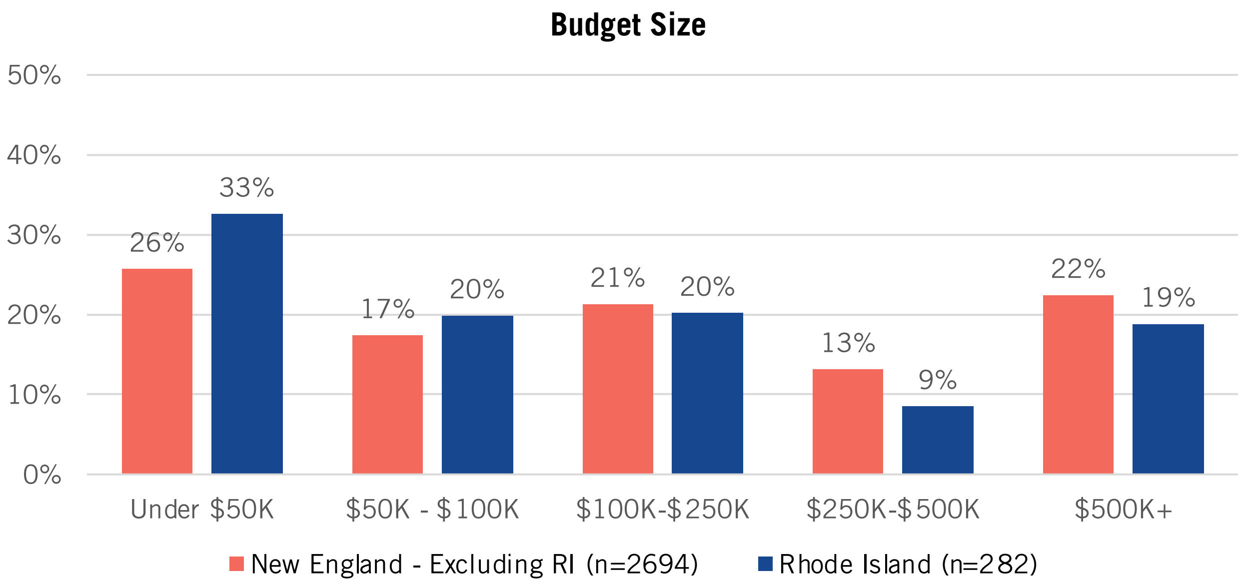
The final cohort includes 2,694 arts and culture organizations.

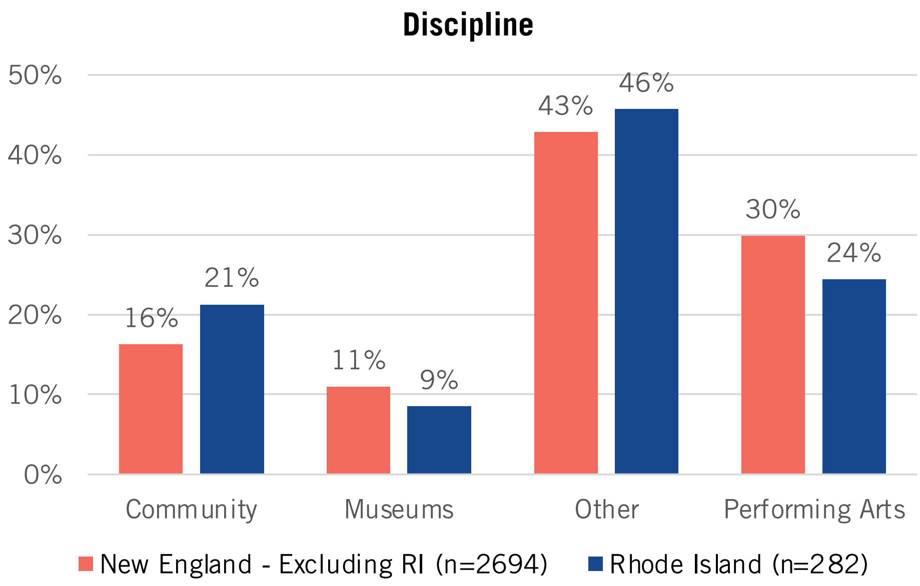
These benchmark figures help frame Rhode Island's performance not in isolation, but as part of a shared regional experience—where structural differences may influence financial and operational outcomes just as much as geography. This context allows us to better understand where Rhode Island aligns with or diverges from regional patterns in structure and scale.

	Rhode Island Organizations [Operational Health Survey+ IRS 990]	New England Organizations (non-RI) [IRS 990]
Count Organizations	282	2,694
Median 2023 Expenses	$139,194	$156,846

Data Segmentation:
Rhode Island vs. Peer New England States

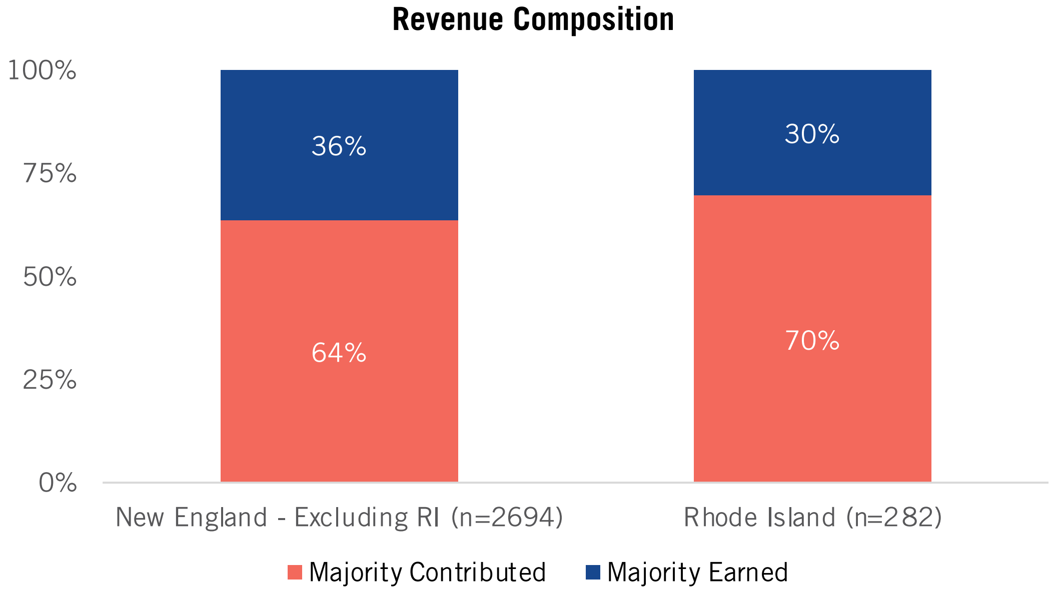
- New England (non-RI) organizations are larger than those studied in Rhode Island, however over a quarter still report total expenses less than $50,000.
- The New England (non-RI) comparison cohort reveals a larger budget median, the result of more representation in larger budget groups.
- Sector splits are generally similar, with higher proportions of performing arts organizations in non-Rhode Island New England states, and more community-based organizations in Rhode Island.





Revenue Composition: Rhode Island vs. Peer New England States

- Revenue composition is relatively similar between organizations in Rhode Island and their neighboring New England peers.
- A slightly higher share of organizations in the rest of New England rely on earned income sources such as ticket sales, subscription revenue, and tuition fees for 50% or more of their total revenue.
- This is compared to Rhode Island organizations which have a 7:3 ratio of organizations reliant on contributed revenue models versus earned revenue models.



	Primary Contributed Revenue	Primary Earned Revenue
New England (Non-RI)	$147,308	$199,472
Rhode Island	$107,944	$193,759

Emerging Storylines

Phase 2

Executive Summary

In 2023, Rhode Island arts organizations reported higher median surpluses than peers in both New England and nationally. Overall, the median arts organization in Rhode Island saw modest revenue growth of 2% in 2023.

- Yet this top-line improvement concealed deeper stress: 70% of organizations still ended the year in deficit, unable to keep pace with accelerating expenses.
- In 2023, revenue for Rhode Island arts and cultural organizations remained 10% below pre-pandemic levels, while organizations in the rest of New England have, on average, returned to pre-pandemic revenue levels.
- Contributed-income organizations—those dependent on private philanthropy and grants—experienced larger 7% revenue increases, largely fueled by individual giving. However, they also reported 16% expense growth, resulting in tighter margins.

This pattern reflected how many groups spent down their surpluses to reinvest in programming and people, even as revenue growth remained constrained.

- Personnel investment surged, particularly in the performing arts, who saw a 22% rise in personnel expenses in 2023.
- At the same time, median attendance across the performing arts dropped 31%, a stark reminder that operational recovery doesn't guarantee audience return.

Executive Summary

Organizational scale played a powerful role in shaping financial outcomes.

- The smallest organizations demonstrated the most revenue growth, buoyed by flexible cost structures and sharp rises in contributed support.
- Small and mid-sized groups faced more volatility. Organizations with budgets between $100K and $250K experienced the steepest revenue declines and slashed expenses by 8% just to stay solvent.
- Meanwhile, the very largest institutions were the only cohort to increase revenue above inflation, but many still posted deficits, squeezed by capital pressures and a 10% drop in fixed assets.

The path organizations took to balance their budgets reflected both their revenue model and size.

- Groups primarily reliant on contributed income, including smaller nonprofits and many community-focused organizations, often saw success in rallying support, specifically among individual donors. These organizations often chose to grow program offerings and increase pay, leaning into their missions while drawing down reserves.
- Still, even with this donor energy, contributed income remained 17% below pre-pandemic levels statewide. Nationally, contributed revenue lags 6%
- Earned-revenue organizations faced a harder road as this core source of income remained 27% below 2019 levels. These groups managed costs aggressively, cutting expenses by nearly a fifth relative to pre-pandemic spending. Yet many still struggled with razor-thin margins.

Statewide Key Findings

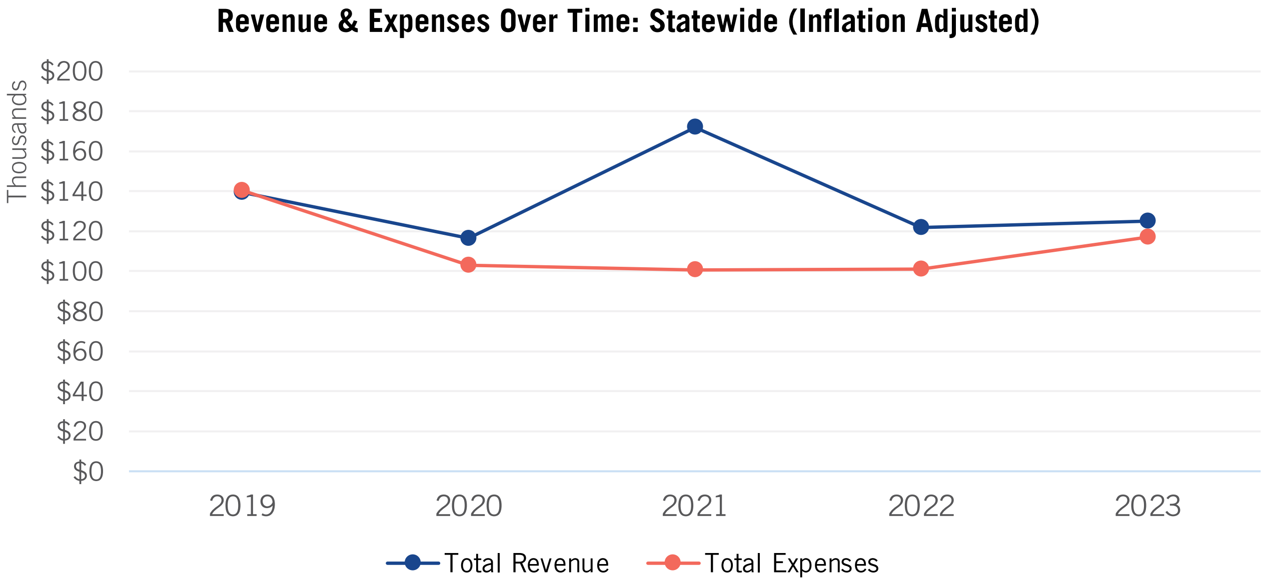
BRIGHT SPOTS

- In 2023, Rhode Island arts organizations reported higher median surpluses than peers in both New England and nationally.
- Similarly, the state outpaced neighboring peer states in New England in terms of working capital; months of working capital grew 30% from 2019 to 2023.
- Trustee and individual giving among survey respondents increased from 2022 to 2023.
- From 2019 to 2023, 40% of Rhode Island organizations grew earned income – compared to only 26% reporting growth in the rest of New England.
- Audiences and related programming grew from 2022 to 2023 among surveyed organizations.
- To support increased programming, surveyed organizations retained payroll staff while increasing personnel investment by 14% above inflation

AREAS OF CONCERN

- Rhode Island organizations faced a more acute financial squeeze compared to neighboring New England peers, with expenses rising faster than revenue, which remains 10% below pre-pandemic levels.
- With both contributed and earned income under pressure, Rhode Island organizations face growing revenue instability, falling well behind regional trends where total support dollars have risen 16% above pre-pandemic levels.
- From 2022 to 2023, months of working capital fell in Rhode Island fell 8%, indicating a spend down of reserves. The decline was more drastic than declines observed in neighboring New England states.
- Despite gains in individual donor support, contributed revenue amongst surveyed organizations fell 31%, driven by a 40% drop in foundation support and the wind-down of government relief, which cut public funding by 30%.
- Growth in programming and audiences did not translate to earned income increases, which fell 13% from 2022 to 2023.

Expense growth is outpacing revenue growth, but surpluses remain.



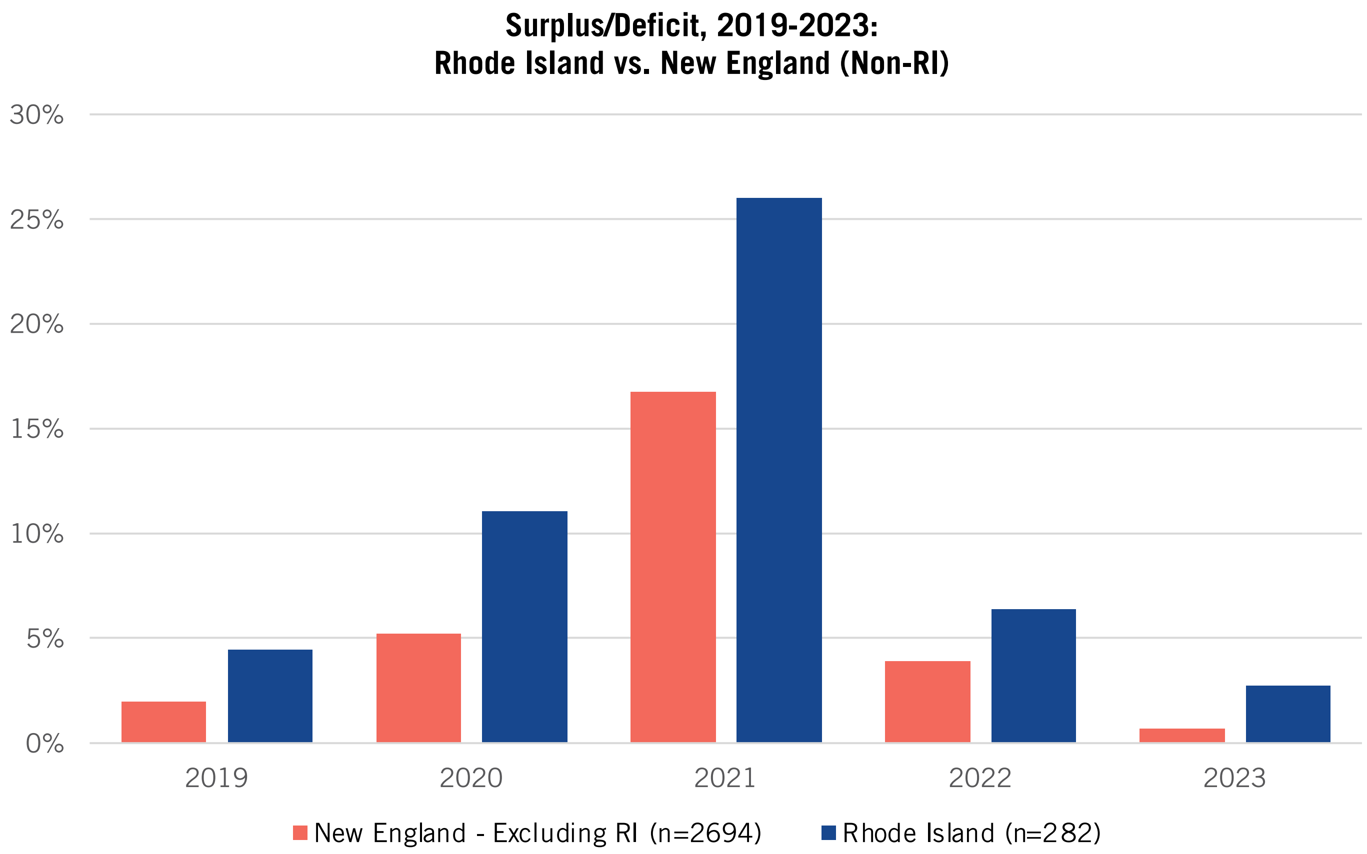
- Total revenue increased nominally from 2019 to 2023. However, with inflation adjustments, 2023 income is 10% lower than pre-pandemic levels.
- From 2022 to 2023, median expenses increased 15% while revenue rose by only 2%.
- This is compared to out-of-state peers in the New England region, where revenue grew slightly faster than expenses (8% vs. 7%) from 2022 to 2023.
- The narrowing gap between revenue and expense growth suggests potential challenges in sustaining surpluses moving forward.

	2019	2020	2021	2022	2023	1 Year % Change (Inf. Adj.)	5 Year % Change (Inf. Adj.)
Total Revenue	$139,479	$128,201	$182,283	$141,553	$148,930	+2%	-10%
Total Expenses	$140,509	$113,286	$106,715	$117,440	$139,194	+15%	-17%
Expenses as % of Revenue	101%	88%	59%	83%	93%		

Sample Size = 280

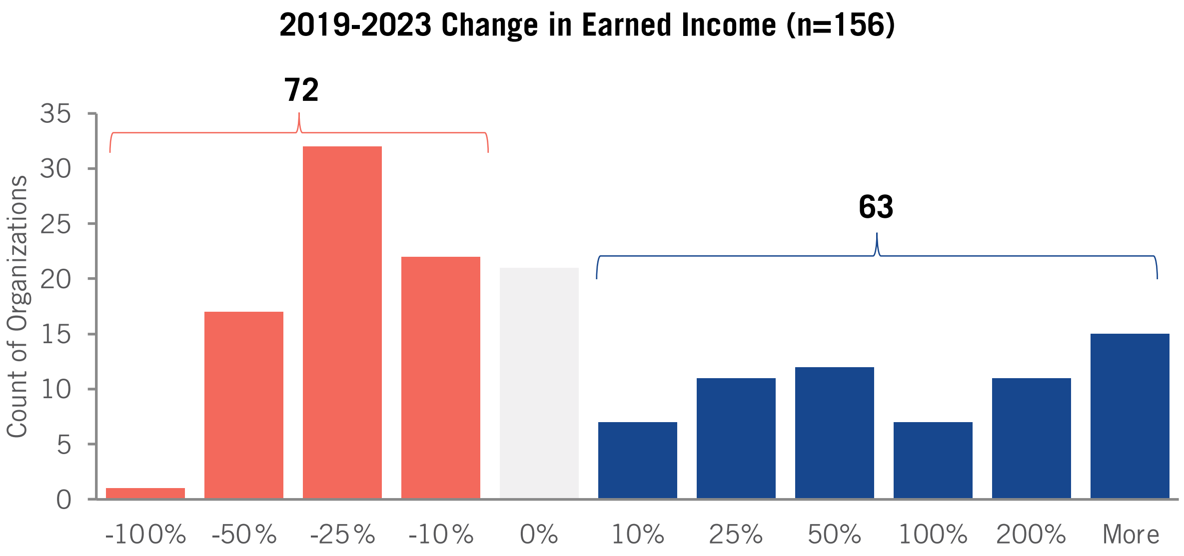
Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

More organizations operating on thinner margins point to a spend-down on reserves.



- Rhode Island organizations have maintained surpluses, with higher margins reported in 2023 (3%) than what is observed both regionally (1%) and nationally (-1%).
- However, as expenses rise at a faster rate than revenue, surpluses have decreased, placing both Rhode Island and its New England Peers at all-time low levels of surpluses.
- Although surpluses remain, these findings suggest that most organizations were relying on reserves to maintain operations rather than growing their financial cushion.

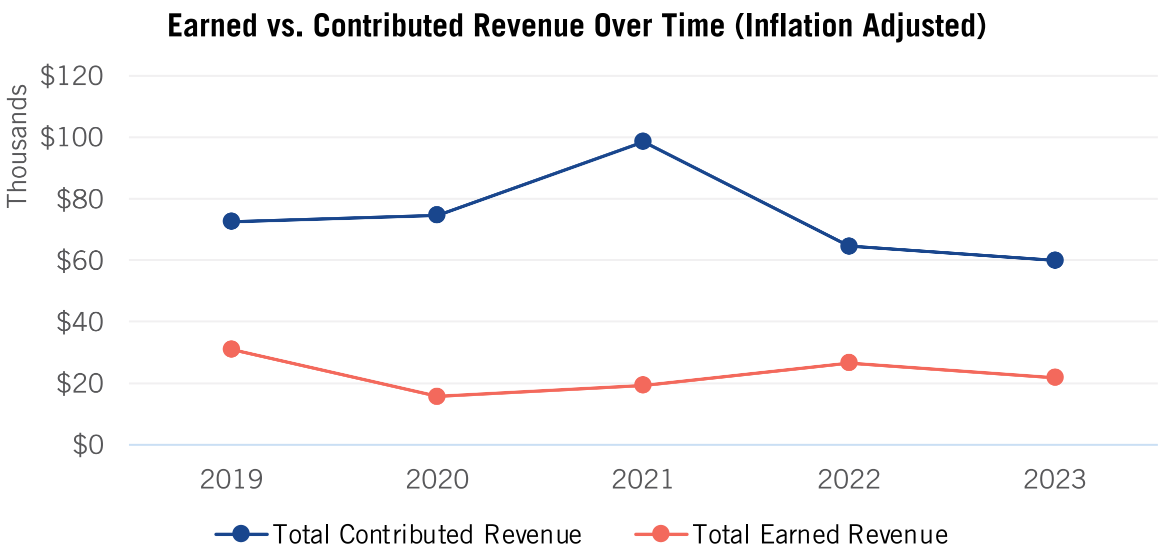
In Rhode Island, uneven earned revenue recovery highlights disparities.



Earned Income Change Range	2022-2023 (n=185)	2019-2023 (n=156)
25%+ increase	20%	32%
Less than 25% increase	10%	14%
Remained the same	10%	13%
Less than 25% decrease	12%	4%
25%+ decrease	48%	10%

- Earned income in Rhode Island declined by 30% compared to pre-pandemic levels. This decline was more than double the 14% drop across the rest of New England and the 12% decline nationally.
- However, distribution was mixed; many organizations did well, but a subset observed deep losses in earned income.
    - Nearly one-third (32%) of organizations experienced earned income declines of 25% or more over the full period, while 40% saw gains.
    - From 2022 to 2023, 48% of organizations reported sharp declines of 25% or more in earned income.
- These patterns point to growing disparities in recovery outcomes across the state. Future sections of this report reveal differences in earned revenue recovery based on budget size and discipline.

Contributed income recovery trails rest of New England and national trends.



	1 Year % Change (Inf. Adj.)	5 Year % Change (Inf. Adj.)
Total Contributed Revenue	-7%	-17%
Total Earned Revenue	-18%	-30%
Total Revenue	**+2%**	**-10%**
Total Expenses	**+15%**	**-17%**

Sample Size = 156 organizations reporting earned income for both 2019 and 2023 fiscal years

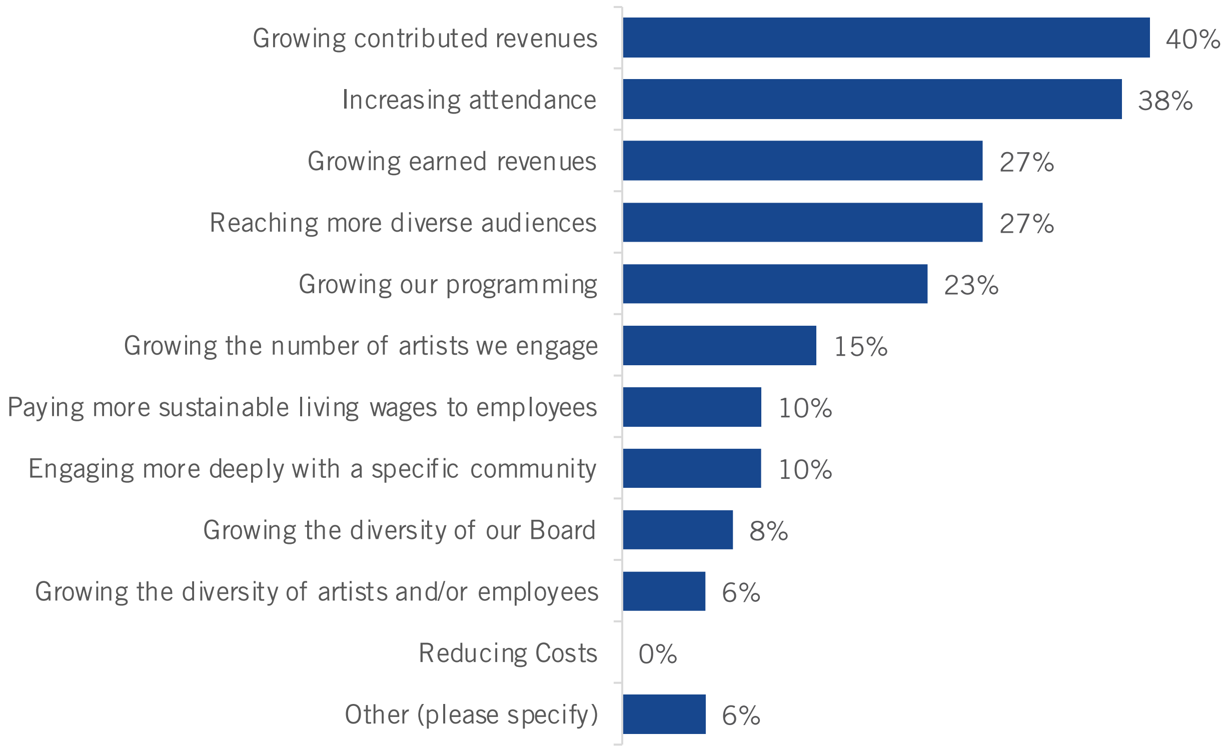
- Contributed income remains 17% below 2019 levels for Rhode Island organizations. Nationally, contributed income rose 6% above inflation over the same period while peers in New England broadly observed a 16% increase in support dollars.
- From 2022 to 2023, Rhode Island organizations saw a 7% drop in contributed income, reversing some pandemic-era gains. This stands in contrast to New England peers, who continued to grow support 6% above inflation.
- These declines have had an outsized impact, given that contributed income made up two-thirds of total revenue in 2023 for the median organization.
    - Among organizations surveyed, private sources of funding were responsible for most support dollars, with foundation funding reflecting 17% of contributed revenue.

Signs of resilience as organizations seek to increase support and engagement.

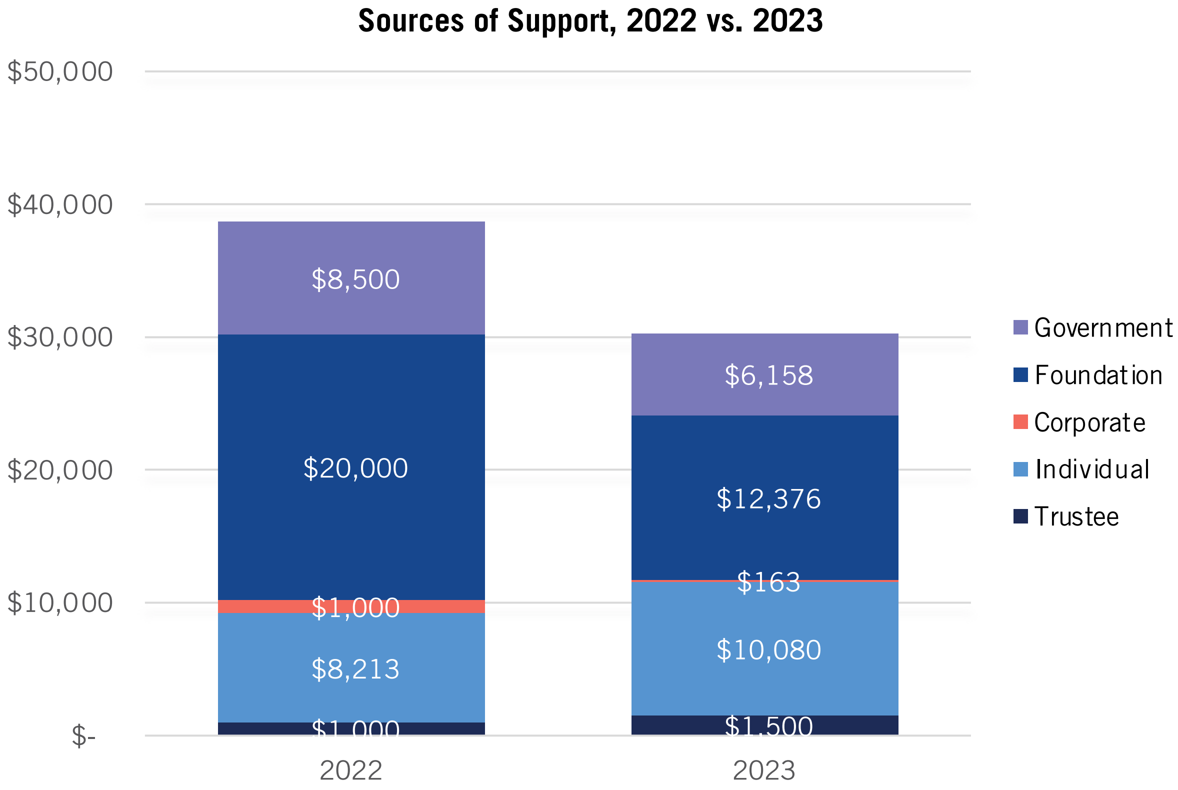
- Growing contributed income is the top priority for 2025 among surveyed organizations, followed by boosting attendance, earned revenue, and audience diversity.
    - Of the 52 participants in the Operational Health Survey, 15 grew their contributed income—often dramatically, more than tripling their support.
- While total earned income declined, organizations with ticket and membership revenue saw year-over-year growth from 2022 to 2023, signaling renewed momentum in constituent-driven revenue streams.
    - From national trend research, we can infer that perhaps the decline in earned revenue streams was due to decreased education-based income.

Sample Size = 52

What are the top priorities for change or progress at your organization over the next year?



One-year trends reveal individual donors stepping up support.



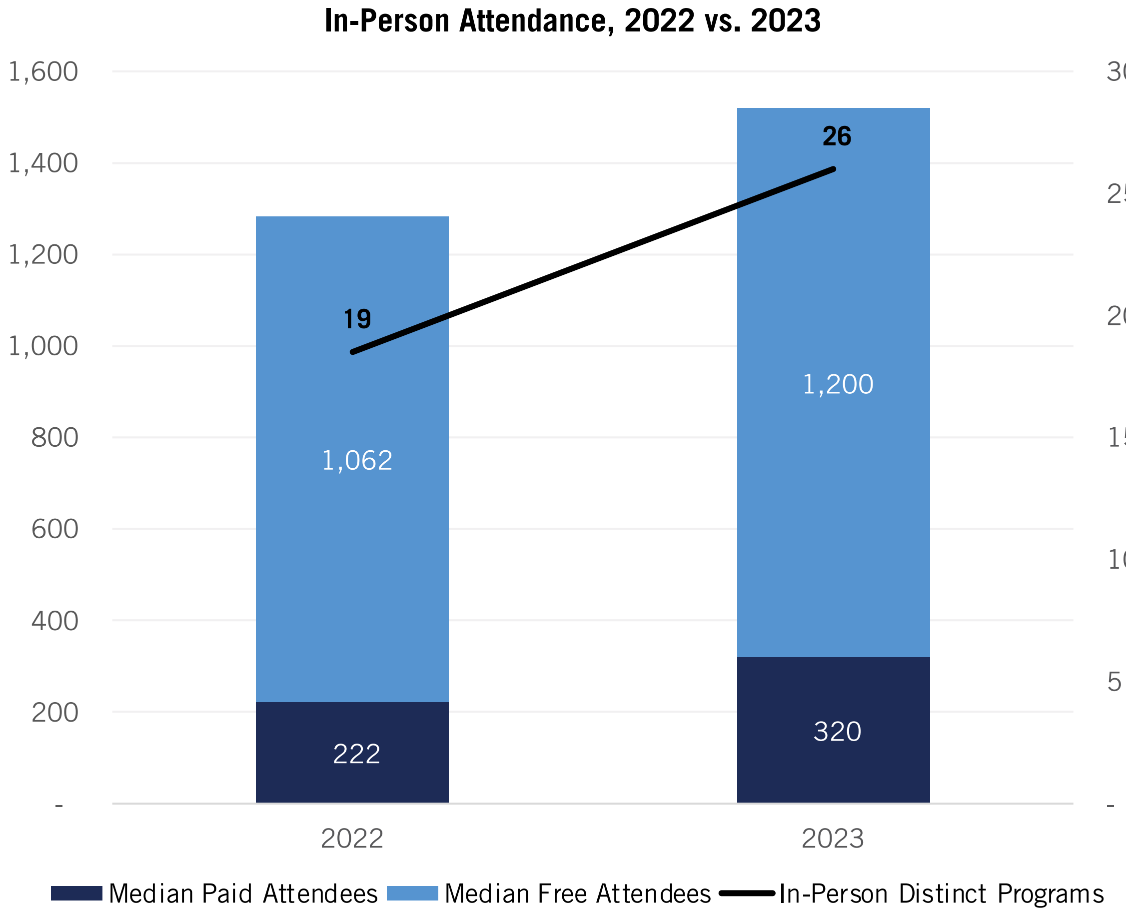
Detailed contributed revenue data were only collected through the Operational Health Survey, thus fiscal years 2019, 2020 and 2021 are suppressed and the rate of change for total revenue and expenses differ (n=52).

Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation).

- When asked about top organizational priorities for change or progress over the next year in the Operational Health Survey, 40% selected "growing contributed revenues."
- From 2022 to 2023, individual giving rose 19% and trustee support jumped 46% above inflation—bucking national declines of 10% and 20%.
- Despite these gains, contributed revenue amongst surveyed organizations fell 31%, driven by a 40% drop in foundation support and the wind-down of government relief, which cut public funding by 30%.
- The overall decline in private and public support signals continued financial pressure for organizations.

	1 Year % Change (Inf. Adj.)
Trustee Contributions	46%
Individual Contributions	19%
Corporate Contributions	-84%
Foundation Contributions	-40%
Government Contributions	-30%
Total Contributed Revenue	**-31%**
Total Revenue	**-17%**
Total Expenses	**-28%**

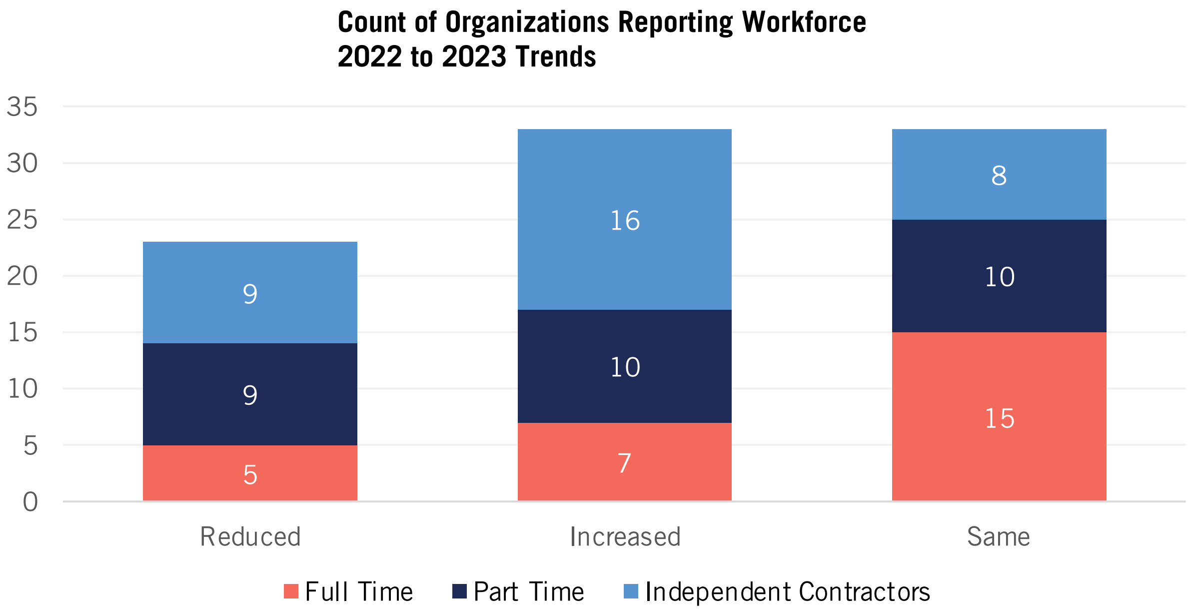
A rise in attendance and programs reflects engagement-focused efforts of organizations.



- Attendance has been steadily rebounding nationwide, with single ticket and admissions revenue nearly back to pre-pandemic levels.
- Similarly, across surveyed organizations in Rhode Island, attendance grew 23% from 2022 to 2023, with gains across both paid (+44%) and free (+13%) attendees.
- Associated programming also rose 41%. Despite rising costs, programming expansion was cited as a success that respondents were most proud of within the Operational Health Survey.
- However, stagnant earned income and rising costs associated with programming often offered for free suggests that while audiences are returning, they are perhaps engaging differently, raising questions about the long-term stability of earned income strategies.

Workforce data were only collected through the Operational Health Survey, thus fiscal years 2019, 2020 and 2021 are suppressed (n=52).

To support increased engagement, organizations invested in their workforces.



- The total workforce grew by 7% from 2022 to 2023, driven by increases in independent contract labor. Among surveyed organizations, 16 increased the number of contract hires. Nationally, independent contractor hiring rose by 6%.
- Related investments in personnel rose 14% above inflation from 2022 to 2023, contributing to an overall increase in expenses.
- Most organizations reporting full-time staff retained those positions from 2022 to 2023, while a higher proportion of organizations reduced part-time positions.
- Paying employees sustainable wages ranked as the #1 challenge among respondents to the Operational Health Survey, with 10% indicating that this was a top priority in the next year.

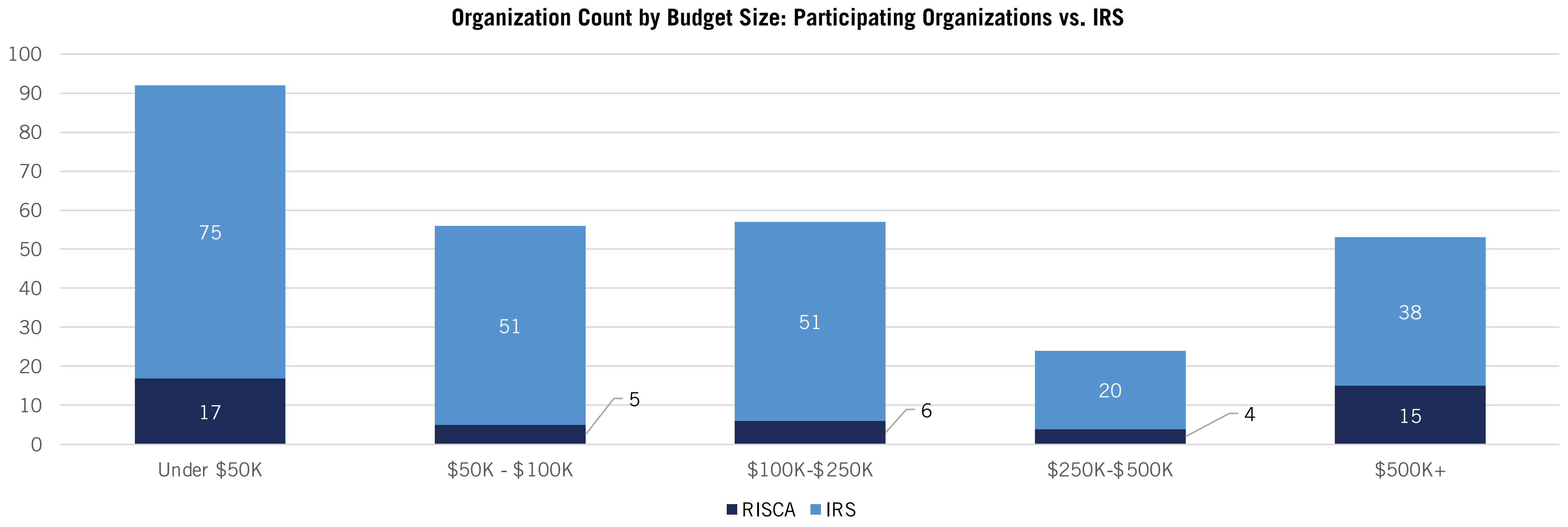
	1 Year % Change
Total Positions	+7%

Workforce data were only collected through the Operational Health Survey, thus fiscal years 2019, 2020 and 2021 are suppressed (n=52).

Findings by Budget Size

Data Segmentation of Rhode Island: Organizations by Budget Size

	Under $50K	$50K - $100K	$100K-$250K	$250K-$500K	$500K+
Median 2023 Expenses	$29,093	$88,898	$182,305	$426,332	$1,714,367



Budget Size Matters

- Viewing Rhode Island's arts and cultural sector by budget size reveals distinct financial dynamics and risk profiles across the spectrum:
    - **Smaller organizations** show strong revenue growth and adaptability, often fueled by contributed revenue, but face rising expenses.
    - **Mid-sized organizations** demonstrated strong expense control, but faced steep declines in contributed income, putting pressure on their long-term financial health.
    - **Larger organizations** bring stability and scale but carry higher fixed costs and were the only group to report deficits in 2023, highlighting their vulnerability to shifting revenue and expense patterns.

	Key Strengths	Notable Risks
Smallest (<$50K)	• Highest one-year surplus gains • Highest growth in contributed revenue	• Largest drop in income from 2022 to 2023 • Fast rising expenses that outpace revenue
Small ($50K-$100K)	• Largest five-year increase in surpluses • Notable increased working capital	• Disparate experiences as the majority lost revenue • Steepest decline in earned income sources
Medium ($100K-$250K)	• Only group to cut costs from 2019 to 2023 • Notable gains in earned income	• Largest one-year decline in revenue • Most severe drop in contributed income
Large ($250K-$500K)	• Stable income throughout trend period • Notable (34%) gains in earned income from 2022 to 2023	• Operating at the breakeven point • Higher dependency on earned revenue, which covered less of total expenses
Very Large ($500K+)	• Only group to report one-year income growth • Earned revenue grew 17% over trend period	• Only group to report deficits in 2023 • Gross fixed assets fell 10%

Detailed Budget Size Key Findings

VERY SMALL ORGANIZATIONS ARE GROWING, BUT DEPLETING RESERVES.

- The smallest (<$50K budget) organizations ended 2023 with a 7% surplus—up from 3% in 2022—despite limited or no paid staff.
- They achieved the highest revenue growth across all groups, increasing income 6% above inflation from 2019 to 2023.
- Revenue gains were driven by a 43% rise in contributed support, which makes up the largest share of income for this group.
- However, expenses grew 19%—the fastest rate among all cohorts, raising concerns about long-term sustainability.

SMALL ORGANIZATIONS SEE GAINS, BUT RECOVERY IS UNEVEN.

- Organizations with budgets between $50K-$100K grew surpluses from 3% in 2019 to 12% in 2023, a positive trajectory compared to their smaller peers.
- However, revenue gains were not the experience of all organizations. Nearly two-thirds (64%) reported revenue losses in 2023.
- This budget cohort experienced the steepest declines in earned sources of income (-16%) which comprise one-third of total revenue.

MEDIUM ORGANIZATIONS MANAGE COSTS, BUT STRUGGLE WITH REVENUE LOSSES.

- In contrast to other groups, mid-sized organizations (budgets between $100-$250K) cut expenses by 8% over the trend period, allowing a growth in terms of months of working capital.
- This suggests a capacity for fiscal discipline, adaptability, and possibly strong internal controls.
- However, one-year revenue declines were the largest in this group, and 2023 surpluses are lower than those reported pre-pandemic.
- This cohort observed the steepest drops in total income (-17%), driven by 40% declines in contributed support.

Detailed Budget Size Key Findings (cont'd)

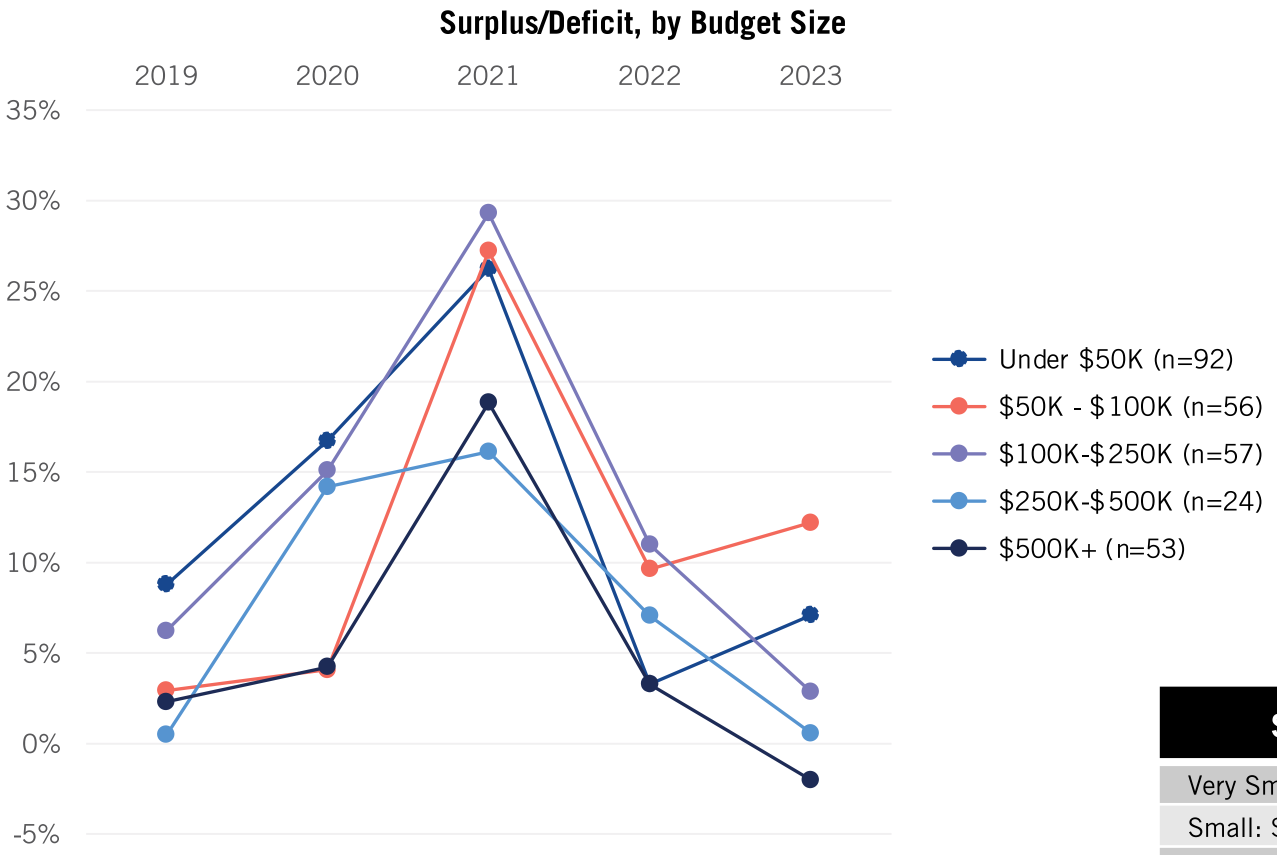
HIGHLY DEPENDENT ON EARNED INCOME, MARGINS TIGHTEN FOR LARGE ORGANIZATIONS AS SUPPORT DECLINES.

- Large organizations with budgets between $250K–$500K make up just 9% of Rhode Island's cultural sector.
- Earned income, which made up over one-third of revenue in 2019, grew 14% above inflation by 2023.
- This group experienced the steepest drop in contributed revenue across all cohorts, falling 28% over the trend period.
- Drops in support resulted in an overall 0% median change in total revenue from 2019 to 2023, indicating that gains in earned income were not enough to offset declines in contributed income.
- Large organizations operated on very thin margins in 2019 and remain on thin margins in 2023.

DESPITE SCALE AND REVENUE GROWTH, THE LARGEST ORGANIZATIONS FACE STRUCTURAL PRESSURES.

- The largest budget group ($500K+) maintained relatively steady sources of income throughout the trend period and was the only cohort to increase revenue above inflation from 2022 to 2023.
- However, in contrast to the performance of other budget groups, the largest organizations also reported deficits in 2023, suggesting that size brings exposure to financial risk, especially when costs rise.
- From 2022 to 2023, expenses for these organizations, often with more extensive infrastructure or staffing obligations, rose 7%.
- A 10% drop in fixed assets for this cohort points to potential difficult decisions that these organizations had to make to preserve operations.

Surpluses in 2023 were driven by smaller organizations.



Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

- Small organizations (under $100K) were the only groups to increase their surpluses from 2022 to 2023.
  - Small organizations with budgets between $50K-$100K held onto reserves, resulting in the highest level of surpluses across budget groups.
  - Very small organizations with budgets below $50K also had large surpluses, however they also increased expenses at the fastest rate which contributed to declines in reserves.
- Medium organizations with budgets between $100K-$250K reported the steepest one-year declines in surpluses.
- In contrast to the performance of other budget groups, the largest organizations reported deficits in 2023, suggesting that size brings exposure to financial risk, especially when costs rise.

Surplus / Deficit	2019	2020	2021	2022	2023
Very Small: < $50K (n=92)	9%	17%	26%	3%	7%
Small: $50K - $100K (n=56)	3%	4%	27%	10%	12%
Medium: $100K-$250K (n=57)	6%	15%	29%	11%	3%
Large: $250K-$500K (n=24)	0%	14%	16%	7%	1%
Very Large: $500K+ (n=53)	2%	4%	19%	3%	-2%

Contributed income lifted the smallest organizations, but funding gaps loom.

- Contributed income makes up the largest share of revenue for very small organizations, who grew support by 43% from 2019 to 2023. However, future funding may be uncertain as gains were primarily observed in terms of government support dollars.
- Medium organizations saw the steepest drop (–40%) in contributed income since 2019, highlighting risks unique to this group which may lack both the grassroots flexibility of small peers, and the donor reach of larger institutions.
- Very large organizations held steady over time, but support growth failed to keep pace with inflation. Large organizations lost momentum in support with a 28% decline from 2022 to 2023.

Contributed Revenue	2019	2020	2021	2022	2023	1 Year % Change (Inf. Adj.)	5 Year % Change (Inf. Adj.)
Very Small: < $50K (n=91)	$12,954	$12,046	$19,668	$16,500	$22,000	29%	43%
Small: $50K - $100K (n=56)	$44,613	$33,547	$44,510	$54,913	$46,628	-18%	-12%
Medium: $100K-$250K (n=57)	$117,296	$122,245	$112,295	$106,015	$84,162	-23%	-40%
Large: $250K-$500K (n=24)	$133,862	$140,589	$183,435	$238,713	$177,426	-28%	11%
Very Large: $500K+ (n=53)	$701,616	$859,765	$1,076,451	$857,960	$852,770	-3%	2%

Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

Earned income rebounded for most, but small to mid-sized organizations displayed signs of strain.

- All but small organizations observed 2023 earned revenue levels that outpaced those pre-pandemic. Small organizations had the largest decline in earned income from 2019 to 2023.
- Exceptional increases in earned income were reported by very small organizations. Operational Health Survey findings reveal that these organizations produced one additional program in 2023 and captured 51% more paying attendees compared to 2022.
- Very large organizations maintained earned income throughout the trend period. Large organizations reported higher dependency on earned revenue. While they had notable increases in earned income, it covered less of total expenses over the trend period.

Earned Revenue	2019	2020	2021	2022	2023	1 Year % Change (Inf. Adj.)	5 Year % Change (Inf. Adj.)
Very Small: < $50K (n=91)	$537	$ -	$ -	$290	$1,430	379%	124%
Small: $50K - $100K (n=56)	$31,093	$13,425	$13,300	$31,614	$31,115	-4%	-16%
Medium: $100K-$250K (n=57)	$35,995	$18,410	$25,474	$50,441	$50,188	-3%	17%
Large: $250K-$500K (n=24)	$111,708	$67,787	$75,279	$ 110,410	$151,994	34%	14%
Very Large: $500K+ (n=53)	$433,361	$190,756	$263,291	$505,121	$603,686	16%	17%

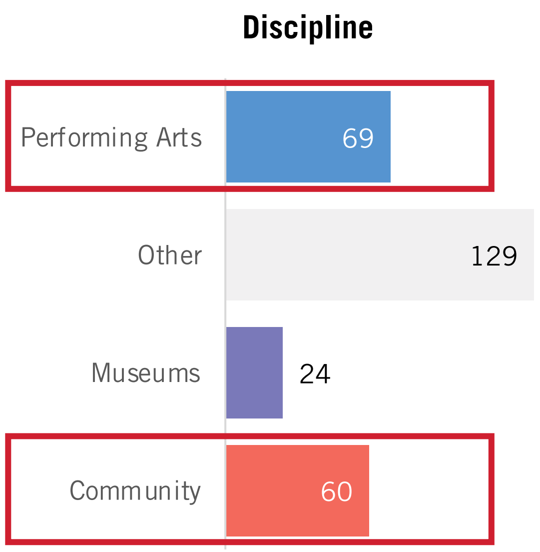
Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

Findings by Sector

Data Segmentation of Rhode Island Organizations

- The following section focuses on distinctions between organizations in the performing arts category and those flagged as community-centric.
    - The majority of performing arts organizations are music or theater-based institutions.
    - The "Community" category comprises any NTEE codes (see footnote). Most common are those with a multipurpose or cultural/ethnic awareness focus.
- While nearly two-thirds of community organizations have budgets below $100K, performing arts organizations are slightly larger, with over half reporting budgets exceeding $100K.

Art Museums	5
Arts Alliance and Service Organizations	6
Arts Education	20
Broadcast, Media, and Literary Arts	9
Community*	60
Dance	11
General Performing Arts	8
Miscellaneous	94
Music	20
Other Museums	19
Performing Arts Centers	5
Symphony Orchestra	4
Theater	21



	Community	Performing Arts
Median 2023 Expenses	$143,156	$167,375

**Community: Arts, Cultural Organizations – Multipurpose (A20), Cultural & Ethnic Awareness (A23), Folk Arts (A24), Arts & Humanities Councils/Agencies (A26), Community Celebrations (A27), Visual Arts (A40)*

The 'Other' category is comprised of arts alliance and service organizations, arts education organizations, broadcast, media, and literary arts organizations, as well as miscellaneous organizations. These organizations capture any NTEE codes that do not fall under the other categories.

Performing Arts Key Findings

BRIGHT SPOTS

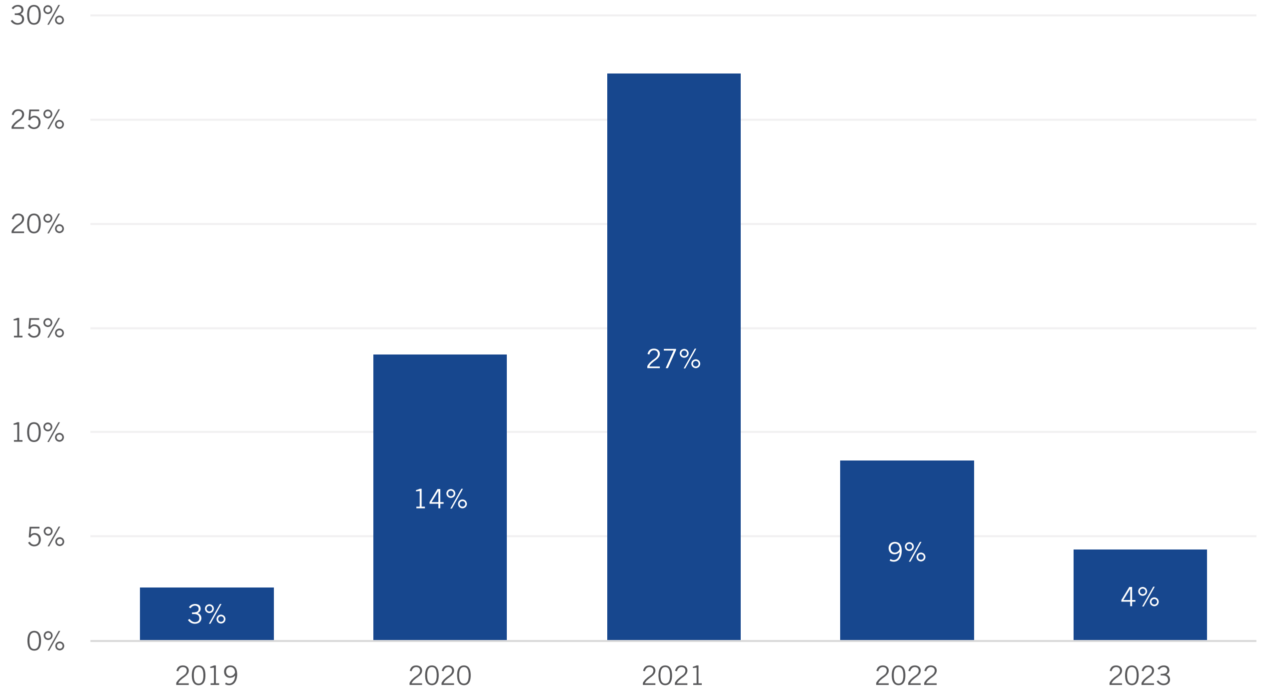
- Performing Arts organizations posted a 4% surplus in 2023, higher than statewide surpluses, suggesting resilience despite ongoing pressures.
- This was primarily due to a tighter constriction on expenses; performing arts organizations increased expenses 3% from 2022 to 2023, compared to 15% increases statewide.
- In particular, the sector made drastic cuts to non-personnel related expenditures, while personnel expenses rose 22% above inflation, signaling investments in people.
- Largely retaining payroll and artistic staff, the sector put on 3 additional programs from 2022 to 2023.

AREAS OF CONCERN

- Similar to statewide findings, the performing arts sector faced narrowing margins, highlighting a growing imbalance to the sector.
- Median expenses remain 19% below 2019 levels (vs. 16% statewide), raising questions about whether surpluses reflect real recovery or continued cutbacks.
- Despite increased programming, the sector saw a 31% drop in median attendance from 2022 to 2023—suggesting that recovery efforts may be misaligned with audience behavior.
- Theatres depend more on earned revenue, yet it's still 24% below pre-pandemic levels—a worrying gap, even if smaller than the 30% drop statewide.

Strong surpluses but slowing momentum for performing arts organizations.

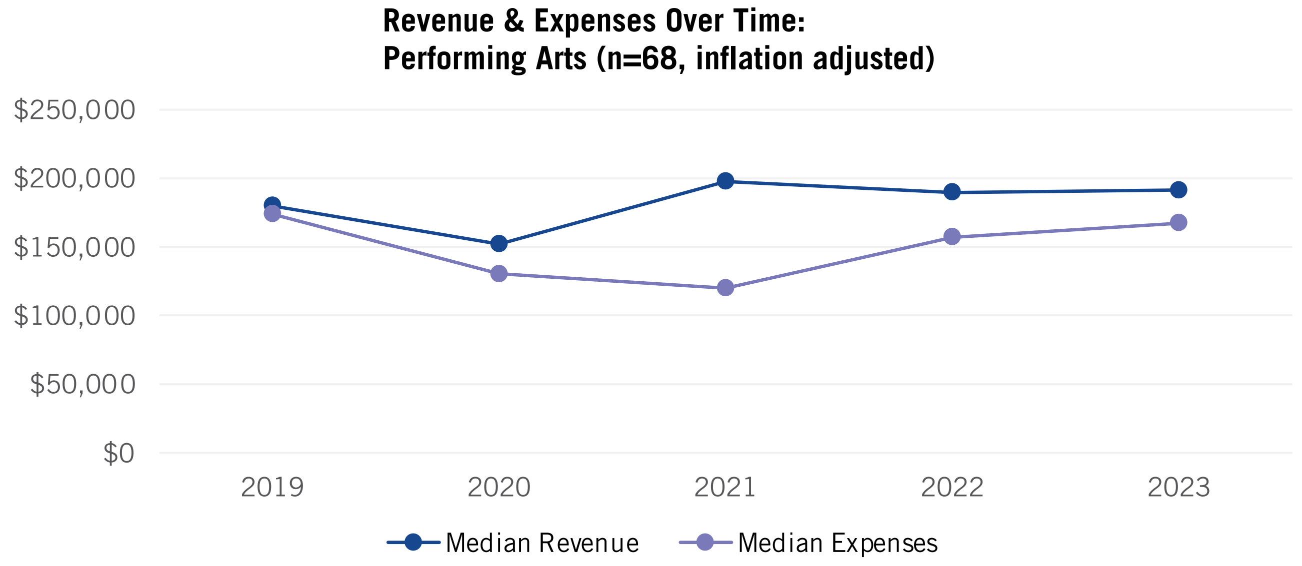
Median Surplus, 2019 – 2023
Performing Arts Organizations (n=68)



Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

- Performing Arts organizations posted a 4% surplus in 2023, higher than statewide surpluses, suggesting resilience despite ongoing pressures.
- Surplus growth was primarily realized by performing arts organizations spending less, rather than growing revenue.
- Similar to statewide trends, performing arts organizations observed reduced surpluses from 2022 to 2023, reflecting narrowing margins and a growing financial imbalance in the sector.

Cost cuts among performing arts sector drives surpluses.

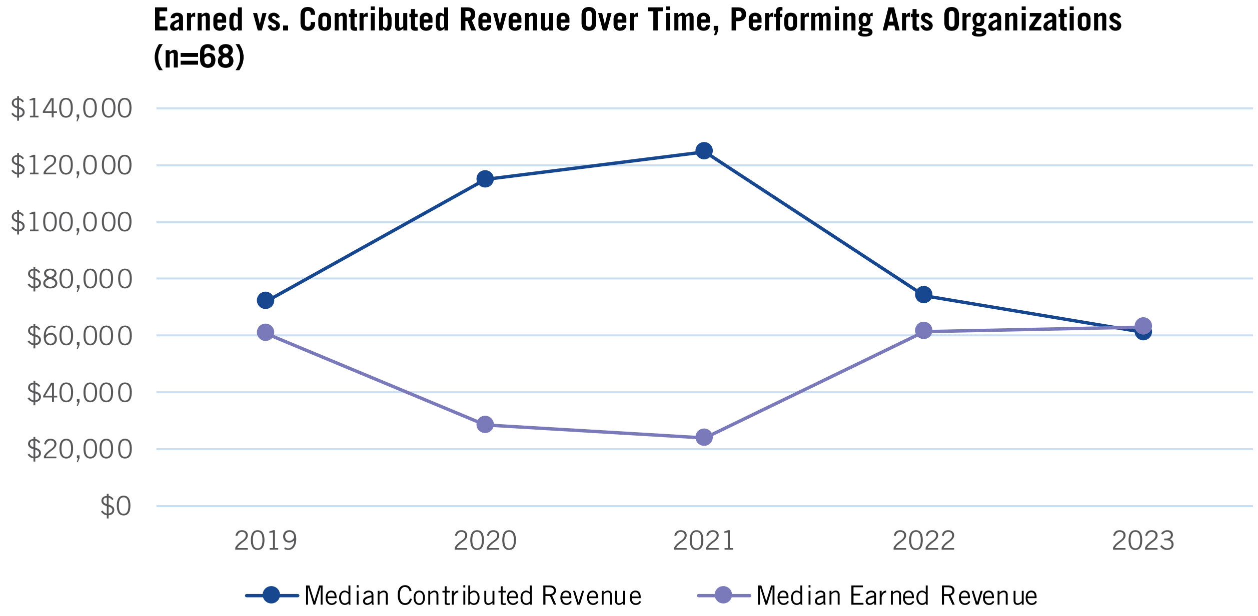


- Performing arts organizations were adept at managing expenses; median expenses remain 19% below 2019 levels (vs. 17% statewide).
- Unlike statewide trends where expense growth far outpaced revenue gains from 2022 to 2023, performing arts organizations saw more balanced growth—expenses rose just 3% while revenue increased by 2%.
- Despite strong expense management, the sector's modest one-year revenue gains remain below 2019 levels, indicating that margins are driven more by cost containment than true revenue recovery, posing risks to sustaining future surpluses.

	2019	2020	2021	2022	2023	1 Year % Change (Inf. Adj.)	5 Year % Change (Inf. Adj.)
Total Revenue	$178,688	$151,767	$197,674	$189,813	$200,111	+2%	-6%
Total Expenses	$173,856	$130,360	$119,955	$157,091	$167,375	+3%	-19%
Expenses as % of Revenue	97%	86%	61%	83%	84%		

Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

Both contributed and earned income are lower than 2019 levels.

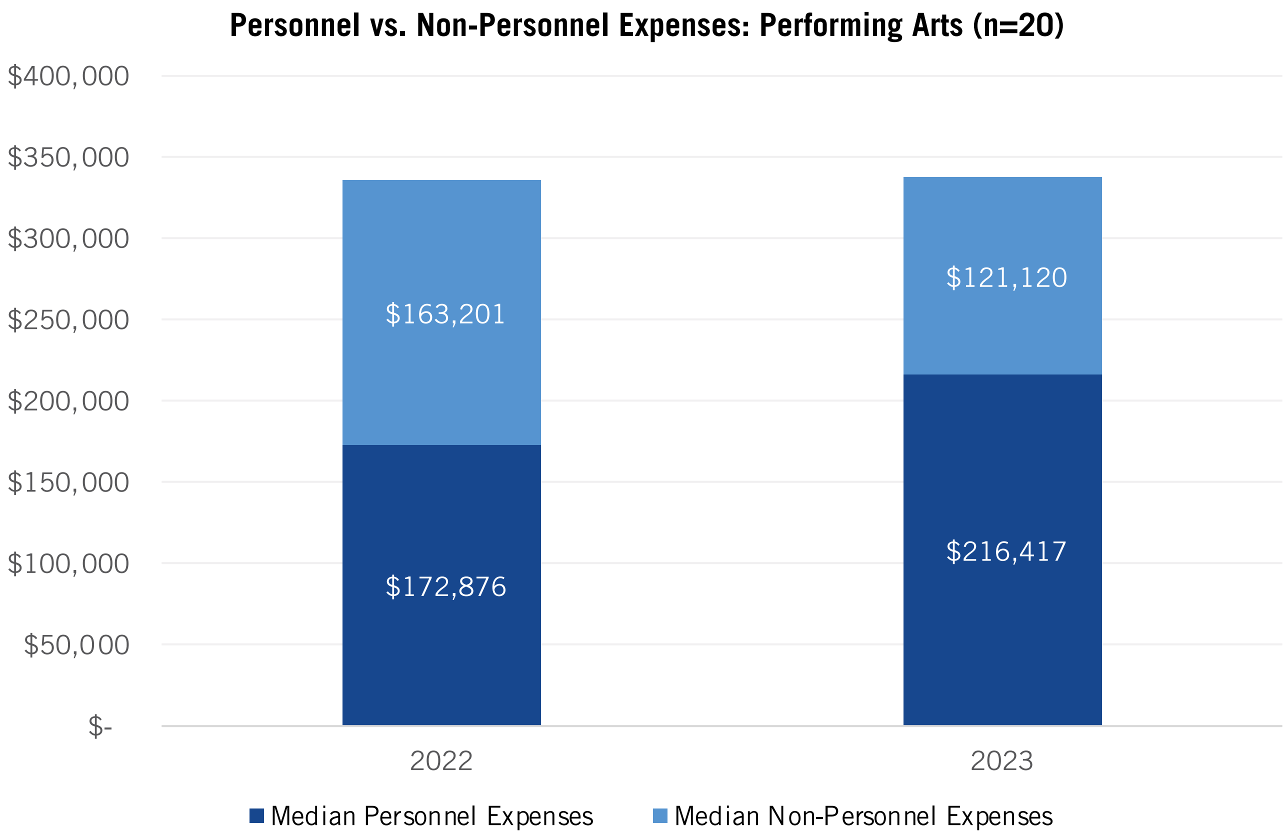


- Contributed income remains 29% below 2019 levels, falling 20% from 2022 to 2023. This is a steeper downward trend compared to overall Rhode Island arts and cultural organizations.
    - Government relief proved particularly essential to the performing arts sector. These dollars have since run out, and reported one-year losses of 51% in individual support (n=24) have reduced overall revenue for the sector.
- Earned revenue shows signs of recovery and in 2023 is on par with contributed income levels, highlighting the ability of performing arts organizations to recover lost sources of earned income.
    - However, earned income remains 13% lower than 2019 levels.

	1 Year % Change (Inf. Adj.)	5 Year % Change (Inf. Adj.)
Total Contributed Revenue	-20%	-29%
Total Earned Revenue	-1%	-13%
Total Revenue	+2%	-6%
Total Expenses	+3%	-19%

Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

Performing arts organizations cut costs but remain committed to people.



- From 2022 to 2023, performing arts organizations made deep cuts to non-personnel expenses while increasing personnel spending by 22% after adjusting for inflation—signaling an intentional investment in people.
- Most organizations retained staff, suggesting a focus on raising wages for existing employees rather than expanding headcount.
- This investment also translated into impact. Closing the gap between pre- and post-pandemic earned income at a faster rate than statewide organizations, performing arts groups offered three more programs in 2023 compared to 2022.

	1 Year % Change (Inf. Adj.)
Personnel Expenses	22%
Non-Personnel Expenses	-28%
Total Expenses	-4%

Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

Community Organizations Key Findings

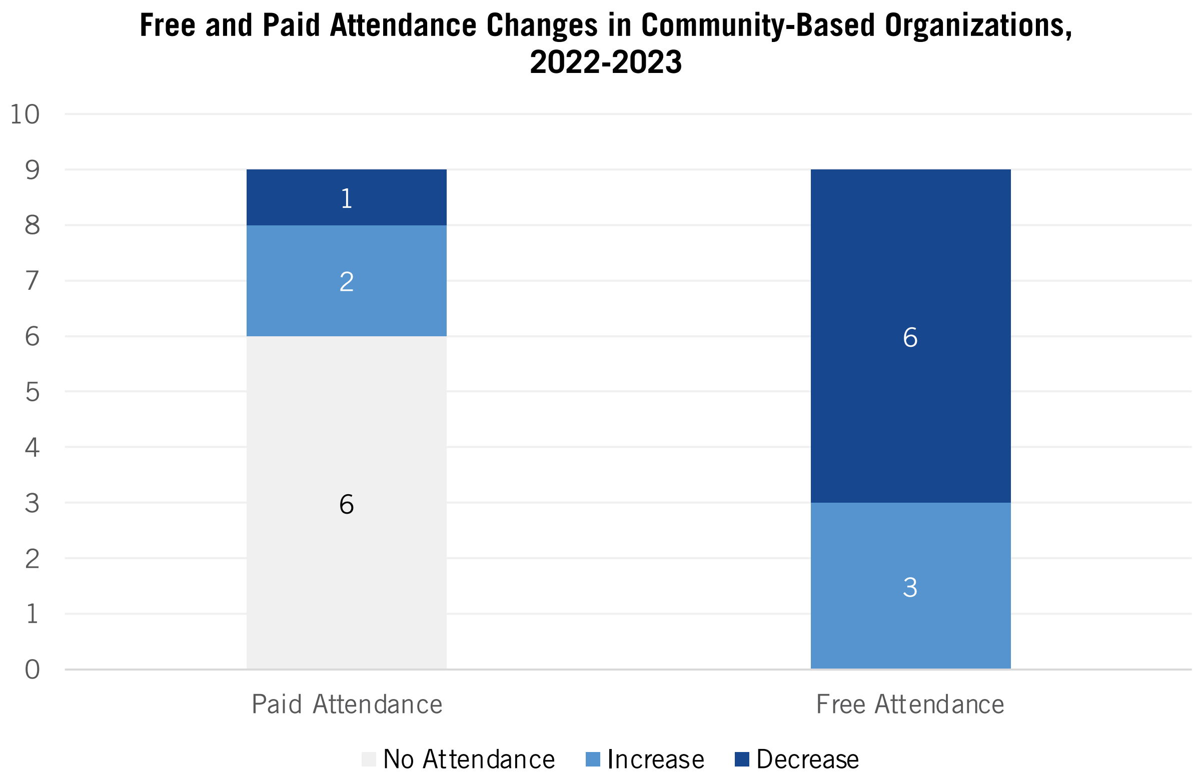
BRIGHT SPOTS

- Unlike statewide findings, community arts organizations grew median revenue 12% above pre-pandemic levels, even after inflation adjustments.
- Despite financial pressures, community-based organizations offered more programs and served more people, especially through free programming. Of those surveyed, six of the nine reported increases in attendance, primarily through increased free attendees.
- Earned income was just 6% below 2019 level, compared to a 30% gap statewide. It covered more expenses in 2023 compared to 2022, demonstrating the sector's ability to create other revenue opportunities despite free-attendance models.

AREAS OF CONCERN

- While the median community arts organization saw a 12% revenue increase since 2019, 31% reported losses in 2023, underscoring an uneven recovery across this highly varied sector.
- Contributed income fell 27% and earned income dropped 6% from 2019 to 2023, revealing long-term declines in core revenue sources.
- From 2022 to 2023, median income declined by 3% while expenses surged 31%, placing pressure on already thin margins.
- Surpluses fell from 5% to 0% in one year, and over half of community organizations now operate with less than one year of working capital—worse than the statewide average of 37%.

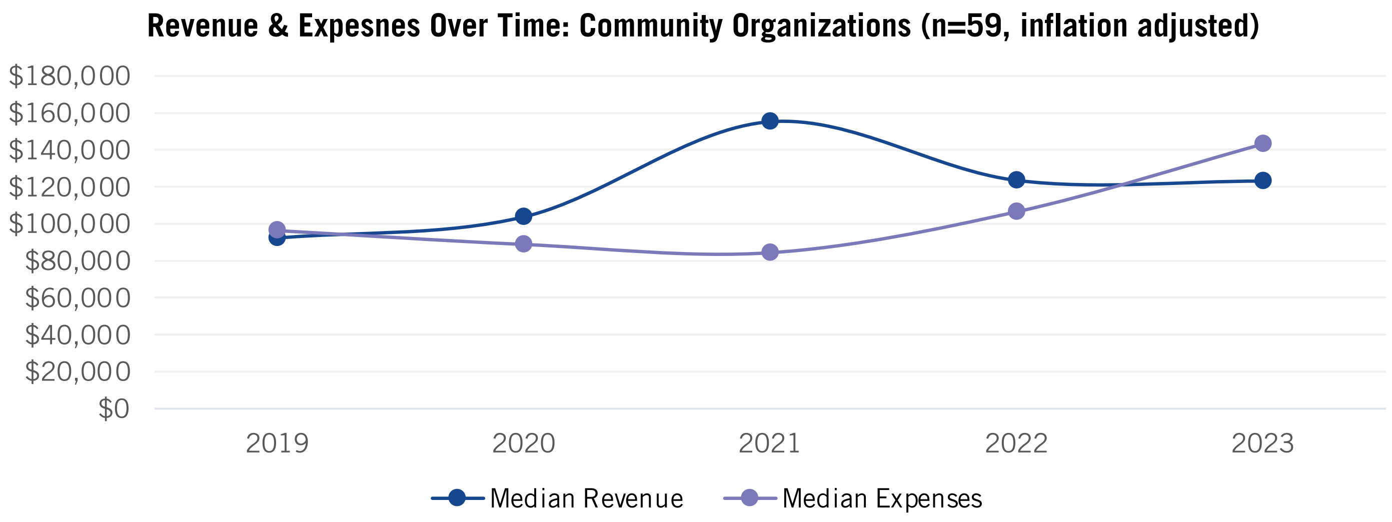
Community organizations prioritize mission over margin, increasing free attendance.



Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

- Despite financial strain, community-based organizations expanded access and served more people, especially through free programming.
  - Among nine organizations surveyed, six reported increased attendance, primarily driven by growth in free participation.
  - Community organizations were more likely to indicate increasing attendance as a top priority for the next year.
- While earned income isn't the dominant revenue stream, community organizations narrowed the post-pandemic gap faster than the statewide average.
  - In 2023, earned revenue was just 6% below 2019 levels, compared to a 30% gap statewide.
  - Given the prevalence of free ticketing models, these gains were likely driven by tuition, classes, and other programmatic revenue rather than admissions.

Relatedly, the cost of operations more than doubled for community-based organizations...

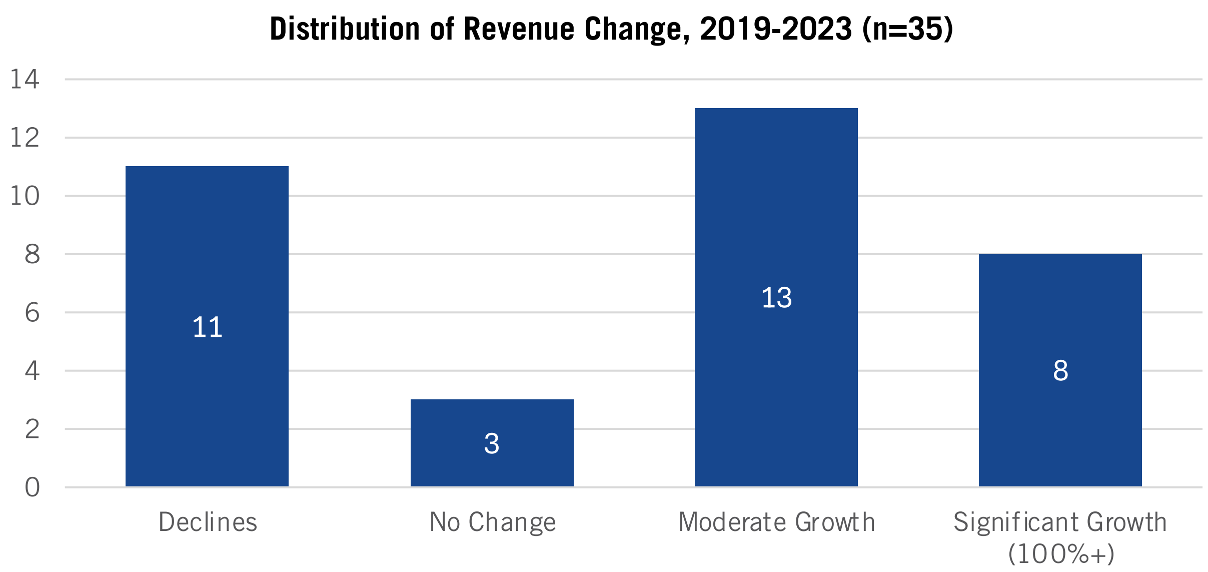


- Before the onset of the pandemic, community-based organizations were spending at a higher rate than income generated.
- In 2023, expenses surpassed revenue by 16%. They grew 31%, a drastic increase compared to what was observed statewide.
- One-year cost increases were the experience of 45% of community-based organizations.

	2019	2020	2021	2022	2023	1 Year % Change (Inf. Adj.)	5 Year % Change (Inf. Adj.)
Total Revenue	$ 92,288	$ 103,768	$ 155,257	$ 123,497	$ 123,109	-3%	+12%
Total Expenses	$96,310	$88,834	$84,357	$106,495	$143,156	+31%	+25%
Expenses as % of Revenue	104%	86%	54%	86%	116%		

Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation).

...and revenue recovery is uneven, raising sustainability concerns.



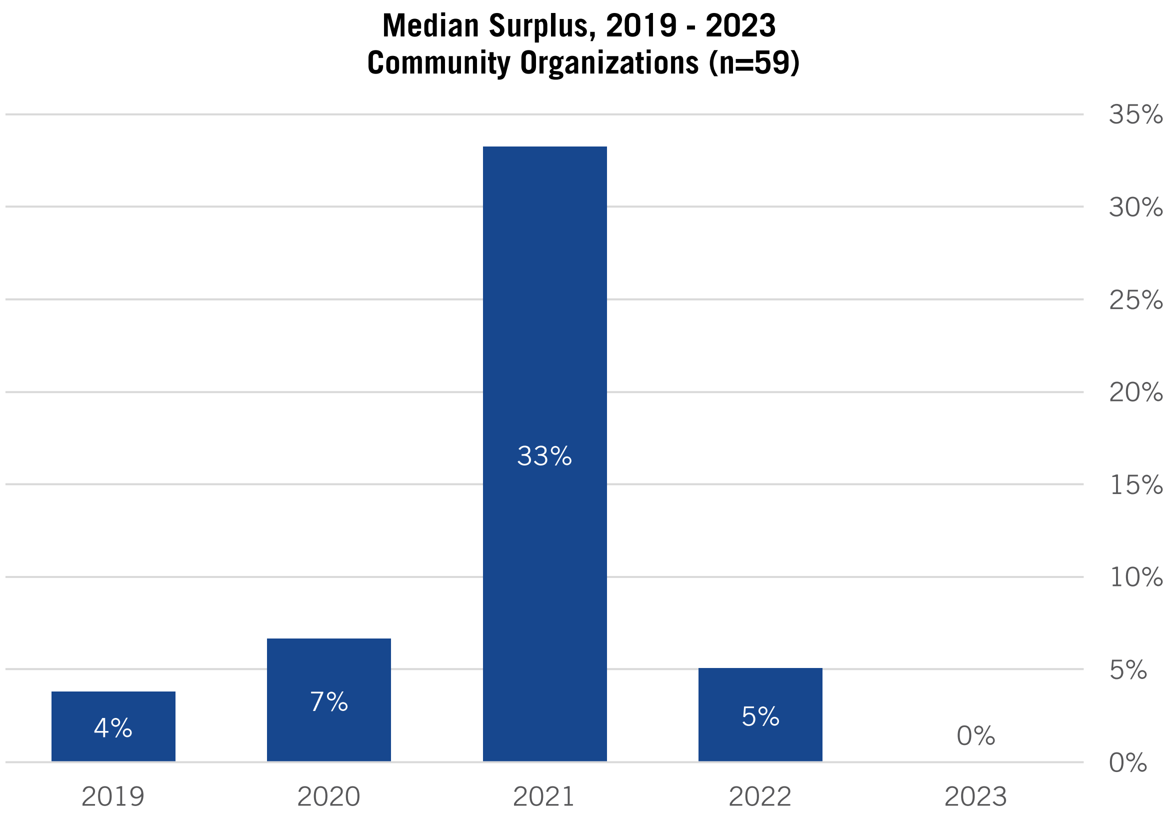
- Despite a 12% median increase in total revenue—signaling broad recovery, deeper analysis reveals uneven gains across the community sector:
  - Eight community organizations experienced significant growth, lifting overall totals while 11 reported income declines, highlighting a fragile and uneven recovery.
- Meanwhile, median declines in both in earned (27%) and contributed (6%) revenue indicate that many community-based organizations are still struggling to recover core income streams.
  - Foundation support plays a large role in sources of contributed income for community-based institutions. Among those surveyed (n=12), a 67% drop in contributed revenue was observed.

	1 Year % Change (Inf. Adj.)	5 Year % Change (Inf. Adj.)
Total Contributed Revenue	-25%	-27%
Total Earned Revenue	-5%	-6%
Total Revenue	-3%	12%

Distribution chart only reflects organizations who had both 2019 and 2023 data available for comparison.

Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation).

Falling surpluses place strain on the ability to weather future crises.



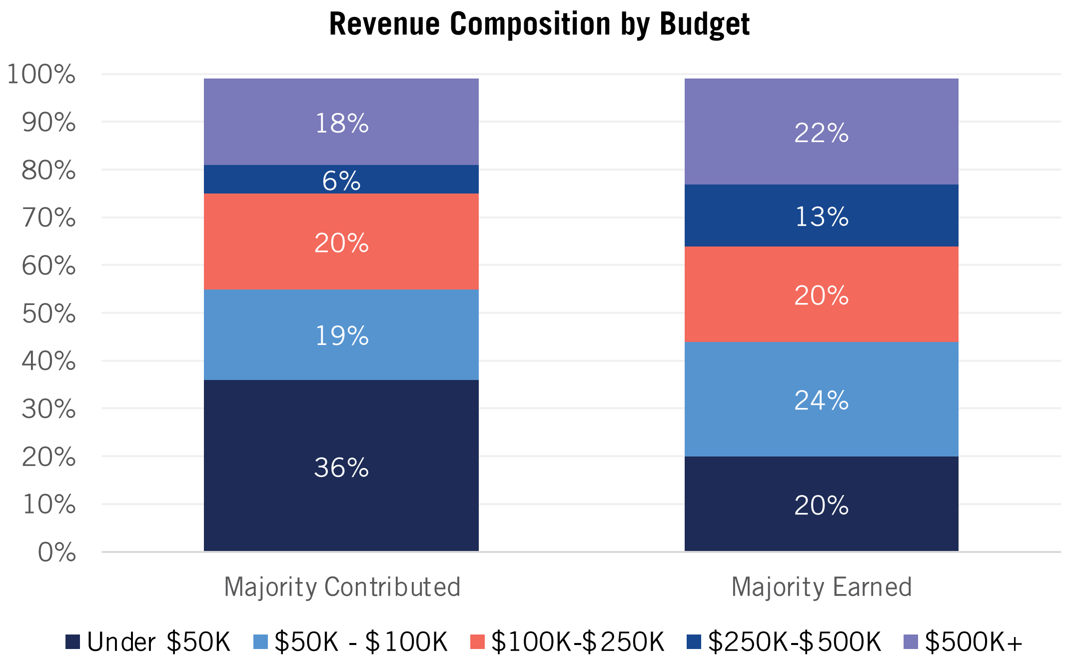
Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

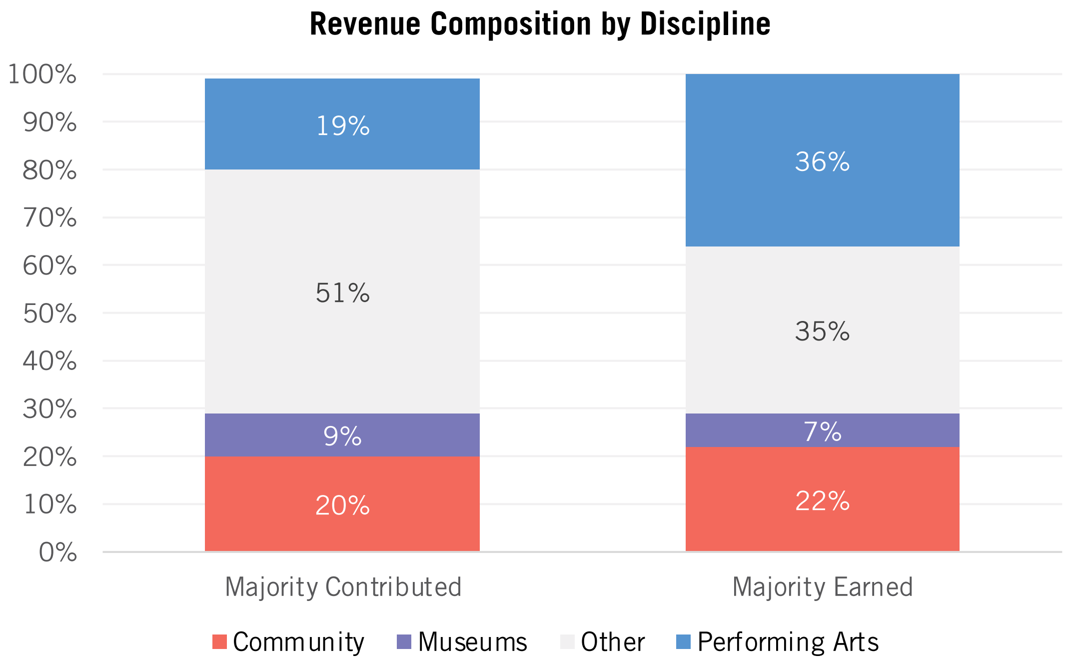
- 2021 was an exceptional year, resulting in 33% surpluses. However, these surpluses was reduced sharply in 2022 due to the large increase in expenditures.
- Community-based organizations operated on razor-thin margins in 2023 compared to statewide surpluses.
- Relatedly, working capital also fell from 2019 to 2023, as well as from 2022 to 2023.
- Over half of community-based organizations now operate with less than one year of working capital, highlighting increased financial vulnerability and limited cushion to weather future disruptions.

Findings by Revenue Composition

Earned vs. Contributed

Characteristics Based on Revenue Composition





	Primary Contributed Revenue	Primary Earned Revenue
Count Organizations	192	81
Median 2023 Expenses	$107,944	$193,759

Revenue composition is based on most recently available data. Organizations where the proportion of contributed revenue equaled the proportion of earned revenue (50/50 split) are excluded from this split, as well as organizations who did not provide both contributed and earned revenue data. They are included in other splits and the broader analysis.

Key Findings Based on Revenue Composition

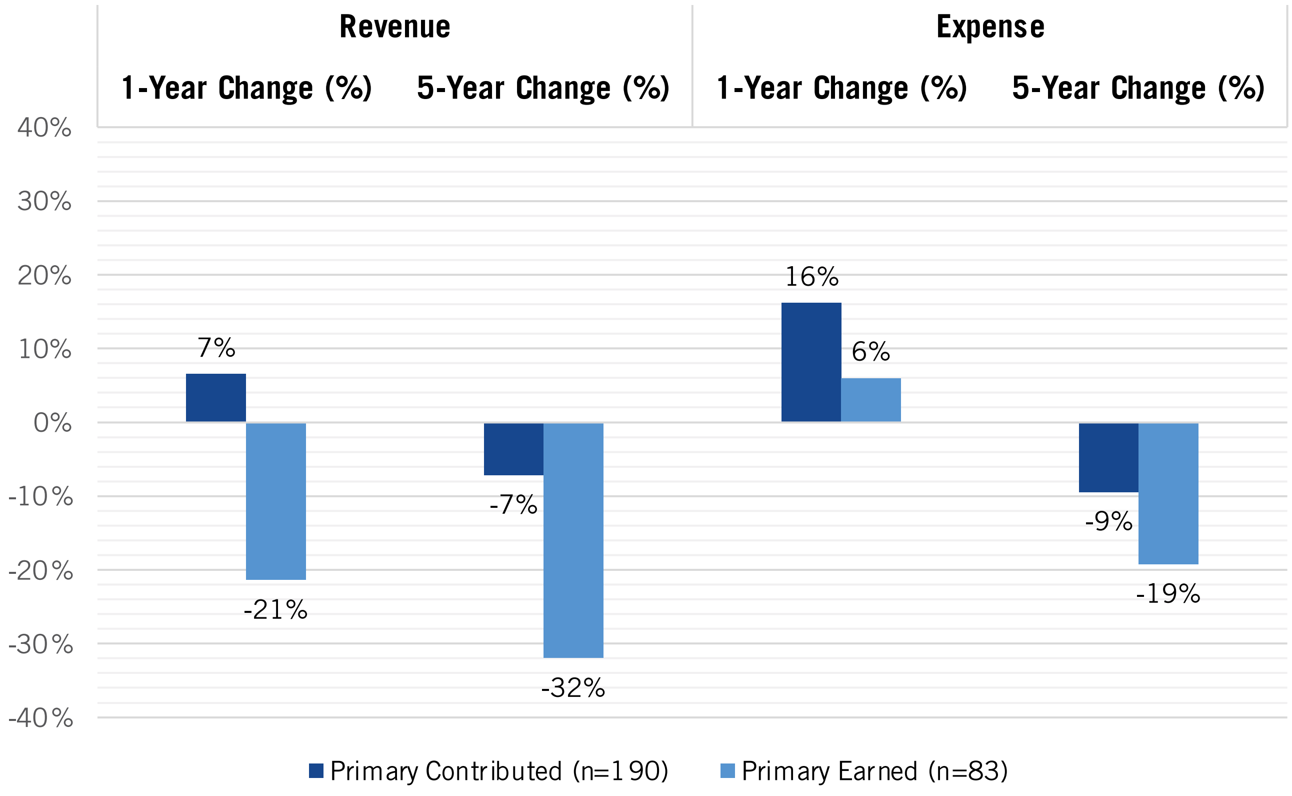
PRIMARILY EARNED

- Organizations primarily reliant on earned income—often larger and more infrastructure-heavy—saw promising financial gains during pandemic programming pauses, with 2021 surpluses offering a much-needed cushion.
- They managed costs more aggressively, with 2023 expenses 19% below 2019 levels, compared to 9% for contributed models and 17% statewide.
- Earned income rose 20% in 2023, making up 72% of total revenue, close to the 75% pre-pandemic share.
- 7 of the 13 organizations reliant on earned income in the survey increased total attendance from 2022 to 2023.
- However, challenges remain as earned income is still 27% below 2019 levels and contributed income trails by 18%, resulting in very thin margins.

PRIMARILY CONTRIBUTED

- Organizations that rely more heavily on philanthropic support maintained strong surpluses since the pandemic, with modest increases in revenue from 2022 to 2023.
- Surpluses increased from 2022 to 2023, bucking trends observed in the state overall.
- To achieve this, these organizations grew support streams 5% above inflation from 2022 to 2023, thanks to surges in individual giving.
- However, concerns remain around high dependency on these support dollars as contributed income remains 14% below 2019 levels, underscoring ongoing efforts to restore donor and grant support.

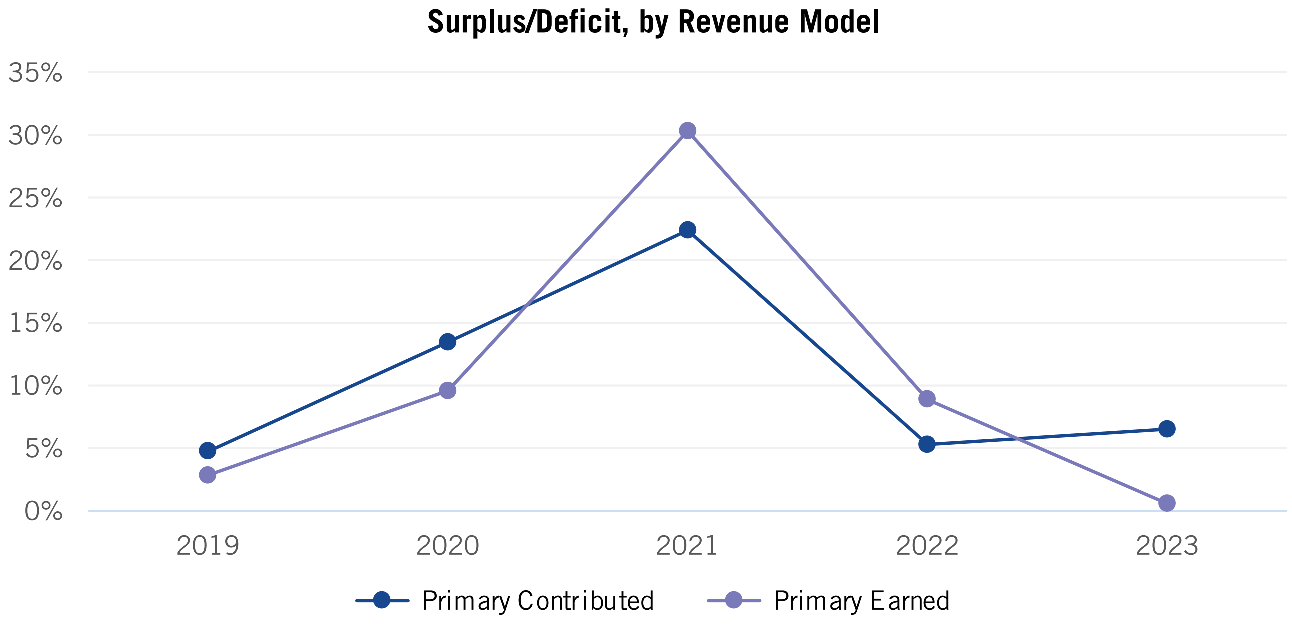
Two Paths to Recovery: Increased Revenue vs. Cost Control



Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

- In both models, expense growth outpaced revenue gains in the past year.
- Organizations reliant on contributed revenue saw modest one-year growth (7%) and, over five years, reduced expenses at a faster pace than revenue losses.
    - However, from 2022 to 2023, these organizations experienced sharp expense increases (16%), putting pressure on sustainability.
- Earned revenue-driven organizations faced steeper revenue declines; down 21% in one year and 32% over five, highlighting slower recovery and greater vulnerability.
    - Despite this, earned-income organizations managed costs more aggressively, with 2023 expenses 19% below 2019 levels, compared to 9% for contributed models and 17% statewide.

Post 2021 surpluses, margins were strained, particularly for earned-income organizations.



- Across the board, 2021 was a surplus year. Programming pauses created financial breathing room as relief funds poured in, resulting in 22% surpluses for organizations with a contributed-based revenue model and 30% for those with primarily earned-revenue models.
- Reopening resulted in a rapid spend-down of surpluses in 2022. Those with contributed-based revenue models reported modest increases in available surpluses while those with earned models observed a reduction in surpluses which placed them on razor-thin margins in 2023.

Surplus / Deficit	2019	2020	2021	2022	2023
Primary Contributed	5%	13%	22%	5%	7%
Primary Earned	3%	10%	30%	9%	1%

Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

Philanthropy-dependent organizations thrive by growing individual support.

- For organizations who rely on philanthropic support, contributed income streams grew 5% above inflation from 2022 to 2023, thanks to surges in individual giving. Among surveyed organizations (n=31), individual contributions rose 60%.
    - However, warning signs exist as foundation support fell 28% from 2022 to 2023.
- Concerns remain around high dependency on these support dollars as contributed income remains 14% below 2019 levels, underscoring ongoing efforts to restore donor and grant support. Among surveyed organizations (n=31), foundation support fell by 28%.
- As government relief dollars were distributed, 2023 levels of contributed income for earned-revenue based organizations fell 36% and remained 18% below pre-pandemic levels. For these organizations, contributed revenue represented less than one-quarter of total income in 2023.

Contributed Revenue	2019	2020	2021	2022	2023	1 Year % Change (Inf. Adj.)	5 Year % Change (Inf. Adj.)
Contributed Revenue Model (n=190)	$102,417	$107,046	$113,423	$100,759	$108,565	5%	-11%
Earned Revenue Model (n=81)	$37,646	$63,793	$88,543	$55,711	$36,700	-36%	-18%

Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

Earned income rebounds, but recovery still trails pre-pandemic levels of revenue.

- For organizations who depend on earned sources for income generation, this type of revenue rose 20% in 2023, making up 72% of total revenue, close to the 75% pre-pandemic share.
    - 7 of the 13 organizations reliant on earned income in the Operational Health Survey increased total attendance from 2022 to 2023.
- However, challenges remain as earned income is still 27% below 2019, where it was at an all-time high in both absolute and inflation-adjusted dollars.
    - The disruption caused by the pandemic, including lost momentum in engagement and program cancellations, may have permanently affected the ability of these organizations to close the revenue gap to restore financial sustainability.
- For organizations with contributed-based revenue models, earned income remained relatively flat in 2023 (0% change) and declined 20% over five years, making up just 10% of total revenue—highlighting the continued reliance on philanthropic and grant support.

Earned Revenue	2019	2020	2021	2022	2023	1 Year % Change (Inf. Adj.)	5 Year % Change (Inf. Adj.)
Contributed Revenue Model (n=190)	$14,225	$10,086	$10,393	$ 13,100	$13,481	0%	-20%
Earned Revenue Model (n=81)	$159,856	$53,178	$61,862	$111,947	$138,410	20%	-27%

Inflation adjustments reflect a June Fiscal Year (3% 1-year inflation; 19% 5-year inflation)

Concluding Thoughts

The Rhode Island arts sector shows a complex financial landscape with uneven recovery post-pandemic.

In 2023, Rhode Island's arts and culture sector entered a new phase of post-pandemic adjustment—neither in crisis nor in full recovery.

- The financial picture was one of resilience and imbalance, shaped by an interplay of rising costs, donor adaptation, shifting audience patterns, and the structural realities of organizational scale and business model.
- 70% of organizations reported deficits in 2023, even as the median organization saw a 2% revenue increase.

As organizations look to the future, they are coalescing around a shared set of priorities: increasing contributed income, regrowing attendance, diversifying earned revenue streams, and reaching new and more diverse audiences.

- Growing contributed income was the most frequently cited 2025 priority in the Operational Health Survey, selected by 70% of organizations, followed by increasing attendance (38%).
- Yet their ability to execute on these goals varies widely, depending on organizational capacity, market position, and the structural resilience built (or lost) over the past five years.

In sum, Rhode Island's arts and culture sector remains in a transitional moment—no longer in acute crisis, but not yet fully restored.

- The data suggests that recovery is uneven and fragile, shaped by deep-seated differences in business model, scale, and public engagement.

SMU® DataArts

PO Box 750356
Dallas, TX 75275-0356

smu.edu/artsresearch

SHARE YOUR THOUGHTS

#ArtsResearch @SMUDataArts