

How Do Governments Support the Contemporary Dance Companies?:

A Case Study of Japan and the U.S.

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Introduction

As Baumol and Bowen (1966) argued, it has been an issue for non-profit performing arts organizations to fill the income gap because they cannot get benefits from increases in productivity (pp.154-157). Therefore, non-profit performing arts organizations have to seek governmental grants, and contributions from individuals or foundations. Contemporary dance companies, most of which are non-profit organizations, need to receive these types of financial support in order to continue their artistic activities.

Japanese and American governments support contemporary dance companies using different strategies. According to the Agency for Cultural Affairs of Japan (2014), European governments and the South Korean government support arts activity mainly by direct grants, whereas the United States focuses on increasing the amount of donations by tax exemption (p.4). In Japan, both public support and donations are small compared to other countries, as shown in Figure 1.

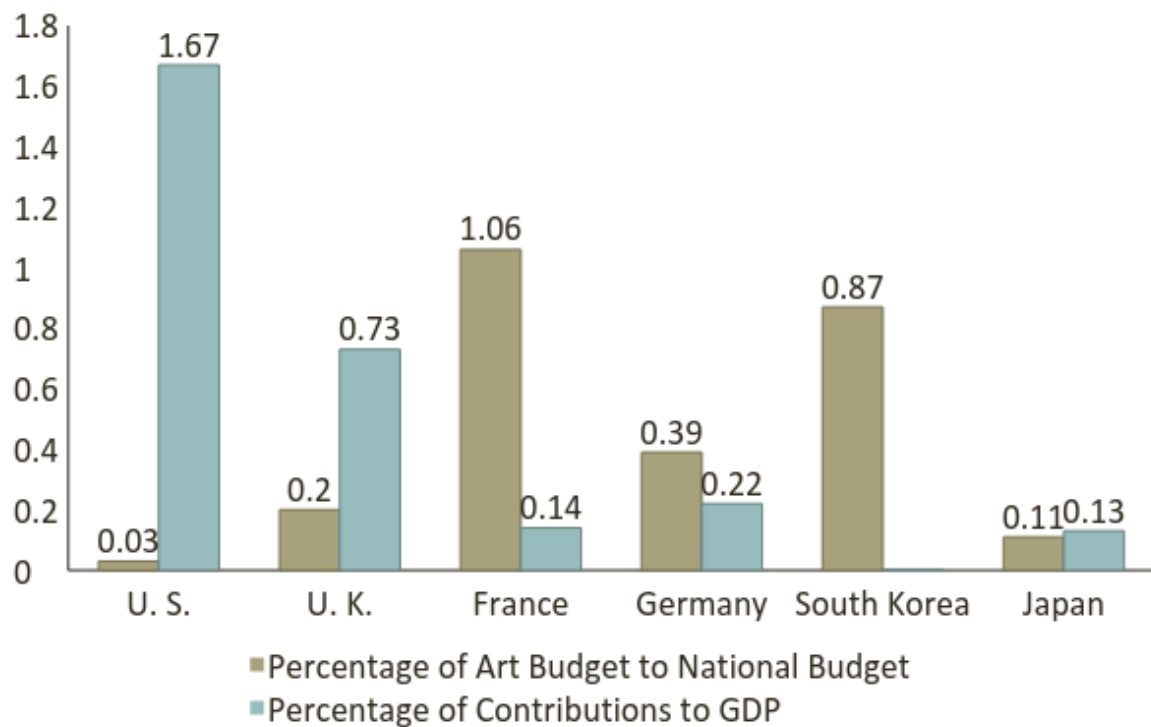


Figure 1. The percentage of art budget to National Budget and Contributions to GDP of six countries. Source: Agency for Cultural Affairs of Japan. (2014).

This article will explore how governments support non-profit contemporary dance companies in Japan and the United States by multi-case study research¹. Because there are numerous genres or styles of dance, this research will focus only on contemporary dance in order to accurately compare the situation which surrounds dance in Japan and the United States, and minimize errors that may arise when comparing different types dance genres or styles. Based on the data shown in Figure 1, the authors set three hypotheses:

- 1. Japanese contemporary dance companies tend to get more governmental grants than private donations.
- 2. American contemporary dance companies tend to get more private donations than governmental grants.
- 3. Considering the gap between the amount of funding in Japan and the United States, contemporary dance companies in United States have larger budgets than those in Japan.

In the following sections, the authors consider whether these hypotheses are valid or not based on the collected data.

¹ The main reason the authors chose Japan and the United States is that both of them are economically developed and at similar economic levels.

There is some research relating to the management of art organizations including dance companies in the United States (Cowen, 2006; Felton, 1994; Smith, 2003). Cowen (2006) argues how and why the indirect subsidies work very well in the American society. He categorizes the kind of the grants, direct and indirect, and says, “The genius of the American system is to get most arts support off the direct public books” (Cowen, 2006, p.31). Cowen discussed the situation that surrounds overall art organizations. On the other hand, Felton (1994) studied the funding patterns in symphony orchestras, dance, and opera companies in the United States. He argued that the funding pattern of ballet companies is different from that of modern dance companies. Ballet companies derive the majority of their revenues from earned income, opposed to contributed income. Whereas, modern dance companies have the opposite funding pattern, deriving the majority of their revenue from contributed income (p.6.) It is important to note that the average budget of ballet companies is almost four times that of modern dance companies (p.5). Also, Felton argued that ballet companies rely more heavily on individual support than any other kind, while modern dance companies depend most on foundation support (p.6).

The research conducted by Smith (2003) on the effects of grants would partially

elaborate the argument by Cowen. Using the key concept, leverage, he researched the impact of the National Endowment for the Arts (NEA) funding on private and public contributions (p.99). According to Smith (2003), non-profit companies should apply for NEA grants because “NEA grants crowd-in between \$4 and \$16 in private and non-NEA public contributions (p.111).”

However, as far as the authors know, there is a limited amount of research about the management aspect of non-profit art organizations in one country compared to that in another country. Management varies amongst different dance companies. In this paper, the dance companies from case #1 and #3 are managed entirely by the artistic director. The dance companies from case #2 and #4 have an artistic director who oversees a team of arts administration staff who execute all managerial duties. This research might be one of the first of its kind and the authors expect that the findings of this research would be highly practical and suggestive for those who are engaged in non-profit contemporary dance companies. This cross-national comparison is useful because it shows how different government systems and policies impact contemporary dance companies. American contemporary dance companies have significantly larger budgets than those in Japan, so there must be

aspects of the American system that are working well. To make these claims, the system in America must be compared with that in another country.

Methodology

In this research, the authors used a multi-case study method. Case study is a useful approach when the researcher is studying about current phenomenon, over which he or she has no or little control (Yin, 2014, p.14). There are a great number of non-profit contemporary dance companies in Japan and the U.S. To choose the appropriate cases that represent each country well, two categories were defined in this research: small dance company and large dance company. The authors define a small dance company as one that operates on less than 200,000 US dollars per fiscal year. On the other hand, a large dance company is one that operates on 200,000 US dollars or more in one fiscal year. Based on these definitions, the authors chose one small dance company and one large dance company in each country, and then conducted interview research with the artistic director or general manger, or both. The interviews were conducted in the summer of 2015. The interviews were recorded and the manuscript was prepared for coding. The list of the questions² is as follows:

² In this research, the authors did not ask questions on publicity, advertisement, or public relations. Future research is needed about how these influence the activities of contemporary

1. General questions

- Could you tell us a brief history of your dance company?
- What is the most difficult aspect about running an art organization?
- What is the mission of your dance company?
- What is the future goal of your dance company?
- What do you hope to happen in this art field in the future?

2. About management

- How many staff members does your company employ?
- What kind of activities does your company do?

3. About education and training

- How does your dance company audition and employ dancers?
- How often do dancers take classes in a week?
- How many rehearsals do dancers have in a week? And how long in a day?

4. About performance

- How many performances does your company have in a year?
- When you have a performance, in general, what percentage of income

dance companies.

comes from grants or funding versus tickets?

5. About donation and grant

- Do you receive donations? If so, who donates to your dance company?
- Where did you get funding?
- How do you get grants?
- What type of grants can you get?

After coding, the authors compared the cases with each other. To complement the interview research, financial documents were gathered as well. Table 1 shows the outline of each case.

Table 1. The outline of each case

	Case #1	Case #2	Case #3	Case #4
Country	Japan	Japan	U.S.	U.S.
Genre	Contemporar y	Contemporar y	Contemporar y	Contemporar y
Dancers'	Part time	Full time	Part time	Full time

Working style				
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In order to compare the cases effectively, the authors needed to eliminate some information is unique to the context of each dance company. However, such unique information is quite suggestive in describing the comprehensive picture of each dance company. Therefore, in the next section, each case will be described in detail within its context. In Section 4, the authors compare the total budget and its breakdown across the cases.

Results

1 **Case #1:** Small contemporary dance company, Japan

This pick-up style contemporary dance company, founded in 1993, is based in a quiet neighborhood within a big city. The theater where this company resides³ is quite famous among Japanese contemporary dance fans and draws large audiences every weekend to watch the performances.

³ This contemporary dance company belongs to a company limited. The company covers the space fee for rehearsal, so the contemporary dance company does not need to pay for the space.

The choreographer was a part of a modern dance company. At that time, it was typical for dancers to have a performance relying only on ticket sales. When she was working with an American dancer, the choreographer was told, "The situation is crazy." Therefore, as soon as she founded her own contemporary dance company, she started to apply for public grants.

However, the company could not receive any grants until 1999. The first grant made it possible for the company to have four performances in a year and travel abroad. Most of the public grants in Japan are project based, which means they cover the payment to dancers or choreographer, the stage setting fee, transportation expenses, and so on, but do not cover operational expenses. This regulation makes it difficult for a choreographer to earn an income and make a living. Although she has spent thousands of hours for office work to run the dance company, she rarely received any money for that. It was voluntary work.

Since 1993, the contemporary dance company has consisted of only women, most of whom are in their 20s or 30s. As a choreographer of an all-female dance company, she said that it is difficult to keep members for a long period. Some left the company when they got married and others left for childbirth. The choreographer

says it is a problem deeply embedded in the gender discrepancy in Japanese culture.

Unless gender equality is promoted in Japan, many women cannot continue to dance professionally.

Now there are 10 part-time dancers in this all-female dance company. Usually, this company has three or four performances in a year. In addition to that, it participates in some national or international dance festivals. At the Festival d'Avignon this company's performance was reviewed as being "an energetic dance coming from the Land of the Rising Sun." The financial situation differs year-to-year, depending on the grants they receive. In the fiscal year of 2014-2015, the total budget was USD 33,000, ninety percent of which came from ticket sales (Figure 2). The other ten percent came from donations from the Honeycomb Foundation. The choreographer named it that way hoping the pieces she choreographed can travel around the world like a bee travels searching for flowers.

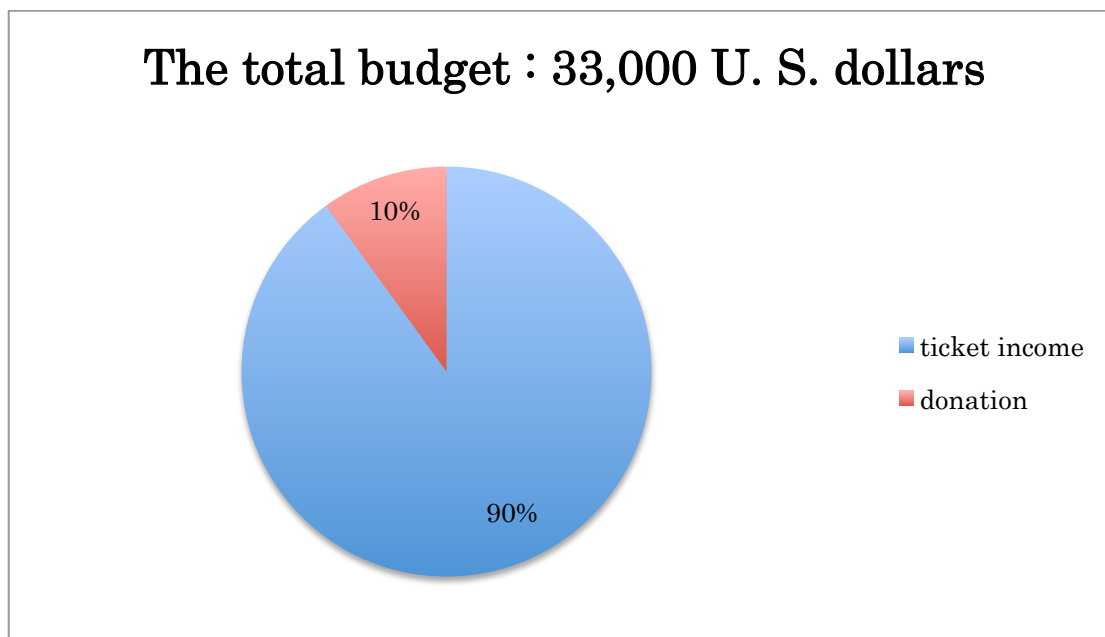


Figure 2. Estimated total budget and breakdown of case #1, 2014-2015

Because the company did not receive any grants last year, the financial situation was quite severe for them. Although the choreographer paid some artistic fee to dancers, she was only able to pay herself a small amount of money. In this company, the choreographer is the last person to get paid.⁴

The future goal of this company, the choreographer said, is to cultivate each dancer's skills and make them independent as a professional. She hopes that the day will come when women dancers would continue to dance even after they get married.

2 **Case #2:** Large contemporary dance company, Japan

⁴ However, the choreographer gets money from workshops or her choreography for other dance companies.

This contemporary dance company resides in one of the biggest public theaters in a provincial capital in Japan. Before the company was founded in 2004, the theater used to “buy performances” from other national or international dance companies.

However, when the current artistic director was hired, he proposed to found a residential style contemporary dance company. Because residential companies were not popular in Japan, it proved to be a major challenge. The challenge was more because a public foundation supported this theater financially, and his proposal meant that this foundation would have to restructure the way they spent their money.

Because the contemporary dance company is supported by government grants, every three years the artistic director has to discuss if they continue to renew the contract with the mayor of the city, administrative office of the city, and the manager of the theater. Since the inception of the company in 2004, they have renewed the contract four times: 2004-2007, 2007-2010, 2010-2013, and 2013-2016. One of the difficulties that this contemporary dance company faces is that the representative of administrative office of the city changes every two or three years. In Japan, administrative officers are often moved to another section in order to be a generalist of the administrative office. Every time the representative changes, the artistic

director and management staff need to explain about the management, mission, and the activities of the company all over again.

In 2015, nine full-time dancers, including the vice artistic director, were part of the main company. The regular season for this company starts in September, and there are two large performances in their home theater in a year. The secondary company, led by a residential artist, has nine trainee dancers. It started in 2009 to train young dancers. The trainee company has two large performances in a year and sometimes performs as back-up for the first company.

In the fiscal year of 2014-2015, the total budget was USD 999,567. The largest source of revenue for this contemporary dance company is contribution from public foundations. Ticket income and national grants account for 12% and 18% respectively (Figure 3).

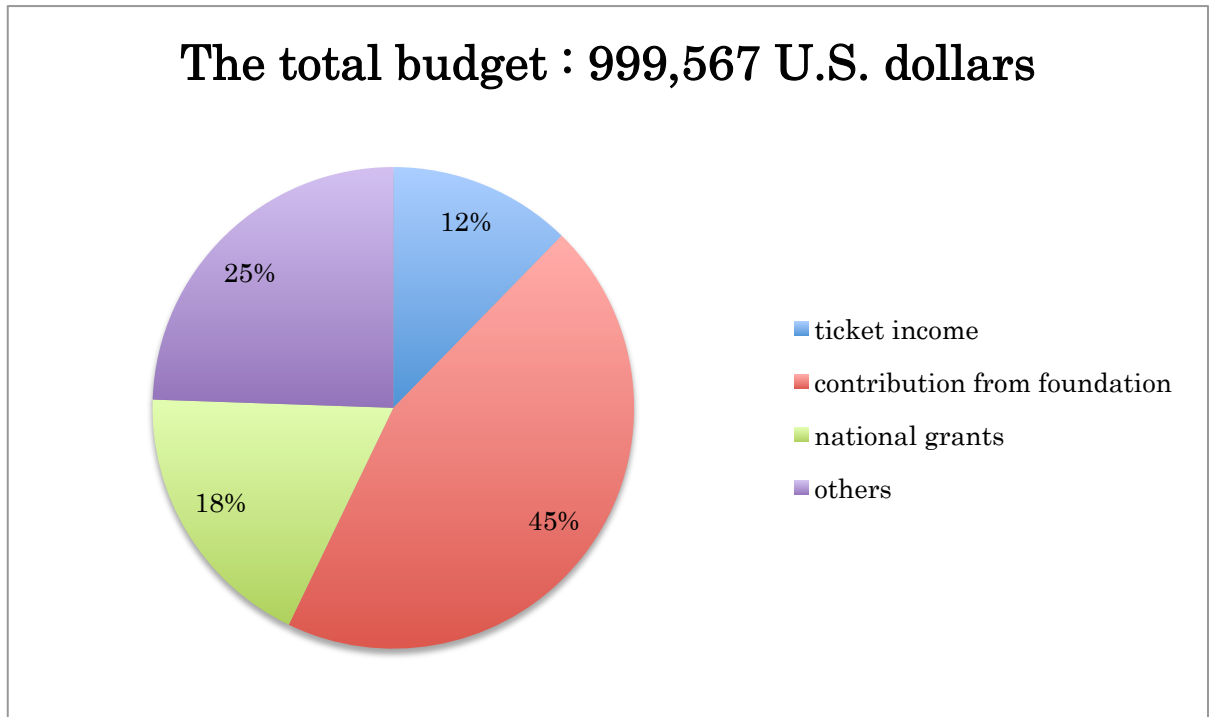


Figure 3. Total budget and breakdown of case #2, 2014-2015

As the authors already mentioned, this company usually has two performances in their home theater in a year. They also have touring performances in Japanese cities, such as Tokyo, Yokohama, and Kobe. For most performances, the company attracts an audience of around 1200 people, which was astonishing for the choreographer who is also proud about it, because the population of their hometown is much smaller as compared to Tokyo or Yokohama. This is evidence that this contemporary dance company is appreciated by the local people. In fact, there is a voluntary supporters club that is run by local residents, and it publishes seasonal reports on their own free will. A close connection between the contemporary dance

company and local citizens is one of the outcomes that the choreographer intended when he proposed to create a residence style contemporary dance company. It is still possible for the local people to enjoy the high level of performances if the theater buys them from domestic or international dance companies. However, a residential, locally-supported company seems more attractive both for the dancers and local citizens because of the warm interaction. Additionally, this dance company hosts local community meetings where the choreographer talks with local professionals such as the owner of a furniture store or the CEO of an entrepreneurial venture of the region. This contemporary dance company exemplifies how there are many ways other than performance to connect with local citizens.

In Japan, unfortunately, local theaters are not often a place for professional performing artists to reside. The future goal of this company, the choreographer says, is to increase the number of the contemporary dance companies that reside in local theaters.

3 **Case #3:** Small contemporary dance company, United States

This pick-up style contemporary dance company, founded in 1990, is based in a medium-sized city in America. There are six part-time dancers, all of whom are

women, and the company has six performances per year on average. Three of the performances are full concerts, and three are smaller touring performances.

The main activities of this dance company are performing and teaching. However, the company is also highly involved in community outreach, especially among senior citizens. The artistic director will often include community members in her artistic projects and dance pieces. These people may not have formal dance training, but the director successfully integrates their participation with the professional dancers to create cohesive and powerful dance works. In May 2016, a dance reviewer praised this dance company for including senior citizens in a dance piece. It said, “The older performers had no previous dance experience, but their expressiveness and honesty on stage captivated the audience.”⁵ In addition to including community members in many of the company’s performances, the artistic director teaches movement workshops at senior center communities to provide opportunities to be physically active in a creative and intellectually stimulating way.

The artistic director is in the process of building an education program that will create opportunities for pre-professional dancers to improve their skills, as well as

⁵ The authors did not include a citation for this quote to protect the anonymity of the dance company.

offer teaching positions for company members. Currently, this program is a summer dance intensive that takes place in the company's dance studio. Catered to young, pre-professional dancers, it lasts for two weeks and culminates with a performance showcasing all that the students learned. The artistic director aims to expand this program in the near future.

The dance company's annual budget for the fiscal year 2014-2015 was USD 99,762 (Figure 4). Seventy-nine percent of the dance company's revenue comes from foundations, grants, and in-kind donations. In-kind donations are when the donations are given in goods or services, instead of money. Examples are discounted or free studio space, lighting design, or stage management. The value of these in-kind donations combined with foundation support and grants make up the largest source of the dance company's revenue. Public sources of funds that are included in this section are the National Endowment of the Arts, and National, City, and Local Arts Boards. Private donations, which are made primarily by individuals, make up for four percent of the annual revenue. The artistic director of the company noted that it is very difficult to receive corporate support. After the financial crisis of 2007-2008, many corporations scaled back their philanthropic efforts significantly. Even in 2014,

many companies were still cautious to restore the programs to pre-recession levels.

The artistic director noted that this is a possible reason why it is difficult to receive funding from private corporations. The remaining seventeen percent of the budget is earned through ticket sales, workshop fees, and booking income.

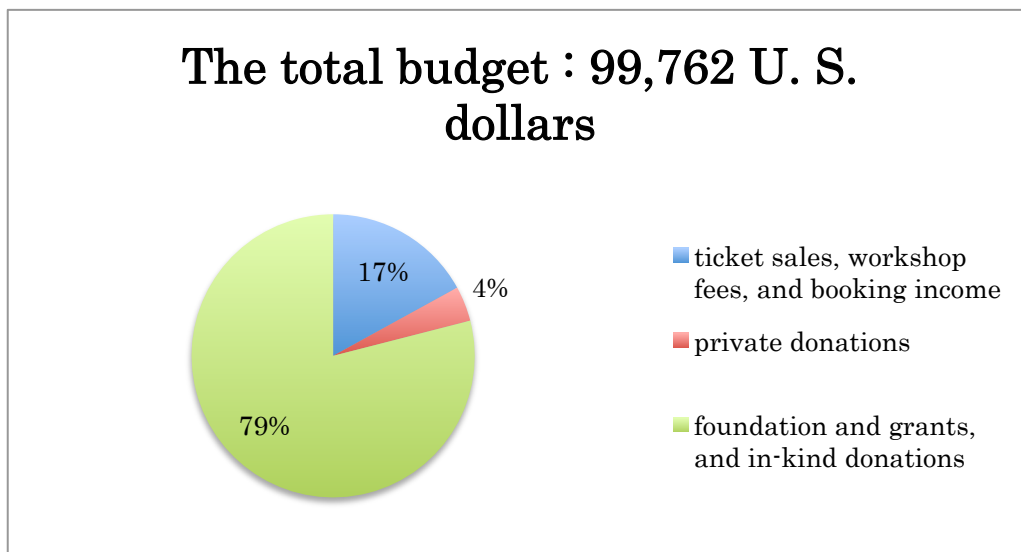


Figure 4 Total budget and breakdown of case #3, 2014-2015

A future goal of this dance company is to gain more national visibility and recognition. The artistic director is interested in international attention, but is focused mainly on domestic attention. She also wants to improve the company's professionalism and make the company on par with other well-known companies in the region.

4 Case #4: Large contemporary dance company, United States

This contemporary dance company, founded in 1977, is based in a large, prominent city in America. It has 18 full-time performers, and 20 full-time staff. The company has 4 home performances, and 20-25 touring performances per year. A dance reviewer wrote that this company is among the world's best contemporary dance companies. The company often features works choreographed by master domestic and international choreographers, and they are well known for their diverse and virtuosic repertoire.⁶

There are four main components of this dance company. First is the professional touring company, which is comprised of 18 full-time dancers. This is the flagship component of the dance company, as they perform all major seasonal concerts as well as the touring concerts. The second component is the secondary company for younger dancers. This company focuses on preparing emerging performers and choreographers for professional dance careers. Currently there are eight dancers in this secondary company. They are paid part-time, and have national and international tours. The third component is their dance school, which offers classes in a wide range of dance disciplines such as jazz, modern, hip-hop, and contemporary. Revenue

⁶ The authors did not include a citation for this quote to protect the anonymity of the dance company in the case study.

from the school makes up 16 percent of the company's total revenue. Fourth are their educational and community programs. These programs include: youth dance programs, which are studio classes for children in many different dance techniques; in-school residencies, which focus on teaching children how to choreograph dance and improve their creative process of developing choreography; and community workshops, which include an adaptive dance program that works with Parkinsons patients and students on the autism spectrum.

Dancers must go through a competitive and highly selective process if they would like to become a member of this company's professional touring company. One way is to rise through the pre-professional training programs offered by the company. The first step in this process is to be accepted in their summer intensive program, which is for talented young dancers who are pursuing to become professional dancers. This program is highly competitive. Every spring, thousands of young dancers try out for this program at auditions hosted in ten cities across the United States, including New York City, Chicago, Los Angeles and Seattle. Once dancers have completed this intensive, they may audition for the secondary company. The majority of dancers in the secondary company come from the summer intensives.

Then, if there is an opening in the professional touring company, dancers are often selected from the secondary company to fill the space. Around 40 percent of the dancers in the professional touring company have come from the secondary company. The other 60 percent of the dancers come from open auditions, which are held in in New York City and Chicago whenever there is an opening in the company. The dancers' contracts for the professional touring company are renewed annually, but their employment status is similar to a staffed position. Most often, dancers stay in the company until they choose to leave.

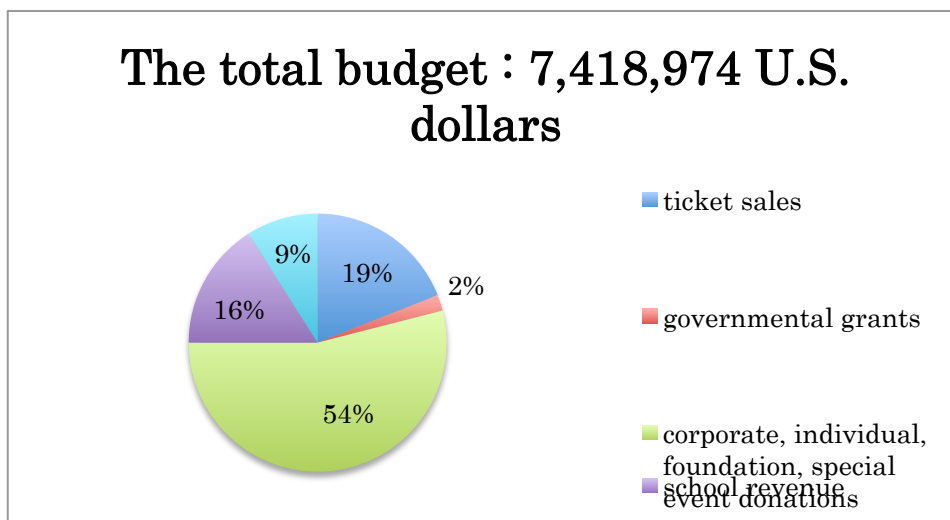


Figure 5. Total budget and breakdown of case #4, 2014-2015

In the fiscal year of 2013-2014, the total budget was 7,418,974 US dollars (Figure 5). The budget was sourced by 44% earned revenue, and 56% contributed revenue. The earned revenue is comprised of ticket sales (19%), school revenue

(16%), and other revenues (9%), which includes presenter fees, and fees for their youth summer intensive. The contributed revenue is comprised of corporate, individual, foundation, and special event donations (54%), as well as governmental grants (2%).

One of the largest events that raises funds for the company is their annual gala. It is a large fundraising event that consists of a dinner, a brief performance component, a silent and live auction, and a paddle raise for donations. To attend, guests must purchase a table priced at 7,500, 10,000, or 25,000 US dollars, or purchase individual tickets, which are priced at 1,000 US dollars. The paddle raise is where the auctioneer asks the attendees to raise their paddles to give a donation at a certain level.

The future goal of the company has three major focus areas. The first is to have more collaborations with other organizations. The second is to acquire more works from the world's leading choreographers. The artistic director has identified those who he thinks are the five leading choreographers working today: William Forsythe, Nacho Duato, Jiri Kylian, Mats Ek, and Ohad Naharin. The company has already acquired a work from these choreographers, but they are trying to present a full

evening-length series of works by each choreographer. The third focus is to develop emerging choreographers, especially from within the company.

Discussion

In the previous section, the authors looked at four different contemporary dance companies respectively. Now we compare them with each other in terms of their total budget and breakdown. Such comparison will lead us to some key findings from this multi-case study.

First, as far as we consider the financial state of four contemporary dance companies, we would be able to argue that American dance companies have more resources than Japanese companies. The total budget of case #3 is three times larger than that of case #1, even when case #1 has three more dancers than case #3. Also, the total budget of case #4 is more than seven times larger than that of case #2 (Table. 2). Considering these facts, we can say that our hypothesis #3, dance companies in United States have larger budgets than those in Japan, was verified. Although both Japan and the United States are economically developed, this data

suggests that the market size of contemporary dance in the United States is larger than that in Japan.

Table 2. The comparison of the total budgets among four companies

The Total Budget		
Case #3 : 99,762 U.S. dollars (small, U. S.)	>	Case #1 : 33,000 U. S. dollars (small, Japan)
Case #4 : 7,418,974 U. S. dollars (large, U. S.)	>	Case #2 : 999,567 U. S. dollars (large, Japan)

Second, if we take a look at the breakdown of the budget of each company, it can be said that the education programs are a large source of revenue for American dance companies.⁷ As shown in figure 4, for example, school revenue covers 16

⁷ As for case #1, the dance company itself does not offer any classes. However, the company limited offers many classes that are open to the public. The choreographer teaches some classes there. This contemporary dance company started in 1993 based on

percent of the total budget of case #4. On the other hand, case #2, a large contemporary dance company in Japan, does not offer regular classes for youth. There may be two reasons. First, the Japanese company does not have sufficient space for classes because their studios are prioritized for lessons or rehearsals of company dancers. Second, there may not be enough people who would like to take contemporary dance classes in the city where the dance company resides. Although it seems challenging to spare time and resources for educational programs, they are still worth investing on. If more people become familiar with and interested in the company, their performances may attract larger audiences. Another important aspect of having an education program is that it enables the top-level contemporary dance company to cultivate skilled dancers from their youth programs.

Third, regarding cases #2, #3, and #4, private donations account for larger parts of the revenue of American contemporary dance companies, whereas public funds account for larger parts of Japanese dance companies.⁸ In both American companies, private grants and donations cover more than half of the total budget. On

the needs of students who were taking classes at that time.

⁸ As shown in figure 2, case #1 gets 10% of the total budget from the Honeycomb Foundation. They could not receive any public grants in 2014-2015.

the other hand, as shown in Figure 3, case #2 gets more money from public foundations and governmental grants. This finding relates to our hypothesis #1: Japanese dance companies tend to get more governmental grants than private donations, and hypothesis #2: American dance companies tend to get more private donations than governmental grants. The data gathered in this research supports both hypotheses. Why was such a difference seen?

It would be a good strategy to refer to the macro-level art politics we referred to in the previous sections. As mentioned in the first section, according to Cowen (2006), there are two types of grants: direct grant and indirect grant (p.31). A direct grant is one in which the government gives money directly to dance companies. Indirect grants, on the other hand, entail the creation of a system that enables dance companies to gather money from private corporations or individuals. Private donations are indirect grants, and the United States is a country that supports the arts through it. The major benefit of an indirect grant, Cowen argues, is that the government does not need to decide which artists should get grants. Because the source of public grants comes from taxpayers' money, there is always a controversy

over which artistic piece should be supported by public grants.⁹ By using intermediate organizations such as private corporations and foundations that donate money to art organizations, the government of the United States can support the arts “indirectly.” On the other hand, the Japanese government offers larger amounts of grants than that of the United States. However, it is still smaller than that of Germany, France, and South Korea. Additionally, tax exemption does not work well in Japanese society. Although there is a system that enables an individual or company to receive tax deductions for donations or contributions in Japan, the system is not known by the people. These situations may lead to the relatively small budgets of Japanese contemporary dance companies.

Conclusion

⁹ In the United States, in the late 1980s and the 1990s, there was a large debate over the support of some avant-garde artists. In September of 1987, North Carolina Southeastern Center for Contemporary Art received 75,000 dollars from NEA and held the seventh annual Awards in Visual Arts program with exhibition of selected ten photographers. Andres Serrano was one of the photographers. His piece, *Piss Christ*, provoked controversy. He dumped the statue of Christ into his urine. Also, Institute of Contemporary Art, University of Pennsylvania Institute of Contemporary Art held an exhibition of Robert Mapplethorpe in July of 1988. Some of the themes of his photos were homosexuality and sadomasochism. Against these pieces, Republican Senator Jesse Helms and Alfonse D’Amto made a vigorous protest, which escalated into the discussion of abolishment of NEA (Bauerlein, 2009, p.89).

Both in Japan and the United States, contemporary dance companies receive resources from private donations and public grants. However, the total revenue and its breakdown of contemporary dance companies seem different from each other in both countries. There are three key findings: First, American contemporary dance companies have higher revenues than Japanese dance companies; second, education programs are large sources of income for American contemporary dance companies; third, American contemporary dance companies rely more on private donations than public grants, whereas public grants account for a larger part of the total budget of the large Japanese contemporary dance companies.

In order to explain the reason why there is such a difference, the authors considered the macro-level art policy in both countries. Private donation is an indirect grant, whereby the government supports the arts by creating a system that enables dance companies to gather money in the market. In the United States, this system seems to work very well both for small and large contemporary dance companies. However, it does not mean that indirect grant works better than direct grant. In order to explore which is better, a further research is needed. For example, Germany and France are the countries where the governments support the arts heavily by direct

grants. Numerous dance companies reside in public theaters that have public performances. By comparing the financial situations with those of American contemporary dance companies, we would be able to get clues for supporting the arts efficiently and effectively.

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