



Volunteer Boards for Non-Profit Theatres in the United States of America

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In the USA, the Law Requires a Board of Directors

- NGO theatres in the USA must have a board of directors.
- These directors are volunteers.
- Board members are fiduciaries who steer the organization towards a sustainable future by adopting sound, ethical, and legal governance and financial management policies.



Board Members Must:

- Make certain making sure the nonprofit has adequate resources to advance its mission.
- This means board members have a major responsibility for fundraising.
- In addition, boards hire, evaluate, and if necessary, fire the artistic and managerial leadership



Fundraising Responsibility

- In most instances, boards of directors are required to give money or get money for their theatre.
- In many instances, this requirement is both give **and** get. Required amounts vary depending upon the budget of the theatre in question.
- Expected donation and fundraised amounts are significant, averaging over \$13,000. (Voss, et al.)



Fundraising Responsibility

- Most often the expectation is that board members will make a personal contribution.
- In some instances, the expectation is that they will secure a “personal” gift from either their own funds or from a corporate employer.



Board Size:

- While the law requires that the board of a non-profit theatre must have a minimum of three members, many NGO theatres have much larger boards of directors.
- The board of the Steppenwolf Theatre Company in Chicago, has fifty-four members.
- The Theatre Communications Group reports that board size is, to some extent, tied to budget size.
- In general, the older the theatre is, the larger the budget and the board.

Board Structure and Size

Budget Size	Average Theatre Age	Average Number of Board Members
\$10 million or more	47	47
\$5 million to \$9,999,999	48	38
\$3 million to 4,999,999	37	28
\$1 million to 2,999,999	32	22
\$500,000 to \$999,999	22	14
\$499,999 or less	17	10



Who Serves on Theatre Boards?

- Voss et al, in their study of theatre boards report that 10% of theatres have political figures on the board; 16% of theatres have board members whose primary contribution is their name .
- Most boards have a variety of professionals serving including people with expertise in accounting, finance, marketing, human resource management, but only 7% of board professionals provide pro bono work for the theatre.



Who Serves on Theatre Boards?

- Many theatres give artistic and managerial leaders voting privileges.
- NGO theatre board members tend to be older. The report from Voss et al states that 70% of board members are age 50 or older, while only 8% are age 30 to 39, and less than 1% are under the age of 30.



Why Do Board Members Volunteer?

- The commitment of both money and time is significant. Volunteer boards are viewed as partners in the mission of the theatre.
- So why do board members volunteer for such service? Eric Lefkofsky, the Groupon co-founder explains, “I tend to be interested in things that are growing and expanding.”
- David Schmitz, Steppenwolf’s Executive Director, says he spends significant time on board management and he believes it is time well spent.



Why Do Board Members Volunteer?

- Non-profit theatre boards have different responsibilities, depending upon the size and budget of the theatre.
- Small boards have the expectation that the board members will pitch in on anything.
- At a small theater they might be ushers some nights, or they might be coming up with little fundraisers.
- With big boards, it moves toward larger decisions, and more expectations for giving money, because there is so much they have to raise each year.



Why Do Board Members Volunteer?

- Board members are driven by the mission, or they know somebody who's already involved in the board.
- For some people, it is the opportunity to help shape their community.
- For some people it's a status symbol.

Committees Typically Employed in NGO Theatres

	Executive	Nominating	Finance	Development	Marketing	Gala/Benefit	Artistic	Capital Campaign	Staff and Board Diversity	Strategic Planning
Percentage of Theatres with this committee.	90%	88%	91%	73%	34%	65%	10%	28%	11%	47%
Average Number of Members	9	6	7	10	6	6	7	6	5	7
Average Number of Annual Meetings	6	5	7	7	5	7	3	7	5	5



Why Do Board Members Volunteer?

- Committee work is required of governing board members by 79% of theatres.
- In addition to the committees listed in the chart, theatres also form committees to address investments, community engagement, human resources, financial audit, outreach, scholarships, facilities, endowment, commercial projects and a host of other issues.



What Board Members Do Not Do:

- Hopefully, they do not meddle in the artistic product or micro-manage the daily details of the theatre operation.
- Throughout America, the search for exceptional board leaders for nonprofit theatres is of major concern to artistic directors and managing directors charged with balancing budgets and forwarding the mission and goals of their respective companies.
- It's also vitally important for theatres to clarify their expectations when they solicit people to serve on their boards.



Final Thoughts

- The smaller the theatre, the more intimately involved the board is.
- Smaller organizations rely on boards for more day-to-day activities but as theatres grow, the boards must transform and develop into boards for oversight, long-range planning, and fund-raising.
- The lines where management's job begins and ends and where the board's job lies must be respected.
- When all is said and done, non-profit theatres are looking for board members who can provide wisdom, work and wealth.



Final Thoughts

- Many non-profit theatres in America work hard to recruit successful business CEO's with an entrepreneurial spirit and the ability to both contribute and to solicit support from their peers.
- In addition, based upon the unique needs of a particular theatre, lawyers, marketing experts, real estate professionals, educators, bankers, accounts, and human resource specialists top the list of prospective board members.
- Finally, board volunteers must have a presence in the community that attracts attention and respect.
- Volunteer boards of directors in the American theatre are vital. Without them, non-profit theatres would not exist.