Drum Corps Financial Analysis

(Disclaimer: This is a personal project created by a fan of DCI, using only publicly available information and no inside knowledge of drum corps financial operations. The statements and views contained in this report do not represent those of DCI or its member organizations.)

Introduction
This report provides a high-level analysis of the financial health of World Class DCI drum corps in 2023.

What is Drum Corps?
Drum Corps International ("DCI") is essentially a competitive marching band league. DCI consists of many drum corps that tour around the US in the summer months, typically from June to August. These corps are comprised of some of the most skilled musicians and color guard performers, aged 21 years and younger, in the country. At DCI events, each corps performs a show (typically 8-12 minutes in length) and is scored by a panel of expert judges in categories such as musical and visual performance. DCI and its member corps promote education, teamwork, individual growth, mutual care, and work ethic, particularly for youth. For more information on DCI, see the DCI website: https://www.dci.org/static/about_drum_corps

Why are Finances Important in Drum Corps?
Although performing members of drum corps are incredibly talented and often spend 60-80 hours a week perfecting their craft and touring, members are not paid; instead, each member pays thousands of dollars in dues each year to join a corps. Additionally, corps themselves are non-profit organizations and face growing financial challenges. In fact, many drum corps have temporarily or permanently closed due to financial stress. In 2024, the Cadets, the oldest active drum corps at the time and ten-time DCI World Champion, filed for Chapter 7 bankruptcy and ended its 90-year run as a premier institution of DCI. As we will see below, many corps have expenses that outweigh revenues, showing that the marching arts can be largely unprofitable.

Key Questions

1. How can we measure the financial health of a drum corps or its parent organization?
2. Which corps have the highest level of financial health?
3. Which corps have the lowest level of financial health?
4. Which sources of revenue are most impactful for drum corps?
5. Which expenses are most impactful for drum corps?
6. What can be done to reduce financial strain?

Data Source
The dataset consists of financial data for each World-Class DCI corps that performed in the 2023 DCI Season and still exists today. The data is taken directly from each organization's Form 990, a publicly available IRS form that provides financial information about a nonprofit organization. All Form 990s were reported in the fiscal year that included the 2023 DCI season (June to August). 2023 was the most recent year for which all corps' Form 990s were published on ProPublica.

The data belongs to the parent organization of the corps listed. For example, the Blue Devils drum corps belongs to the BD Performing Arts organization, so Blue Devils total revenue in this dataset equals total revenue of BD Performing Arts. However, for all of these organizations, the drum corps listed is the primary or only performing group and source for income/expenses within the parent organization. Therefore, for clarity and ease of recognition, the corps name itself (Blue Devils) is used in the analysis.

File List

drum_corps.csv – Contains raw financial data for each corps, pulled from Form 990s
drum_corps_metrics.csv – Contains financial ratio calculations for each corps, created with SQL
bluecoats.csv – Contains more detailed and categorized financial data for the Bluecoats corps
data_elements.csv – Contains description of each data element in the previous files
drum_corps_viz.pbix – PowerBI file containing visualization dashboard (interactive)
drum_corps_viz.pdf – PDF file containing visualization dashboard (not interactive)
drum_corps.sql – SQL file containing queries

Analysis

1. How can we measure the financial health of a drum corps or its parent organization?

We start by comparing each corps' Net Assets in 2023, shown in Figure 1. Net Assets equals Total Assets minus Total Liabilities. This value shows how much a corps owned (such as cash and investments) in excess of what it owed (such as debt).

The two corps with the greatest Net Assets were the Santa Clara Vanguard (SCV) and the Blue Devils. This indicates relatively strong ability to pay off debts. Conversely, five corps had negative net assets: Jersey Surf, Raiders, Mandarins, Music City, and Genesis. If these corps ended operations in 2023, they would have owed more than they could pay off, indicating a financial strain.

However, comparing net assets between these corps may be somewhat misleading due to large differences in corps size and prominence. The top corps by net assets, such as SCV, the Blue Devils, and Carolina Crown, are all among the largest and most successful corps (measured by show scores) in DCI. In contrast, the corps with the lowest net assets are among the smallest and least successful. The smaller corps typically have not only fewer performing members, but also fewer staff, shorter tours, fewer shows attended, and less prestige.

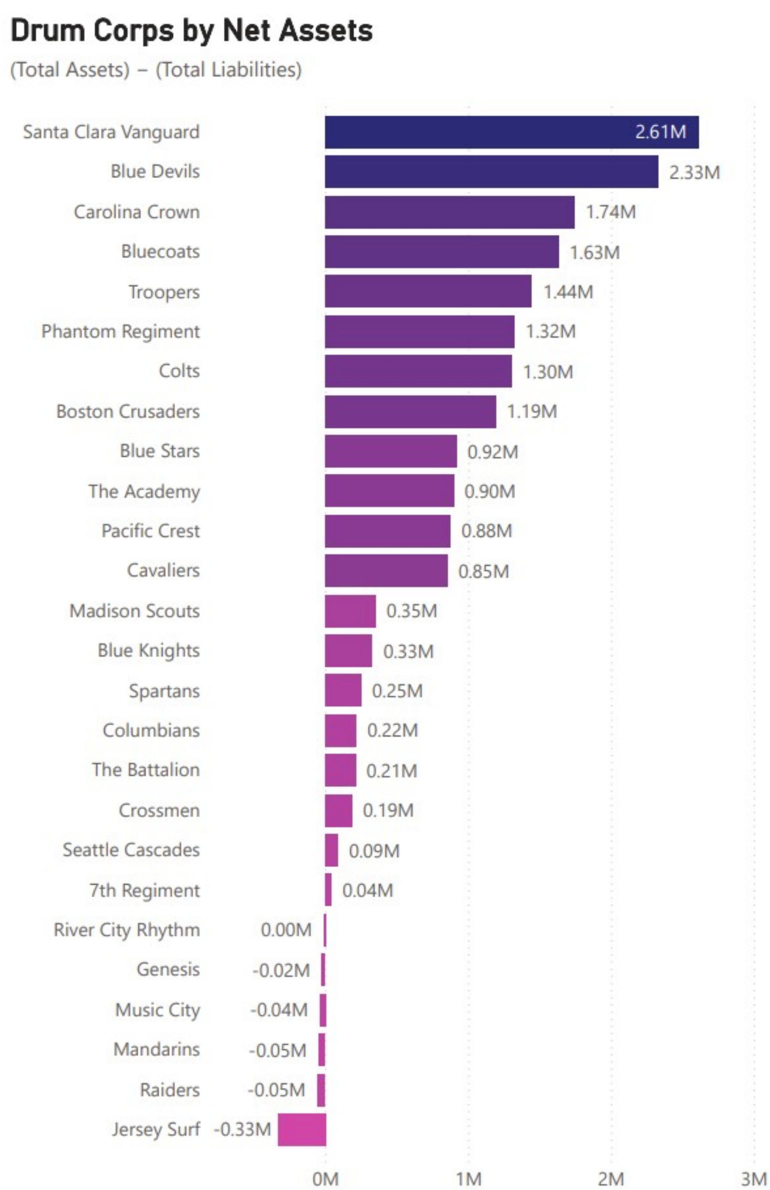

Figure 1: Drum Corps by Net Assets

Therefore, we should expect larger corps to have more net assets, as well as larger revenues, expenses, total assets, and total liabilities.

Additionally, size and prominence are not necessarily indicators of financial health. For example, the Cadets, which filed for bankruptcy in 2024, was consistently one of the largest and most successful drum corps in DCI for many decades.[1]

To better measure and compare financial health across different corps, we can use three financial ratios, mirroring ratios typically used to evaluate private-sector companies:

Debt to Asset Ratio (D/A Ratio): calculated as total debt divided by total assets. This measures the organization's ability to pay its obligations, giving an indicator of liquidity and financial health. Lower is better.

Net Margin: calculated as revenue less expenses (aka net income) divided by total revenue. This measures the portion of revenue an organization retains as "profit", giving an indicator of profitability. Higher is better. Negative means the organization's expenses are higher than its revenue, so net income is negative.

Return on Assets (ROA): calculated as revenue less expenses (aka net income) divided by total assets. Corps differ greatly in size and scope of activities, so we should compare profitability across corps after accounting for size. Here we use total assets as a benchmark for corps size. ROA gives an indicator of profitability and efficiency. Higher is better.

Asset Turnover Ratio (ATO): calculated as total revenue divided by total assets. Similar to ROA, this ratio uses total assets to adjust for size. While ROA helps us compare net income, the ATO compares revenue. Higher is better.

2. Which corps have the highest level of financial health?

To identify the DCI corps with the greatest level of financial health, we rank each corps by each of the four financial ratios described above, and then look at the top 5 corps in each ratio (shown in Figure 2 below). This means we look for the corps with lowest D/A Ratio and the highest Net Margin, ROA, and ATO.

When looking for common names across the four charts, we see a strong financial picture for SCV, having the 5th lowest D/A Ratio, the greatest Net Margin by far, and the 3rd greatest ROA. This shows SCV had both a relatively manageable level of debt compared to their assets, and a high level of profitability. This is unsurprising given SCV took a hiatus from the 2023 DCI season due to financial challenges.[2] This likely greatly reduced expenses in 2023 and allowed the corps to attain a stronger financial position for the future.

1 The Cadets have placed top 10 at DCI Finals every year from 1980 to 2023, their last year in operation.
2 https://www.flomarching.com/articles/10155364-breaking-santa-clara-vanguard-announce-hiatus-from-2023-dci-season

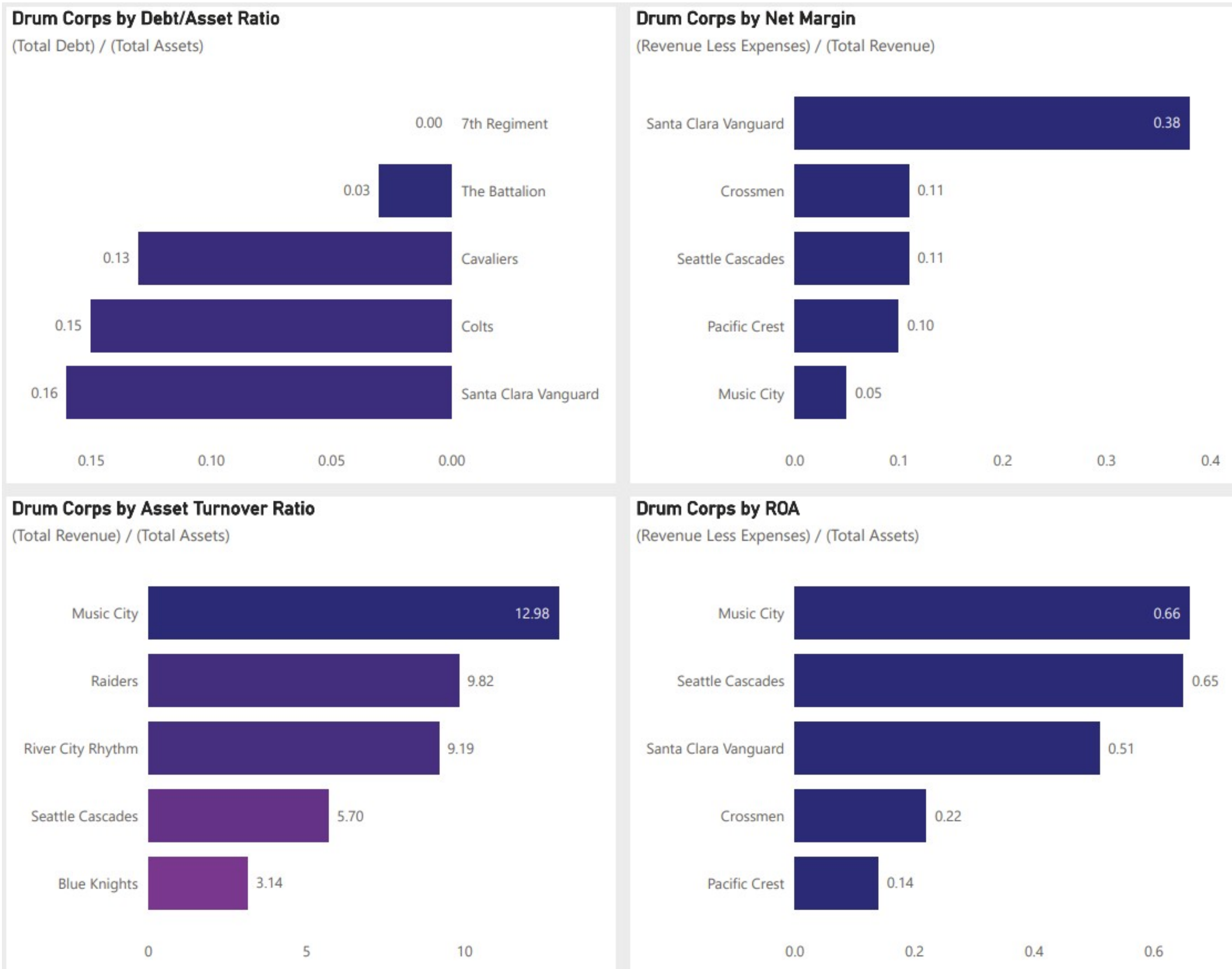

Figure 2: Top Drum Corps by Ratios

Another corps with strong financials is the Seattle Cascades, having the 3rd highest Net Margin, the 2nd highest ROA, and the 4th highest ATO. This is notable given the Seattle Cascades are not one of the most prominent corps in DCI[3] and have low Net Assets as shown in Figure 1. However similarly to SCV, the Seattle Cascades was inactive for the 2022 DCI season, possibly due to a combination of COVID-19 impacts and financial concerns.[4] This likely boosted their financial position.

The final corps with strong indicators is Music City, having the 5th highest Net Margin, highest ROA, and highest ATO. Music City is also far from the most prominent corps[5], and even has more liabilities than assets. However, they generated very strong revenue and income for their size, and they have not taken a hiatus in any year. Music City may be the best example of a non-top corps that is notably financially strong.

We should also note that 7th Regiment had no liabilities, so while they had relatively little assets, this may be because they paid all financial obligations up front.

3 Since entering the DCI World Class division in 2009, the Seattle Cascades have never placed higher than 22nd place.
4 https://www.seattlecascades.org/single-post/seattle-cascades-2022
5 Music City's most successful seasons as a World-Class corps came in 2022-2024, when they placed 17th in each year.

3. Which corps have the lowest level of financial health?

Using the same ratios above, we can identify the bottom 5 corps in each ratio (shown in Figure 3 below).

Figure 3: Bottom Drum Corps by Ratios

We see two corps with particularly weak financial positions: the Raiders and Jersey Surf. The Raiders ranked last in D/A Ratio, 2nd to last in Net Margin, and last in ROA. Not only did the Raiders have the most debt in relation to their assets of any World Class DCI corps, they incurred a net loss, widening the gap between their debt and assets. Jersey Surf ranked 2nd to last in D/A Ratio, last in Net Margin, and 3rd to last in ROA. Jersey Surf is particularly concerning due to their -$0.33M in Net Assets, lowest of all the World Class corps. They may have the most difficulty meeting their obligations, and still incurred a large net loss to increase the financial stress. Unsurprisingly, in November 2024 Jersey Surf announced it would not participate in the 2025 DCI season, with a goal of strengthening its financial position.[6]

6 https://jerseysurf.org/news/jersey-surf-withdraws-from-2025-dci-summer-tour-to-focus-on-accessible-programming-and-fundraising-ahead-of-35th-anniversary/

We should also note that 7th Regiment, which had no liabilities, also had relatively little Revenue and negative Revenue Less Expenses. This means they used their assets to cover a net loss, reducing an already slim base of assets.

4. Which sources of revenue are most impactful for drum corps?

Figure 4 shows the various revenue sources for the Bluecoats, one of the most popular corps in DCI. The Bluecoats generated $53.33M total revenue in 2023.

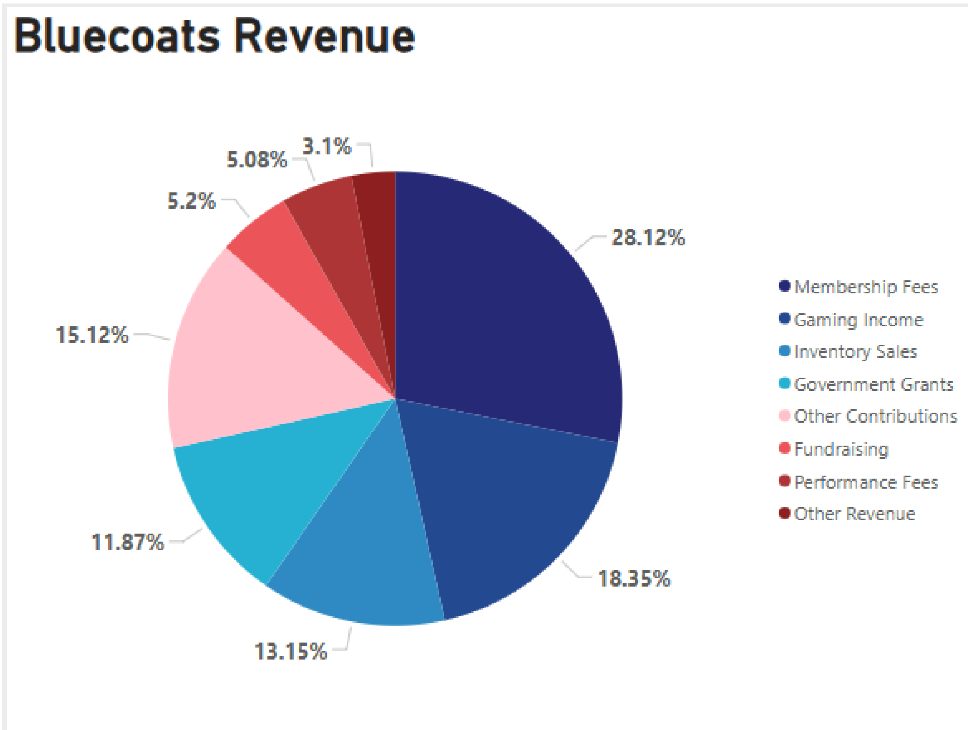

Figure 4: Bluecoats Revenue Breakdown

As expected, the generally high membership fees paid by young performing members were a very important source of revenue for the Bluecoats, and are likely the key revenue source for most or all drum corps. Interestingly, the Bluecoats' second-largest revenue source was gaming-related fundraising, such as Champion Bingo, of which 100% of proceeds support the Bluecoats.[7] The third-largest revenue source was inventory sales. Many DCI corps sell used equipment, such as instruments, costumes, and props, to the public (primarily high schools that field their own marching band shows).

Notably, performance fees (includes a share of ticket sales from DCI events attended) was one of the smallest sources of income. Unlike professional sports leagues or concerts, ticket sales in DCI provide relatively little support for the activity. Imagine members of a band paying 4.5 times what the band earns from ticket sales, just to be part of the band and perform. In fact, none of the band members get paid at all; all revenues are spent on operations, as we will see below.

In summary, the most significant sources of revenue for the Bluecoats in 2023 were membership fees and fundraising, including gaming activities. Although this data only covers one corps in one year, due

7 https://championeventcenter.com/bingo

to the nature of drum corps, it is likely that all corps depend heavily on membership fees and fundraising, and relatively little on performance fees.

5. Which expenses are most impactful for drum corps?

Figure 5 shows the various expense categories for the Bluecoats. The Bluecoats incurred $56.01M total expenses in 2023.

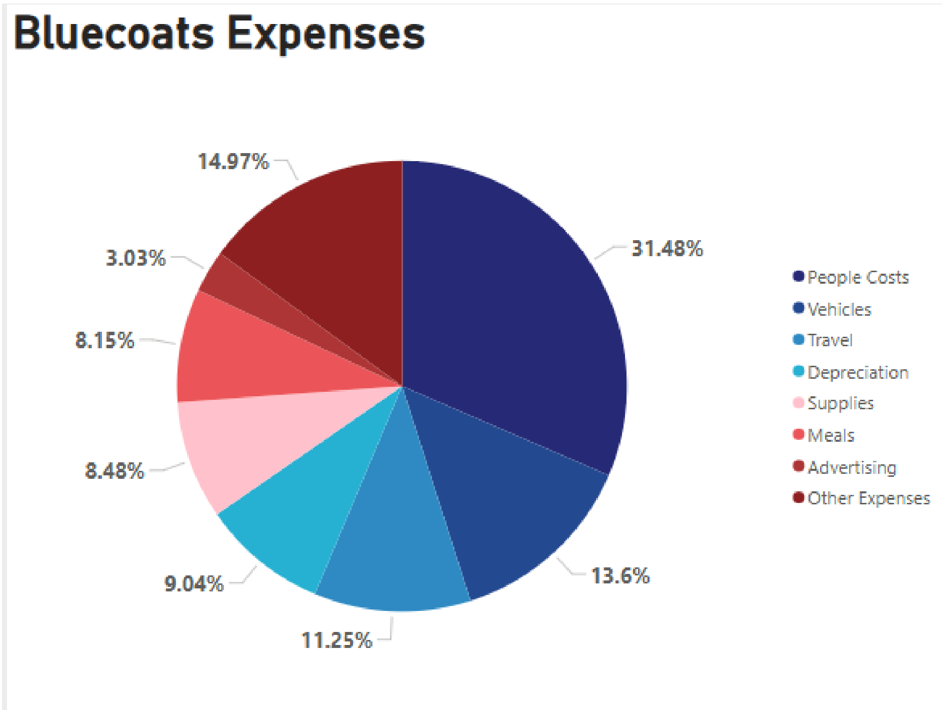

Figure 5: Bluecoats Expense Breakdown

People costs, including both officer/full-time salaries and temporary staff compensation, was the largest expense group by far. Generally drum corps will hire directors or executives to manage operations of the entire organization year-round. Other staff, such as music instructors, are short-term contractors who support the corps during the performing season. A large number of people are involved in running operations, designing shows, and instructing members.

Travel-related costs were also quite large. The Bluecoats, like all drum corps, travel across the US for weeks to perform at different shows. Corps are often traveling every few days, using large buses to transport people and equipment thousands of miles. In 2023, the Bluecoats performed in Ohio, Georgia, Texas, Massachusetts, and several other states, all in the span of about 1 month. Feeding members on tour can be a financial challenge as well, especially given the physical intensity of drum corps.

Supplies (instruments, uniforms, props, etc) were a significant cost, but were largely offset by sales of used supplies.

In summary, the most significant expenses for the Bluecoats in 2023 were people costs and travel-related costs. Although this data only covers one corps in one year, due to the nature of drum corps, it is likely that all corps spend heavily on staff compensation and travel.

6. What can be done to reduce financial strain?

(Reminder: These recommendations are formed by an individual unaffiliated with DCI based on publicly available data. They do not represent the recommendations or opinions of DCI or its member organizations.)

Increasing revenue comes with challenges – membership fees are already a high barrier to entry for aspiring performers, and raising fees even higher would risk losing talent to rival corps, or discouraging talented musicians from participating in drum corps altogether. Corps should instead focus on fundraising through various avenues. Of course this is still much easier said than done. The Bluecoats' gaming activities could serve as a model for increasing contributions outside of traditional donations. Champion Bingo provides a fun way for fans and the local community to directly support the corps. These games are held at the Champion Event Center, a community hub for North Canton, Ohio, and the headquarters of the Bluecoats. Engaging the local community in this way could also generate more engagement and revenue, especially since drum corps has a strong reputation of promoting excellence, integrity, and collaboration among youth. Hosting games or other social events catered to the local community could extend a corps' image of positive impact, attract more people to get involved as performers or volunteers, and generate well-needed revenues.

Corporate sponsors could also play a key role in raising revenue. Just as we see countless corporations sponsoring sports teams and advertising with musicians, businesses could benefit from supporting a values-based nonprofit with an incredibly passionate fan base. If local businesses sponsor corps, this would further communicate drum corps' importance to the community, while attracting more attention to local businesses.

Perhaps the simplest way for DCI fans to support drum corps is through promotional codes. In 2025, DCI introduced a new way to support individual corps by entering a corps-specific code when purchasing tickets to DCI events. A portion (an unknown percentage) of the ticket purchase goes directly to that corps. While we can't be sure how much additional funding this will provide, it creates an opportunity for fans who attend shows to contribute directly without spending any additional money. Fans who purchase tickets should prioritize codes for corps that need more funding. For example, we identified above that 7th Regiment had little revenue and a net loss in 2023, so fans should be encouraged to enter their code instead of, say, the Santa Clara Vanguard code. However, these codes are not widely communicated and can typically only be found by visiting a specific page on the corps' website, or sometimes only through a social media post hidden in a mass of other posts. Fans should be informed of these codes and encouraged to use them to support smaller and more financially challenged groups.

Reducing expenses is also difficult, but there are opportunities. Travel, one of the largest costs, can be reduced by shortening tours and/or attending shows in a smaller region. We have seen this in recent years, with some corps cutting back on shows, some attending their first show much later than others, and the overall DCI season becoming shorter over time. Although fewer competitions would lower ticket revenue, we see above that performance fees are a small income source. Additionally, lower ticket sales and in-person fan engagement could be offset by improving streaming quality. Currently the only streaming platform that shows DCI events is FloMarching, which has a poor reputation among fans due to inconsistent streaming quality. FloMarching is also a very small and likely less profitable part of the parent company FloSports, so DCI is likely not a top priority. If it is feasible for DCI to invest in a higher-quality streaming service and generate ad revenue from streaming, both fans and corps could benefit.

Staff costs are high, but are also crucial to the success of a corps. Corps rely on skilled staff to create good shows and provide high-quality instruction to members, resulting in higher scores, which then attract performers and staff. A corps' reputation and performance is heavily dependent on its staff. Nevertheless, if there is any opportunity to reduce people costs without greatly sacrificing competitiveness and quality, those options should be considered.

Another way to reduce expenses is to use less (and reuse) equipment and props. Although these items can be resold after use, they are expensive and contribute to greater travel costs. Props can be very large, requiring more truck space and gas to transport them. Many fans may actually welcome more simpler shows, reminiscent of traditional DCI shows with fewer visual quirks and greater focus on music and marching.

Summary

Drum corps are facing growing financial challenges. We find that some of the most financially healthy drum corps in 2023, including Santa Clara Vanguard and Seattle Cascades, recently took a hiatus from competing, allowing them to focus on raising revenues while foregoing competition-related costs. Some of the least financially healthy drum corps, including the Raiders and Jersey Surf, had more liabilities than assets and more expenses than revenues. In 2023, the Bluecoats' largest revenue sources were membership fees and fundraising, including gaming activities. The Bluecoats' largest expenses were people costs and travel-related costs. To increase revenues, drum corps can consider fundraising through community engagement, leveraging corporate sponsors, and encouraging fans to use promotional codes. To reduce expenses, drum corps can consider scaling back tours, reducing staff costs, and limiting the use of equipment/props.

Gaps in Data/Further Improvements

The findings from the analysis of Bluecoats revenue and expenses could be more reliably asserted if we had financial data segmented by category for all drum corps. However, this is a challenge due to inconsistencies between Form 990s. For example, the Bluecoats list ~$1M in "All other expenses," some of which were listed individually in supplemental schedules as vehicles expenses or supplies expenses. These expenses needed to be manually categorized into the buckets seen in Figure 5. Other corps were more ambiguous with "other expenses" and did not provide as much detail into the categories of these expenses. Therefore, gathering publicly-available data for a categorized comparison of revenue and expenses between corps would be tricky and time-consuming.

A more in-depth analysis would involve looking at a corps' financials over time, along with a deeper understanding of the corps' operational decisions. By observing how decisions made within a corps impact its financial performance, we could evaluate the effectiveness of individual solutions to financial challenges.

Further analysis can also be done to measure the impact of taking a hiatus on financial health. Corps who recently took a year off, such as SCV and Seattle Cascades, were financially healthier than their peers after returning from the break. Is taking a hiatus a good choice for struggling corps, and will we see this occur more frequently moving forward?