

# **Title: Economic behaviour of subsidised non-profit performing arts organisations: an econometric analysis of theatre repertoire in England**

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## **Abstract**

The existing non-profit literature discusses economic behaviour of performing arts organisations under the non-profit constraint. This paper specifically examines the impact on output of such enterprises based on the economic theory for non-profit organisations. It tests for the influence of financial, organisational and socio-economic factors on repertoire decisions of the grant-aided non-profit theatre sector in England using cross-sectional regression analysis. The dependent variable, the DiMaggio/Stenberg Conformity Index, is calculated first to show the differences in repertoire in the English theatre sector. In a second step a model is constructed to assess the impact of the above-mentioned factors. Previous studies for the American theatre and opera sector (see DiMaggio and Stenberg, 1985a and 1985b; Heilbrun, 2000 and Pierce, 2000) and the English theatre sector (Austen-Smith, 1980) form the background for this paper, which updates and attempts to improve the methodology, used by Austen-Smith (1980).

The current results of the regression analysis are rather surprising as for the overall model and for the single regression the subsidy variable is not significant. This contradicts the existing theoretical and empirical literature, but the outcome might be caused by the small sample size. Additional to the multiple regression and individual single regressions, multiple regressions for sets of variables e.g. organisational variables have been tested which did not show a different picture. If further analysis shows that subsidies do not affect theatre output significantly, then the widely discussed 'funding crisis' in the sector is questionable.