REPORT

The Impact of Theatre

An Economic Overview of the Theatre Landscape in the Washington, DC Region

Theatre Washington supports an integrated artistic ecosystem of nearly 90 professional theatre organizations. These organizations share resources, patrons, artists, and a network of regional and local support, while each also fulfills a unique artistic and educational niche and vision.

In addition to generating prolific artistic output, the area's theatre industry is a multi-million-dollar economic engine. It creates thousands of jobs and volunteer opportunities, pays nearly $82 million dollars annually to artists and staff, and holds over one billion dollars in combined assets.

Suffice to say, the theatre industry in the Washington, DC-area generates significant impact that reaches well beyond artistic achievement.

In 2025, Theatre Washington assessed the financial and operational scope of our sector by analyzing publicly available IRS 990 data for the 89 theatre organizations within our region to inform this report. As a result, we are able to present an understanding of the size, scale, and impact of our theatre industry.

The goal of this document is to provide a high-level overview of the financial and operational scope of the region's theatre sector. We hope that it will serve as a resource for advocacy and conversation, telling a unified story of collective impact.

Organizational Size

The theatre organizations represented in the data set range in size, with operating budgets as low as $15K per year and as high as $26M per year. One-third have operating budgets that exceed one million dollars. The area is home to more than a dozen large anchor institutions with multimillion-dollar buildings that are landmarks for the region's urban landscape as well as cultural pillars for residents and artists.

A Robust, Vibrant and Healthy Community

Small Companies (with budgets of less than $500,000): Small companies are incubators. They function as arts start-ups within the theatre ecosystem, and often produce new plays and adaptations. They provide opportunities for technicians, writers, and performers to experiment and refine their talents and they serve niche audiences and creators. They often act as a "first stop" on the pipeline to the professional theatre community from the strong arts programs of the region's many academic institutions, and their scale and responsiveness make them essential hubs of artistic innovation and cultural access.

Mid-Size Companies (with budgets of $500,000-$2.5 million): Mid-size theatre organizations have established their reputations, audiences, and communities. They provide a crucial bridge between artistic risk-taking and greater institutional stability, and they nurture artists beyond their early careers, develop new work at scale, and deepen community engagement while remaining closely connected to their audiences.

Large Companies (with budgets of more than $5 million): Large companies function as anchor institutions. They are highly visible, nationally recognized, and capable of sustaining big productions. They enable artists to make careers in the region, house robust education programs, and generate major economic and programmatic impact.

Together, these tiers create an interdependent ecosystem in which ideas and resources flow in all directions, allowing the entire region to benefit from the diversity and depth of the cultural landscape.

THEATRE SIZE BY BUDGET TIER

	DMV (89)	DC (52)	MD (20)	VA (17)
Budget < 100k	26	12	8	6
Budget 100k-300k	13	9	3	1
Budget 300k-500k	11	8	1	2
Budget 500k-1M	12	4	3	5
Budget 1-2.5M	12	9	1	2
Budget 2.5-5M	4	3	1	0
Budget 5-10M	5	2	3	0
Budget 10M+	6	5	0	1

Theatre Growth Over Time

The average age of a continually operating theatre organization in the DC-area is 28 years (median age 25). Folger Shakespeare Library, founded 1932, is the longest-running nonprofit producing company, followed by Olney Theatre Center, founded in 1938. The most recently founded professional organizations in this data set were started in 2022.

The chart below shows the number of theatre organizations in the area in each age bracket, as well as each bracket's average organizational budget.

NUMBER OF ORGANIZATIONS BY AGE AND ANNUAL BUDGET

9 Companies	50+ Years	$9.3M
14 Companies	40-49 Years	$3.9M
15 Companies	30-39 Years	$1.8M
16 Companies	20-29 Years	$850K
22 Companies	10-19 Years	$326K
9 Companies	5-9 Years	$218K
3 Companies	0-4 Years	$35K

The data shows our largest cohort in the 10 to 19 year range. On average, we see rapid growth in the first 10 years of a theatre organization's lifespan, followed by a plateau in the second decade. From there, budgets roughly double each decade, followed by even greater growth at the 50+ year mark. Financial growth becomes significant only after a theatre survives into its third and fourth decade, when the very oldest institutions stand apart with dramatically larger budgets.

The data set reveals both the strength of legacy institutions and the fragility of younger companies, where most theatres operate leanly with limited capacity to scale. Taken together, the numbers suggest a vibrant but imbalanced field, where targeted support for companies approaching the 10-20 year range could be crucial in building long-term sustainability for the industry and ensuring that more theatres grow into lasting pillars of the region's cultural life.

Economic Impact of the Theatre Ecosystem

The region's theatre organizations not only provide entertainment, educational programs, and live performance experiences, they are an economic powerhouse that generates millions of dollars for the local economy.

COMBINED ASSETS OF THEATRE ORGANIZATIONS

In the data set,[1] the combined reported assets of the theatre organizations is over one billion dollars.[2] These assets include cash & cash equivalents, property, real estate, and organizational endowments.

Washington, DC	$1,003,222,250
Northern VA	$23,036,915
Suburban MD	$45,131,596
TOTAL	$1,071,390,761

These theatre organizations generated nearly $160 million in combined earned and contributed revenue.

COMBINED EARNED AND CONTRIBUTED REVENUE

	Earned Revenue	Contributed Revenue	TOTAL
Washington, DC	$35,377,330	$63,867,949	$99,245,279
Northern VA	$10,702,502	$15,903,990	$26,606,492
Suburban MD	$12,606,861	$19,675,423	$32,282,284
TOTAL	$58,686,693	$99,447,362	$158,134,055

Operating Budgets

Each year the organizations inject nearly $190 million into the local economy through their operating budgets, of which an average of 42% is allocated to salaries and compensation.

	Total Expenditures	Average Reported % Compensation
Washington, DC	$132,954,050	42%
Northern VA	$23,975,316	39%
Suburban MD	$31,974,754	45%
TOTAL	$188,904,120	42%

Some of our theatres have operating budgets under $50,000 and as such, the IRS requires only a 990-N postcard to be filed annually. To represent these theatre budgets in our data, we have reached out to a group of theatres in this bracket, requesting their annual operating budget information, and averaging that information. We have used the average for all unreported theatres in the bracket. The average is $20K per year in expenditures, with an similar amount of income. The aggregate total is less than $250K.

Employment

Local theatre organizations employ over 4,000 people and engage 5,100 volunteers. Together, the combined reported compensation paid out by Washington area theatre organizations is almost $82 million.

	Salaries, Compensation & Contractor Payments	Number of W-2 Employees	Number of Volunteers
Washington, DC	$49,215,922	1,968	2,745
Northern VA	$14,499,894	887	1,363
Suburban MD	$18,127,053	1,213	1,059
TOTAL	$81,842,867	4,068	5,167

Reported nonprofit employees in 990s are often "incomplete". They represent W-2 contracts, and do not generally include contractors or stipend-based staff, who are often the only workers at small organizations. While union artists and technicians are W-2ed, along with full and part-time staff at larger organizations, smaller companies often issue only 1099s to artists and administrators. With this in mind, we acknowledge that total theatre workers in the region almost certainly greatly exceeds the 4,068 reported.

Public Funding Return on Investment (ROI)

51 theatres (57% of the data set) reported nearly $19 million in combined federal, state, and local government support.

Washington, DC	$10,729,220
Northern VA	$1,033,252
Suburban MD	$7,149,766
TOTAL	$18,912,238

PUBLIC FUNDING ROI

	# of Orgs Noting Gov. Support	Median Average Operating Budget ROI	Median Average Compensation ROI	Median Average Contribution ROI
Budget < 100k	3	$1.00	-$0.40	$3.50
Budget 100k-300k	5	$1.27	$0.16	$0.90
Budget 300k-500k	7	$2.45	-$0.14	$0.84
Budget 500k-1mil	12	$3.11	$0.56	$1.24
Budget 1mil-2.5mil	11	$5.62	$1.24	$2.24
Budget 2.5mil-5mil	4	$2.43	$1.10	$1.72
Budget 5mil-10mil	5	$5.59	$2.19	$2.41
Budget 10mil +	4	$70.67	$3.74	$15.70
OVERALL		$2.78	$0.83	$1.98

By comparing the amount of government support organizations received against their operating budgets, we calculated a basic Return on Investment (ROI) for government support dollars in our community.

On average, theatre organizations spent roughly $3 for each government grant dollar they received.

The data illustrates that government investment in theatre organizations generates positive economic returns across the sector, with high impact in the mid-range of operating budgets. Small companies are able to utilize government funding as reliable, year to year income to stabilize and create space for capacity building, and larger companies are empowered to run capital projects and program initiatives that help keep our theatres prominent pieces of the area's cultural landscape.

Companies in the $300,000 to $500,000 range show a negative compensation ROI (fewer dollars in relationship to government grants), highlighting a potentially vulnerable gap where growth represents significantly more overhead that may not yet be matched by reliable resources. As an example, these companies are too large to rely on volunteers, and too small to provide competitive hiring benefits to recruit long-lasting administrative staff.

Organizations with $500,000 to $2.5 million budgets generate highly efficient outcomes, producing up to $5.62 in operating ROI for every $1 of support, alongside complementary growth in compensation and contributions.

The large legacy organization budgets yield extraordinary returns, on average delivering $70 per $1 invested by government funds. This reflects their scale and deeply entrenched role in the regional economy.

These findings make clear that public funding is a strong driver of economic vitality, and suggest that sustained targeted investment in smaller and mid-tier theatres could help to stabilize the ecosystem and unlock long-term regional growth. Additionally, investment in theatre companies of all sizes ensures that the industry can continue to grow and thrive.

Community Supports

Washington, DC-area theatres attract audiences who support local businesses, generate tourism, and support neighborhoods to create quality jobs. Additionally, more than one-third of organizations provide educational programming that reaches more than 10,000 total students annually.

Twenty-seven of the organizations with long-term leases or owned spaces also registered meaningful rental income (more than 5% of their total revenue); by hosting other cultural institutions and emerging creatives, they enrich the region's ecosystem in different ways.

COMMUNITY SUPPORTS

	Itinerant	Resident	Owned/ Leasee
Washington, DC	22	10	20
Northern VA	7	4	6
Suburban MD	7	6	7
TOTAL	36	20	33

Conclusion

This project, though neither exhaustive nor definitive, is a critical first step in providing Washington's regional theatre community with quantitative data about the local theatre industry. Similar data and studies available show only national trends and/or reflections on larger fields: the broader arts sector or general nonprofits. They lack the specificity that would benefit regional theatre advocates and organizations in discussions with patrons, funders, and civic leaders about the role of theatre in the local economy and cultural landscape. We hope this gives theatre organizations information to help them position themselves in the larger picture of regional theatre and to better advocate for their companies and the industry.

[1]The data set includes the most recently reported 990 for each organization as of July 2025. With this in mind: this data should not be used as a snapshot of a single fiscal or calendar year, especially as we recognize organizations whose fiscal years end June 30, September 30, and December 31st.

[2]Of note, The Kennedy Center is included only in non-economic aggregate: as a presenting house, as an educational center, and as a DC-based theatre organization. However, the enormous scale of the Kennedy Center's budget, and the complexities of how it is intertwined with many different programming and operational areas make it an outlier of economic outliers that would skew our organizational averages, ranges, and medians so as to make the information and analyses we have gathered inaccurate/unusable.

In the Heights at Signature Theatre
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