

COVID-19 Sector Benchmark

Insight Report 3: August 2020

Real-time intelligence on the impact of COVID-19

Who is booking now? Changes in ticket buyer demographics post COVID-19.

Executive Summary – Key Findings

- Data from 260 CRM systems suggest that while ticket sales have greatly reduced for all buyer types, the greatest decline has been in older audiences in both the United Kingdom and the United States.
- While the prospect of an audience return to 'normality' with a younger average demographic would be welcomed, it presents potential challenges to the financial viability of arts organizations since the combined average value of ticket purchases and donations is far higher for older patrons.
- Organizations who balance growing the number of younger patrons engaging with alternative artistic product while also retaining older generations' philanthropic support seems to be an emerging best practice for finding resiliency through COVID-19.

United States

- The proportion of subscribers who belong to the Silent Generation decreased from 29% pre-COVID to 17%.
- Millennial audiences doubled their proportional purchase from 4% to 9%.
- Generation X has also seen a significant proportional increase, from 14% to 21%.
- The mix of donors by generation changed similarly, with decreases in contributions from Silents, and an increase in proportional contribution from Gen X and Millennials.
- The proportion of donor income from Millennials has tripled in FY21.
- As well as a reduction in the average age of bookers, single ticket buyers for 2020/21 are proportionately more ethnically diverse, with a decrease of 2.9% in white bookers compared to the previous year.

U.K.

- Changes in the ages of bookers in the U.K. have been less dramatic.
- Pre-COVID, 21% of the ticket booking audience was 65 or older; that number has declined to 18% of buyers today.
- The largest increases are from audiences aged 25-44.
- There has been no statistically significant change in the ethnic diversity of ticket bookers, as measured by responses to online surveys.

Introduction

TRG Arts and Purple Seven have partnered to provide real-time intelligence and advice to the arts and cultural sector on the economic impact of COVID-19 and how best to respond to it. This partnership brings together Purple Seven's experience integrating live sales feeds from hundreds of arts venues and TRG Arts' consulting and data analysis expertise in achieving unsurpassed results for the arts and cultural sector.

In the United States, Canada, the United Kingdom and the Republic of Ireland, cultural organizations are invited to [sign up to a free and easy to use international COVID-19 Sector Benchmark Dashboard](#). An automated data feed between the organization's box office and Purple Seven's secure servers provides a daily update on ticket sales, refunds and donations which is anonymized and aggregated for the national benchmark.

TRG Arts and Purple Seven intend to share new findings from the national benchmarks on a frequent basis during the crisis. An initial study published in June 2020 focused on the comparative impact of COVID-19 on ticket sales in North America and the U.K. from January to May 2020. A second study in July examined trends in individual giving in the first half of 2020.

This third study examines who is buying tickets to future performances when the future is so unknown. TRG Arts has studied purchase data from 248 U.S. and U.K. performing arts organizations participating in the COVID-19 Sector Benchmark and the results show that while ticket sales have fallen dramatically, it appears the overall demographic of arts consumers is changing.

The Two Cohorts

We have analyzed data from 260 organizations (51 in the U.S. and 209 in the U.K.).

In 2019, these 51 U.S. organizations, a sample of the 65 in the Benchmark, collectively sold 6.7 million tickets, generated over \$302 million in box office revenue. While Canadian organizations are represented in the aggregate Benchmark, they are excluded from this study. The majority of the sample are theaters, but there is also a representation of arts centers and orchestras.

U.K.-based organizations in the sample collectively sold 31.5 million tickets, generated just under £879 million in box office revenue in 2019. Geographically, participating organizations come from all over the U.K. and there are multiple organizations from every nation and region. The majority of the sample are theaters, but there is also a good representation of concert halls and arts centers. The size and scale of organizations is diverse and includes both West End and regional commercial theaters.

Scope of the Study and Assumptions

This study focuses on the comparative demographics of ticket bookers for 2019/20 and 2020/21.

In the period from June 1 to August 24, 2019 U.K. organisations collectively sold 6.0 million tickets and generated £171 million in box office revenue. In the same period in 2020 they sold just 584,363 tickets with revenues of only £16.5 million.

In the period from June 1 to August 24, 2019, North American organizations collectively sold 2.3 million tickets and generated \$128.3 million in box office revenue. In the same period in 2020 they sold just 243,666 tickets with revenues of only \$12.4 million.

For both the U.K. and North America ticket sales and box office revenues had been shrunk by around 90% due to the impact of COVID-19. Therefore, when this study highlights changes in demographics, it does not mean that there are *more* buyers of this type in actual terms; it is the *proportion* of buyers that has changed. For all segments there are far fewer buyers. However, in the context of a 90% decline overall, some buyer types have seen still greater falls in ticket purchases and revenue.

U.S. demographic data is appended from Acxiom, one of the largest providers of consumer data in North America.

Appended U.K. demographic data comes from online customer survey responses. Survey respondents tend to be older and more likely to display loyal behavior to the organization whose survey they are completing.

Ticket Buyers in 2020-21 are Younger

While the 2019-20 season was interrupted by COVID-19, the core U.S. arts and culture audience participating is unsurprising: older, affluent, well-educated, largely white. Core U.K. audiences were younger, with a majority between ages 45-64.

Fast Facts, 2019-20 Audiences

Characteristic	U.S. Pre-COVID	U.K. Pre-COVID
Generation	54% Baby Boomers 22% Silent	34% Generation X 35% Baby Boomers

In contrast, data for the 2020-21 season show a surprising trend: younger patrons are transacting at comparatively higher rates, and across all dimensions of activity – single ticket, subscription, and donation. Older patrons have curtailed transactions – even contributions.

In the U.S. in FY20, the proportion of subscribers who belonged to the Silent Generation was 29%; in FY21 the proportionality has dropped to 17%. This shift is offset by Millennial audiences doubling their proportional purchases from 4% to 9%, and Generation X also seeing a significant increase, from 14% to 21%, respectively. The mix of donors by generation changed similarly, with decreases in contributions from Silents, and an increase in proportional contribution from Gen X and Millennials. The proportion of donor income from Millennials has tripled in FY21.

While aggregate revenues from philanthropy in the U.S. exceed aggregate ticket revenue, in the U.K. philanthropy is generally not a significant revenue stream. Analysis in our last Insight Report demonstrated that in the U.K. in 2019, on average for every £1 that was donated more than £10 was generated in box office income.

The question about shifting transactional trends across generations is one TRG Arts has explored before, in [this blog post from 2019](#). Rather than experience these transactional shifts across a decade, arts and culture organizations are having to respond to the revenue losses that mount as generational transaction shifts occur today. Until the 2020-21 season comes to a close, we cannot evaluate how great the net decline in overall household participation will be, nor the lost revenue impact from generational shifts alone.

Chart 1: U.S. Subscribers, by Generation

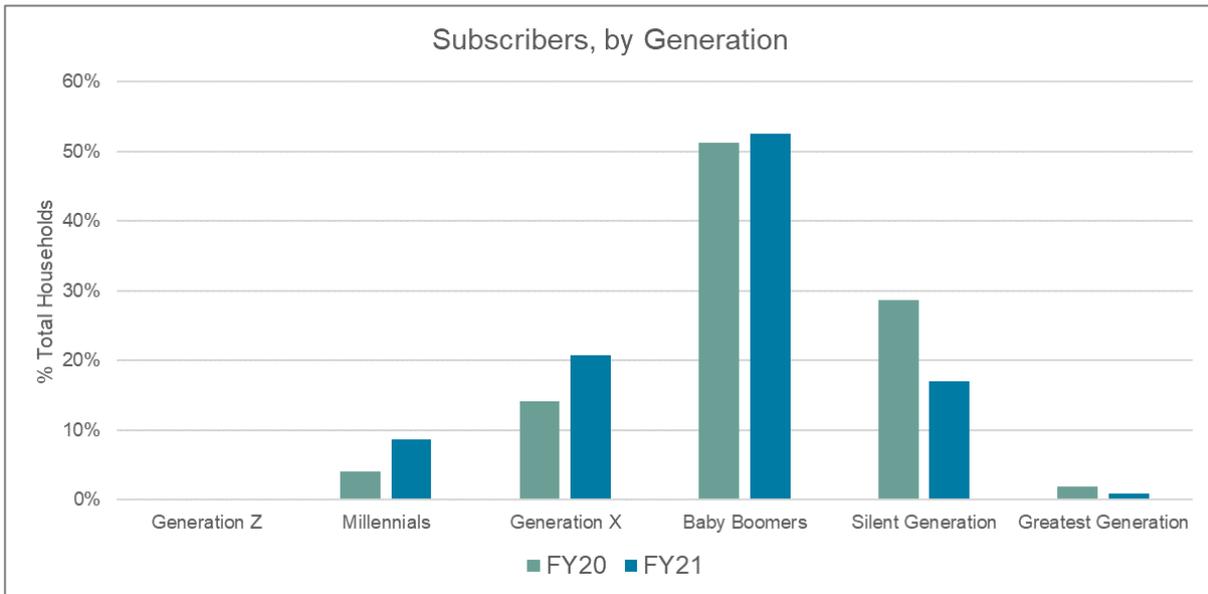
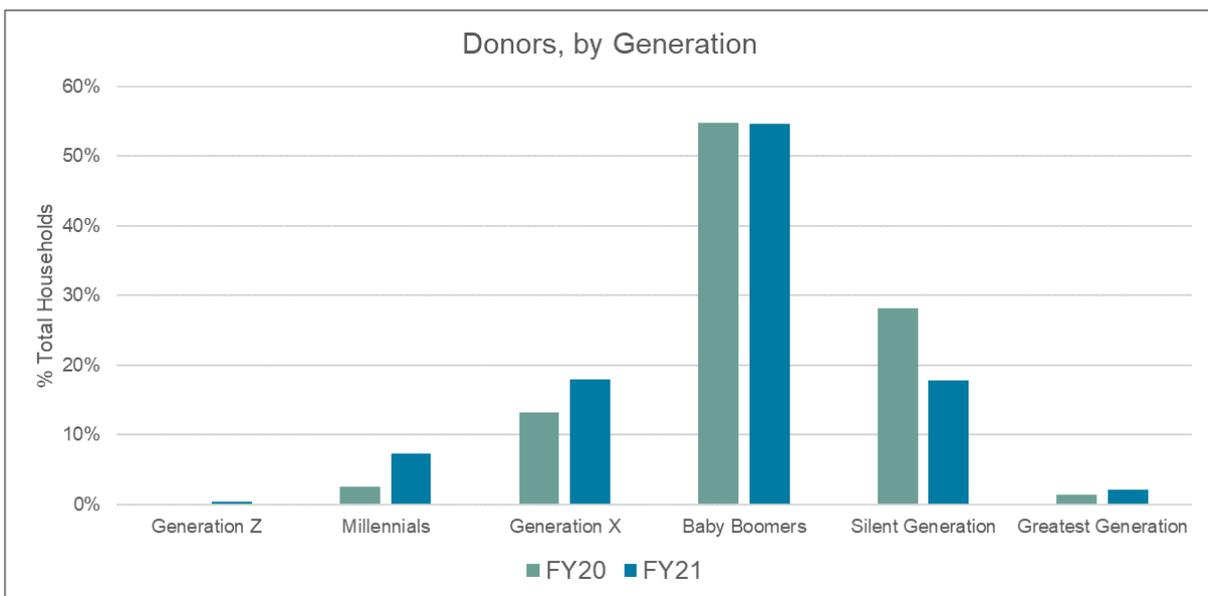


Chart 2: U.S. Donors, by Generation



The entry point for participating with most organizations is single ticket purchase. Here we also see a sharp decline in participation from older patrons. The proportion of single ticket purchases from Boomers and Silents are down in the U.S., 11% and 12% respectively; Millennials have increased their share of buying by 14% and Gen X increased 9%.

In the U.K., transactions occurring after the March COVID-related venue shutdowns reflects the same trend: younger audiences have grown proportionally as older patrons reduced their booking habits. Pre-COVID, 21% of the ticket booking audience was 65 or older; that number has declined to 18% of buyers today. Audiences age 55-64 have declined 1% point to 25%, while audiences 45-54 have increased 1% to 27% of all buyers. The largest increases are from audiences aged 25-44.

Chart 3: U.S. Single Ticket Buyers, by Age

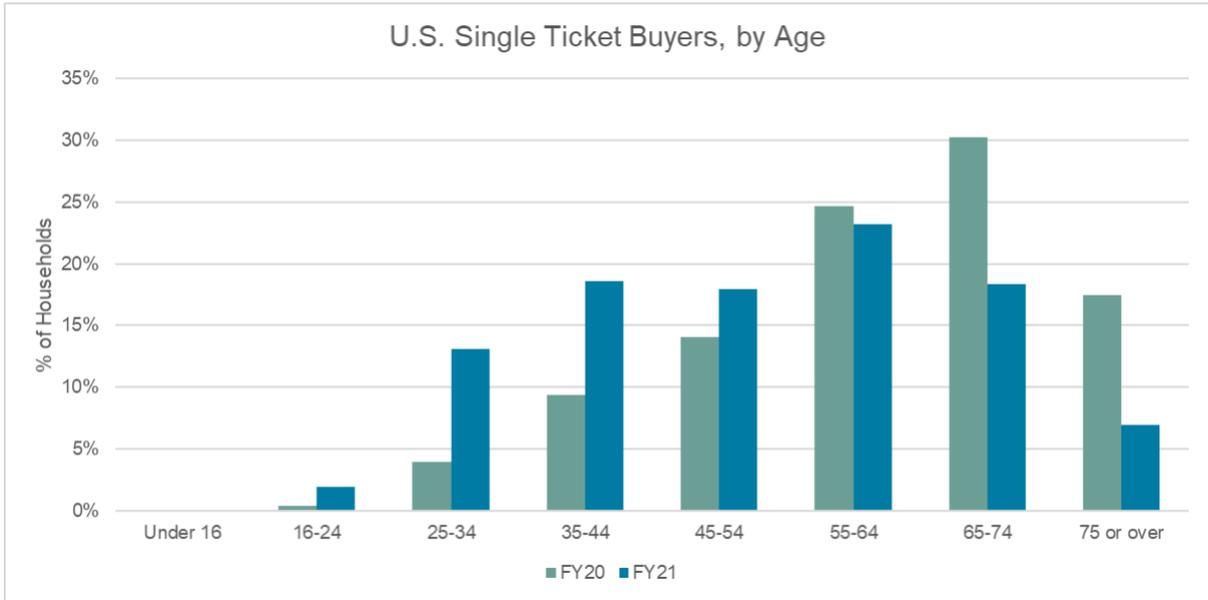
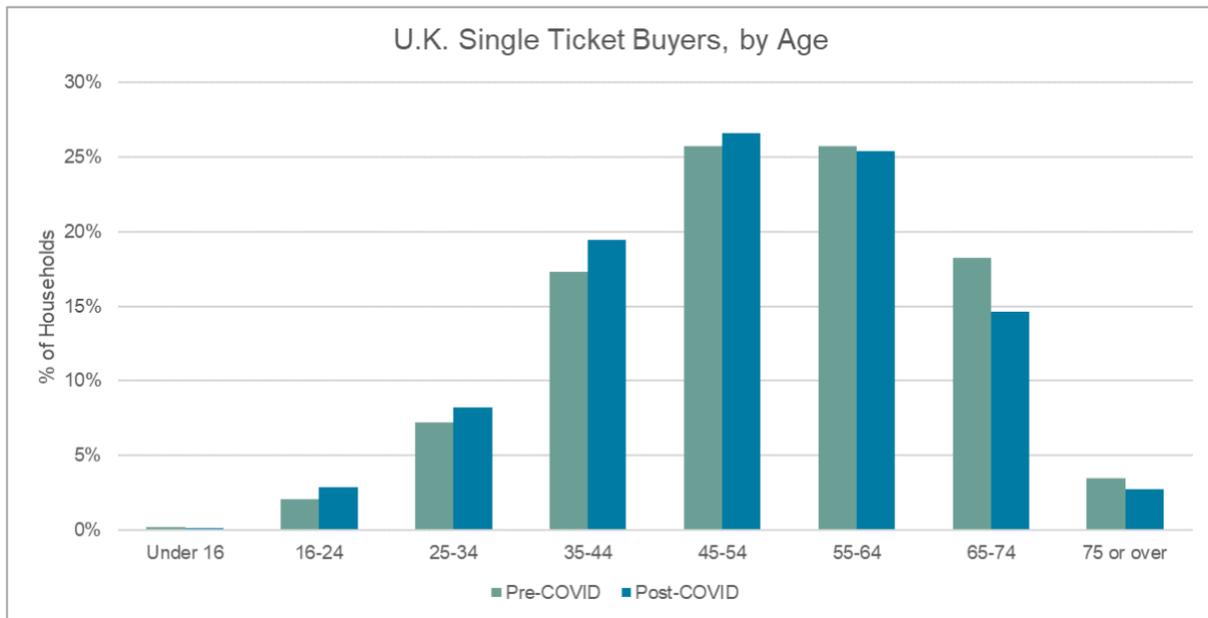


Chart 4: U.K. Single Ticket Buyers, by Age



U.S. Ticket Buyers in 2020-21 are More Diverse

The younger audience base in FY21 as a result of COVID closures also exhibits changes in other demographic characteristics. One area of focus in the arts and culture sector in pre-COVID days was building a more racially diverse audience. COVID-era purchase trends in the U.S. are reflecting a positive change in this regard.

In the U.S. younger generations are more racially diverse so we might expect our findings of a reduction of average age in bookers to be reflected in an increase of non-white ticket purchasers. The data shows this shift: the proportion of white audiences is down, while in the U.S. the proportion of Hispanic audiences has grown 2%.

Table 2: U.S. Ticket Purchasers by Race, Single Ticket Buyer and Subscriber

Race	FY20 Single Ticket	FY21 Single Ticket	Single Ticket Change	FY20 Subscriber	FY21 Subscriber	Subscriber Change
Asian	2.4%	3.1%	0.7%	2.5%	2.2%	-0.3%
African American	1.7%	2.1%	0.4%	1.9%	1.9%	0%
Hispanic	2.3%	4.0%	1.7%	2.7%	2.7%	0%
White/Other	93.6%	90.7%	-2.9%	92.9%	93.3%	0.3%

No Significant Change in Ethnicity of U.K. Ticket Buyers

While advance ticket bookers in the U.K. are skewing younger in the post COVID-era, the same shift in audience racial diversity is not occurring. Indeed, as a proportion of total advance bookers, survey data suggest white bookers make up a slightly larger proportion of the whole as of mid-August 2020.

Table 3: U.K. Audience by Race, Single Ticket Buyers

Race	Pre-COVID Single Ticket	Post-COVID Single Ticket	Single Ticket Change
Asian or British Asian	0.4%	0.3%	-31%
Black or British Black	0.3%	0.2%	-38%
Chinese	0.2%	0.1%	-26%
Mixed or Dual Heritage	1%	0.9%	-9%
White	95%	96%	1%
Any other ethnic group/ Prefer not to say	2.5%	2%	-19%

Changes Equally Sobering and Heartening

Arts and culture organizations have been concerned about the graying of audiences for decades and the topic of EDI has become central to many organizations' examination of programming, marketing practices, and front-of-house operations. With ticket sales down 90% from the same period last year, it

is too early to celebrate a younger and more diverse audience. However, if this trend continues as the market recovers, it will be a silver lining for the sector.

At the same time, TRG Arts does not have evidence that these changing demographic trends are purposeful by organizations; indeed, they are likely organic shifts in patron purchase behavior. The opportunity for arts and culture is to acknowledge this shift in buying trends and to update product, packaging, and pricing to resonate even greater with this younger and more diverse cohort.

The cautionary tale to organizations is not to let relationships lapse with patrons that have seen diminishing participation. A client example illustrates the danger of not continuing to cultivate relationships with Boomers and Silents: for every 1% loss in audience from these two older generations, the organization loses \$33,000 in annual revenue. For every 1% gain in participation from Millennials and Gen X, the organization realizes a \$7,000 gain. The net is a loss of \$26,000 annually. Organizations who balance growing the number of younger patrons engaging with alternative artistic product while also retaining older generations' philanthropic support seems to be an emerging best practice for finding resiliency through COVID-19.

Table 4: Impact on Generational Shifts on Client Net Revenue

Generation	Behavior Change	Revenue Impact
Silent Generation	1% household loss	(\$15,288)
Baby Boomers	1% household loss	(\$18,509)
Generation X	1% household gain	\$ 5,700
Millennials	1% household gain	\$ 1,300
Net to organization		(\$26,797)

Conclusions

This analysis was undertaken to answer the question, “Who is buying tickets to future performances when the future is so unknown?”

While ticket sales and revenue have fallen by 90% in the last three months, in both the U.S. and U.K. markets the small numbers who are booking are on average younger and in the U.S. purchasers are more ethnically diverse.

Most cultural organizations would warmly welcome this trend continuing as sales volumes increase. It is still crucial to remember and value the contributions of older patrons. TRG Arts’ 2019 analysis showed the value of a Baby Boomer household was on average 14 times higher than that of a Millennial.

Purple Seven and TRG Arts are still welcoming new organizations to join the free COVID-19 Sector Benchmark and would particularly like to welcome organizations in Canada and the Republic of Ireland to establish benchmarks in these nations. To sign up and receive a free dashboard to compare your organization’s performance with your peers, visit <https://go.trgarts.com/benchmark>

Jim DeGood for TRG Arts & Purple Seven

Draft version. 28 August 2020.

This project is supported in part by the National Endowment for the Arts through our partnership with SMU DataArts.



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