

# Plan a Realistic Budget

by John Kenrick

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The thought of planning a production budget may make you uneasy. Well, being a "word person," I know how you feel. It may help if you think of a budget as a way of explaining what you want to do using numbers instead of words. The budget for an amateur musical does not have to be long or complicated, just realistic.

What does realistic mean? Simple – do **not** underestimate your expenses, or overestimate the amount of money you have in hand. If you run out of money in mid-production, you will either have to scramble for additional funds or shut down at a total loss – headache or heartache. The way to avoid this is to plan a production budget and stick to it.

Here is a line-up of items that appear in many school & amateur production budgets.

EXPENSES	
Publicity	Posters, all other forms of advertising
Performance Rights	Rights to Broadway musicals can run into the thousands. The licensing co. agent can give you this figure in advance of actual commitment
Equipment Rental	Lighting, sound, special effects -this will vary depending on what your facility already comes equipped with
Costumes & accessories	Construction, materials, and/or rentals
Sets & props	Construction, materials (lumber, paint, duct tape), any rented items (tools, furniture)
Facility rental & deposit	For rehearsal & performance space
Printing	For programs, posters & other materials
Salaries	(If any)
Shipping Costs	For scripts, costumes, equipment
Makeup	For entire cast
Music stand & light rental	For the orchestra
Concessions	Sodas & candy to sell at intermission (local businesses may be willing to donate some or all of these)
Insurance	(If not already covered by the school or facility)

Not all that complicated, was it? Now comes the fun part – listing every possible source of income.

INCOME	
Starting Funds	Whatever funds you have in hand
Gifts/Fundraising	The amount you need to make up any shortfall
Probable Program Ad Sales	Design your program to be profitable
Refreshment sales	A small but useful plus -- especially if the supplies are donated or provided at a discount

<b>Probable Ticket Sales</b>	Aim to sell about 75% of your seats. If you manage to sell beyond that amount, more power to you!
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**Total Income minus Total Expenses = Projected Profit.** If your financial figure winds up a negative number, get ready to reassess your plans.

**Example:** Here is the budget for Higgins High's musical. Notice that it only includes those items relevant to their production. The school's print shop is doing the programs and posters in house, saving a bundle. The salaries represent consultant fees of \$1,000 each to the choreographer and sound/lighting designer.

<b>Higgins High School Production Expenses</b>	
<b>Publicity</b>	1,200
<b>Performance Rights</b>	2,800
<b>Equipment Rental</b>	1,000
<b>Facility Rental/Repair</b>	500
<b>Costumes</b>	2,000
<b>Sets</b>	2,000
<b>Printing Programs</b>	1,000
<b>Salaries</b>	2,000
<b>Projected Total Expenses</b>	<b>\$12,500</b>

Any salaries or fees should be spelled out in formal letters of agreement. Be sure these letters mention everything expected from both parties (participation in tech & dress rehearsals, dates of payment, etc.). You can find model letters in various books – an attorney or your organization's business manager can help you with the wording.

Notice in the next section that Mr. Pickering and Ms. Doolittle have planned enough pre-ticket sale income to cover all production expenses – these are two smart cookies! If their fundraising falls a little short of the mark, they will probably be able to make up the difference with ticket sales. In figuring out probable ticket sales, they have projected 375 paid attendees (75% of 500 seats) for each of six performances, at \$10 per ticket.

<b>Higgins HS Production Income - Pre-Production</b>	
Starting Funds (from school budget)	6,000
Fundraising	3,200
Projected Program ad sales	3,500
<b>SUBTOTAL</b>	<b>12,500</b>
Projected Ticket Sales	37,500
Projected Total Income	49,000
Income minus Expenses = Projected Profit	<b>\$37,300</b>

If the show sells out profits could be higher, but this figure will help keep everyone's expectations gentler. With no previous productions to judge by, there is no guarantee they can sell three thousand tickets.

Have I offered a relatively rosy picture here? Of course -- I'm not looking to scare you, but to offer encouragement. Just be as realistic as possible. You don't want visions of profit to turn into bitter disappointment after a mountain of effort.

**On to: [The Production Team](#)**