

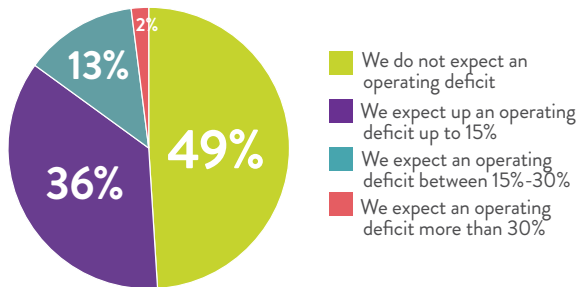
OCTOBER 25, 2022

The Advisory Board for the Arts regularly surveys leaders at arts organizations — including operas, ballets, symphonies, festivals, theaters, venues, schools, advocacy organizations, and museums — about issues relevant to the arts world. This online survey was fielded **October 13–21, 2022**. This is the sixtieth survey of the series and was designed to help arts leaders benchmark themselves on the current state of their organizational budgets, endowments, and cash reserves to better understand the financial state of the union worldwide.

OPERATING BUDGET DEFICITS

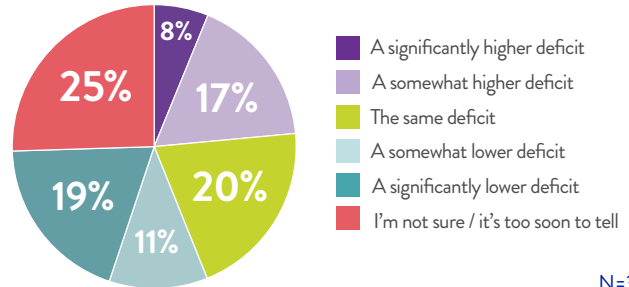
Half Expect No Budget Deficit in Current FY

Anticipation of Operating Budget Deficit for Current Fiscal Year



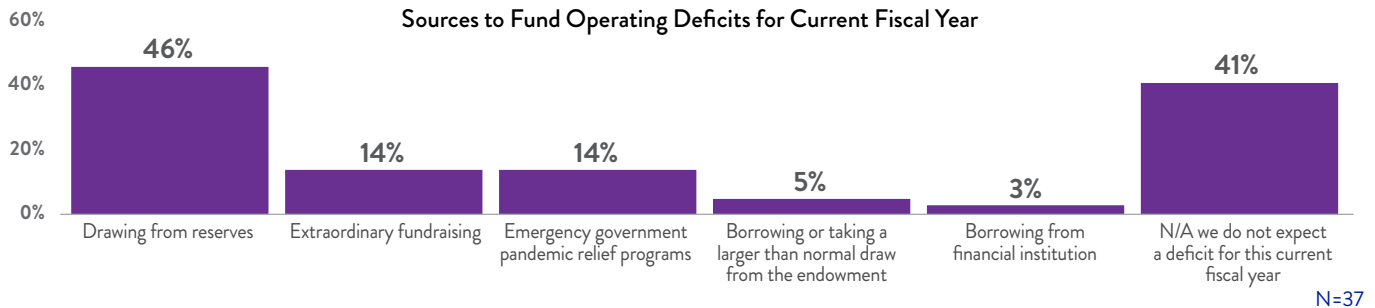
Range of Predictions of Next FY's Operating Deficit

Operating Deficit This Fiscal Year v. Next Fiscal Year



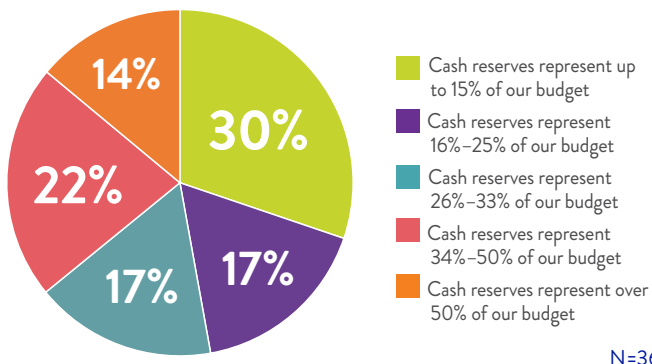
About Half Are Relying on Reserves to Fund Deficits

Sources to Fund Operating Deficits for Current Fiscal Year



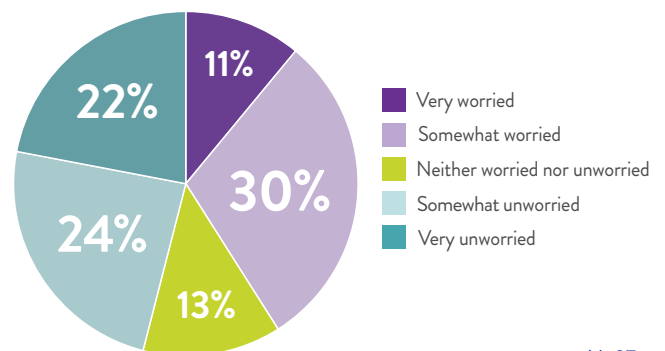
CASH RESERVES

Varying Proportions of Cash Reserves to Total Operating Budget



Half Are Not Worried About Reserves

Level of Worry of Currently Available Cash Reserves



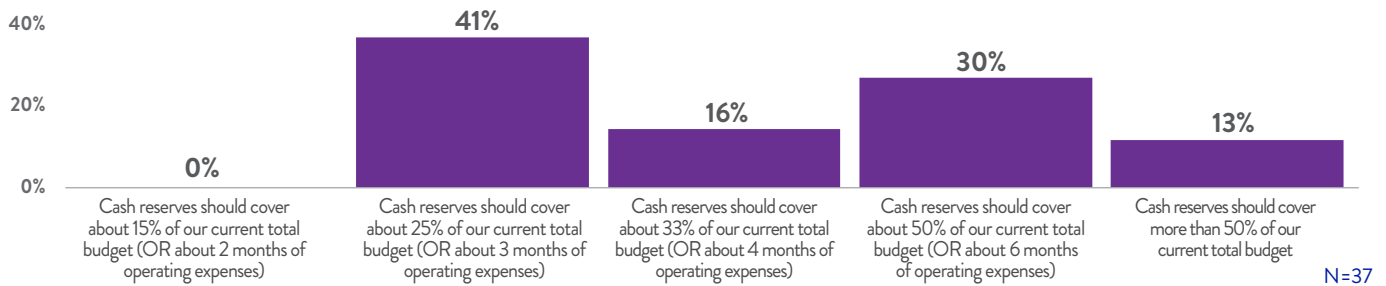
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CASH RESERVES

Orgs Agree that Cash Reserves Should Cover Over 25% of Total Budget

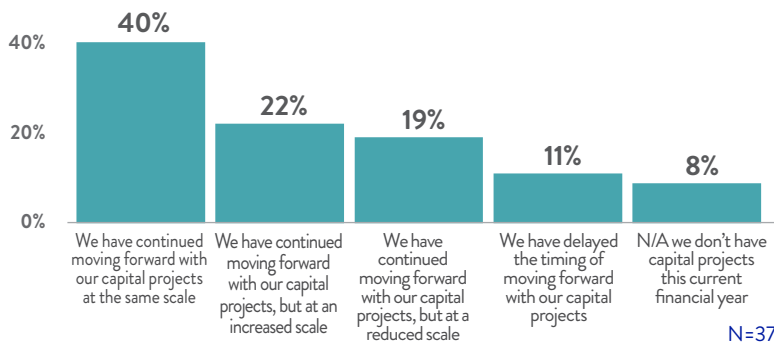
Ideal Size of Cash Reserves Relative to Current Total Operating Budget



FUNDRAISING

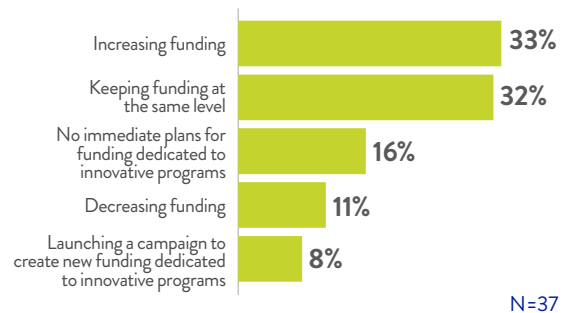
Few Have Reduced or Delayed Timing on Capital Projects

Revisions to Capital Projects this Current Fiscal Year v. Previous Fiscal Year



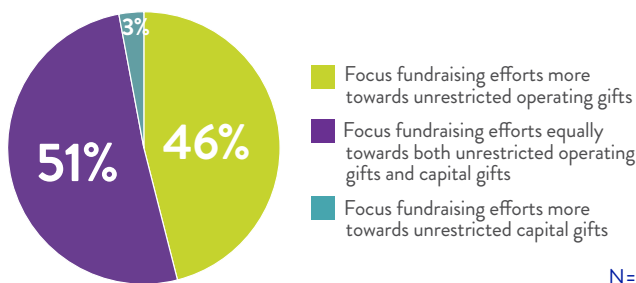
One-Third Are Increasing Funding for Innovative Programs

Current Funding for Innovative Programs Compared to Previous Years



Heavier Focus Towards Funding for Operations

Focus of Raising Annual Funds for Immediate Operational Needs v. Long-Term Capital Funds



Lessons Learned from Pandemic on Budgeting and Fundraising

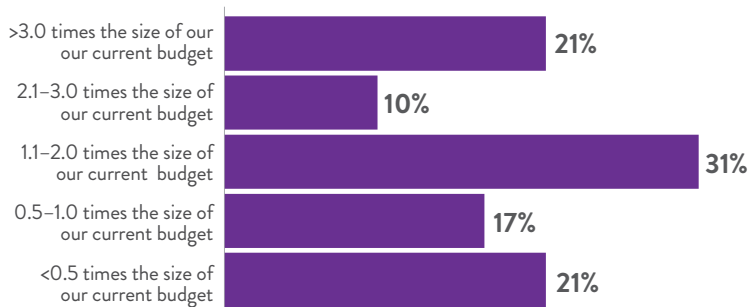
<i>We need to increase our endowment.</i>	<i>We learned to secure funding in good time for capital projects.</i>	<i>We need to have 3 years of cash in the bank, period.</i>
<i>We should focus more on annual fund gifts instead of just major gifts.</i>	<i>We must monitor and control expenses to ensure a balanced budget.</i>	<i>We must continue to invest in the future and tell our story to the community and donors.</i>

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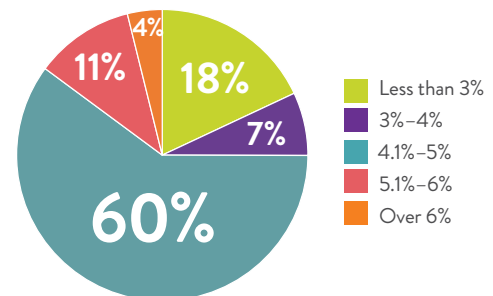
ENDOWMENTS

Range of Endowment Size Relative to Current Operating Budget



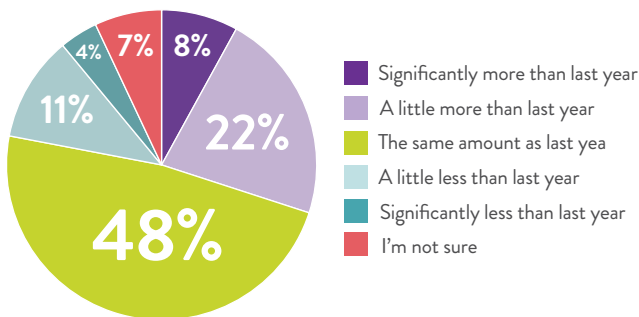
Majority Plan to Draw 4 to 5 Percent Out of Endowment

Percentage that Org Will Draw from Endowment This Year



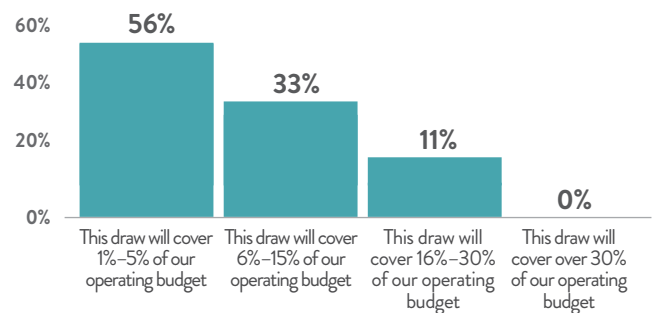
Half Will Draw Same Level from Endowment This Year

Percentage Drawn from Endowment This Fiscal Year v. Last Fiscal Year



For Most, Endowment Draw Covers <5% of Operating Budget

Percentage of Org's Total Operating Budget that Endowment Draw Covers



Majority Would Like An Endowment 3 Times the Size of Budget

Ideal Size of Endowment Relative to Current Total Operating Budget

