

# *The Development Dilemmas and Optimization Suggestions of American Broadway Musicals in the Post-pandemic Era*

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**Abstract.** Under the shock of the Coronavirus Disease 2019 pandemic, the theater economy—represented by Broadway musicals—suffered a severe blow. Therefore, in the post-pandemic era, how to effectively promote the recovery and sustainable development of the theater economy emerges as a critical issue that the cultural industry urgently needs to address. However, there is still a lack of unified understanding regarding the development dilemmas and optimization suggestions for American Broadway musicals in the post-pandemic era. Based on data from multiple authoritative platforms such as The Broadway League's official website and the Investment Bank Database, this paper adopts a scoping review method to comprehensively sort out the development dilemmas and optimization suggestions of American Broadway musicals in the post-pandemic era. The study finds that, in the post-pandemic era, Broadway musicals face challenges such as shifts in audience composition, rising operating costs, and intensifying online competition. Although box-office revenues began to recover, the growth rate slowed, making innovative models and digital transformation central to the industry's future. The research conclusion points out that Broadway needs to deepen its digital transformation, strengthen local market cooperation, and focus on content innovation to meet challenges and promote sustainable development.

**Keywords:** Broadway, post-pandemic, musical, development dilemma, theater industry.

## 1. Introduction

Broadway Musical, as a paradigm in the field of world musicals, is renowned globally for its highly captivating song and dance art, becoming a "golden signboard" in the theater industry. With the deepening development of economic globalization, cross-border theatrical exchanges have become increasingly frequent. Today, "Broadway style" is not only a cultural symbol of American art but also a global cultural brand that transcends national boundaries, exerting a profound influence on theatrical creation, industrial development, and market operation models around the world [1]. Meanwhile, Broadway serves as an economic pillar of the American entertainment industry and generates enormous economic value. The Phantom of the Opera, the most successful musical in box-office history, opened in New York in 1988 and, by the end of 2017, played more than 12,000 performances there and earned six billion dollars worldwide [2]. In the 2018-2019 season alone, it contributed \$14.7 billion to the New York City economy and supported 96,900 jobs [3]. It can be seen that Broadway is not only a model of cultural export but also an important engine of the urban

economy. It can be seen that Broadway is not only a model of cultural export but also an important engine of the urban economy. Therefore, as a benchmark for the integrated development of culture and economy, the recovery measures and sustainable development strategies of the theater economy represented by Broadway musicals after the impact of the pandemic have become a topic of widespread concern among the theater community, cultural industry researchers, and even policymakers.

The global Coronavirus Disease 2019 (COVID-19) pandemic that broke out at the end of 2019 has dealt an unprecedented blow to Broadway. Data indicate that the global outbreak of COVID-19 cut Broadway's total value by over one billion dollars, a 55 percent drop from the 2018–19 pre-pandemic season [3]. In today's post-pandemic era, financial issues such as huge losses on Broadway, inflated costs, and a continuously strained capital chain have not ended with the end of the pandemic. According to a report by *The Economist* in 2024, data from the 2022-23 cycle indicated that box office revenue was still 27% lower than pre-pandemic levels, with less than 20% of shows recovering their initial investment [4]. To break out of the relevant predicaments and adapt to the trend of digital economic development, as well as the consumption habits and technological environment of the new era audience, the digital transformation and industrial model transformation of the musical industry are imminent. However, in this process, some transformational works find themselves in an awkward situation of "well-received but not box office hits". This phenomenon reflects the current practical issues faced by musicals in the process of film and television adaptation and digital transformation, such as insufficient market acceptance and blocked dissemination paths. In the post-pandemic era, Broadway faces numerous challenges in its development process. An in-depth exploration of its main predicaments is helpful for a comprehensive understanding of its current development status. Its recovery trend, as well as the opportunities and challenges it faces, are equally noteworthy. Based on the current development status, further analyzing the optimization path of Broadway and its theater industry not only holds guiding significance for Broadway itself, but also provides valuable references for the future development of musicals and related cultural industries. A systematic study of the aforementioned issues will provide theoretical support and practical insights for the sustainable development of the musical industry.

This review is based on data from multiple authoritative platforms such as The Broadway League's official website and the IBDB database. Through literature retrieval and review methods, it summarizes the development challenges and optimization suggestions for American Broadway musicals in the post-pandemic era. It aims to provide referential experience and inspiration for the development of China's live performance industry and related cultural industries.

## 2. Overview of the development history of Broadway

The origins of Broadway's development can be traced back to the 18th century. In 1798, the Park Theatre, a landmark venue where the first American musical "The Archer" was staged, opened for business and was hailed as the "birthplace of American theatre" [5]. In 1893, the first theater known as "Broadway Theater" - the Imperial Theater - opened, marking the birth of the American theater district and laying the foundation for Broadway to become the core of today's theater ecosystem with 41 professional theaters at its heart [5].

In the 19th century, Broadway transformed into the center of American theater. 1927 marked a turning point for Broadway, as it was the year when "The Floating Boat" premiered [5]. This revolutionary musical integrates light opera and modern musical forms while addressing serious social issues. Its success marked the beginning of a new era on Broadway and heralded the arrival of the golden age [5].

The 1940s to 1960s marked the golden age of Broadway. During this era, a new kind of musical emerged, combining storytelling, music, and choreography to usher in unprecedented development and creativity for American theater. Nowadays, although Broadway suffered a devastating blow under the pandemic, its overall state is slowly recovering, demonstrating its resilient vitality.

### 3. Analysis of Broadway's development trend in the post-pandemic era

The post-pandemic era is broadly defined as a phase where the overall epidemic situation is under control, society has developed a normalized response capability, and people's lives and economic production have basically returned to normal [6]. In March 2021, the Centers for Disease Control and Prevention (CDC) issued a recommendation that fully vaccinated individuals do not need to wear masks during close contact, marking the arrival of the post-pandemic era in the United States [7].

#### 3.1. Audience and box office recovery and changes in their source structure

Audience trends and box office data serve as crucial reference indicators for subsequent decision-making by managers. Continuously tracking relevant data is of great significance for promoting the recovery and rebound of industries in the post-pandemic era, as well as for sustainable development. According to the official data report from The Broadway League website, the total revenue of Broadway in the 2018-2025 season gradually rebounded after experiencing a low point in 2021, reaching a new high in the 2024-2025 season. Meanwhile, the revenue from musicals showed a relatively stable growth trend. In the six quarters from 2018 to 2025, the average box office share of musicals was 80.95%, indicating its dominant position in Broadway's total box office and serving as the core driving force behind the box office rebound. The specific data is shown in Figure 1 [2]. To align with the box office statistics method of The Broadway League's official website, the following statistical charts all use the Broadway season as the smallest unit of measurement, typically from late May of each year to late May of the following year. Therefore, the abscissas of Figure 1 and Figure 2 are presented in the form of "2018-2019" and so on.

Due to the outbreak of COVID-19, the 2019-2020 season was shortened by nearly three months, resulting in the complete closure of Broadway on March 8, 2020 [2]. The total box office for the 2019-2020 season decreased by 25.75% compared to the previous season, with the box office for musicals dropping by 25.98% year-on-year. The restart of the 2021-2022 season marks the return of Broadway. However, the start of the season was postponed by 10 weeks compared to previous years, and due to the requirements of epidemic prevention and control during the same period, a large number of performances were cancelled. The total box office revenue of Broadway for the 2021-2022 season was \$845 million, which was only 46.2% of the total box office revenue of the pre-pandemic 2018-2019 season. The total box office revenue for the 2022-2023 season rebounded to 86% of that of the 2018-2019 season, yet it still failed to surpass the pre-pandemic peak, indicating a continued suppression effect. The box office figures for the 2023-2024 season showed a slight decline compared to the previous season. The box office for the 2024-2025 season has seen another increase, surpassing the pre-pandemic peak for the first time with a growth of approximately 3.5% compared to the 2018-2019 season.

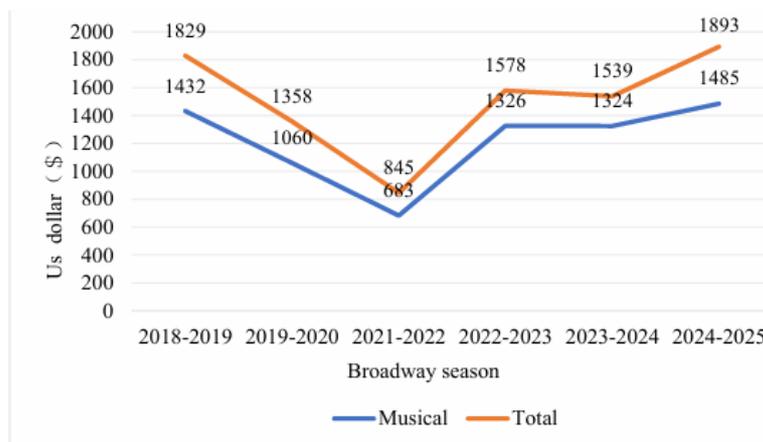


Figure 1. Broadway box office receipts (in millions) for the 2018-2025 seasons (picture credit: original)

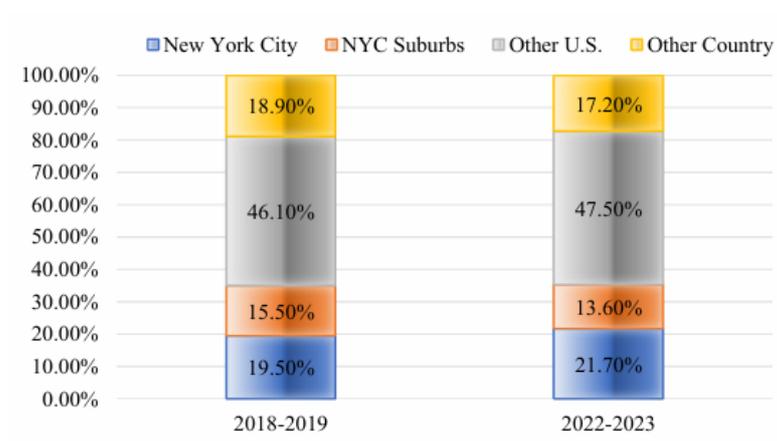


Figure 2. Place of residence of the Broadway audience (picture credit: original)

Figure 2 shows that the geographical structure of Broadway audiences remained stable overall before and after the pandemic. In the 2018-2019 and 2022-2023 seasons, the proportion of New York City and other regions in the United States saw a slight increase, while the proportion of overseas and New York suburbs saw a slight decrease. Firstly, the decline in the proportion of overseas audiences may be related to factors such as economic downturn, reduction in international flights, and the ongoing impact of the pandemic on entertainment patterns. Secondly, due to the relatively low overall attendance after the COVID-19 pandemic, the actual attendance in the suburbs during the 2022-2023 season was only 1.7 million, which was also lower than before the pandemic. The proportion of domestic and foreign tourists decreased from 65% before the pandemic to 64.6%. The dual decline in both proportion and total number further indicates the suppression of the industry by the pandemic. Lastly, the absence of data for the 2019-2020 and 2021-2022 seasons constrains the precise evaluation of the dynamics of audience structure and the scale of overseas audience loss, highlighting the limitations of the data presented in this chart.

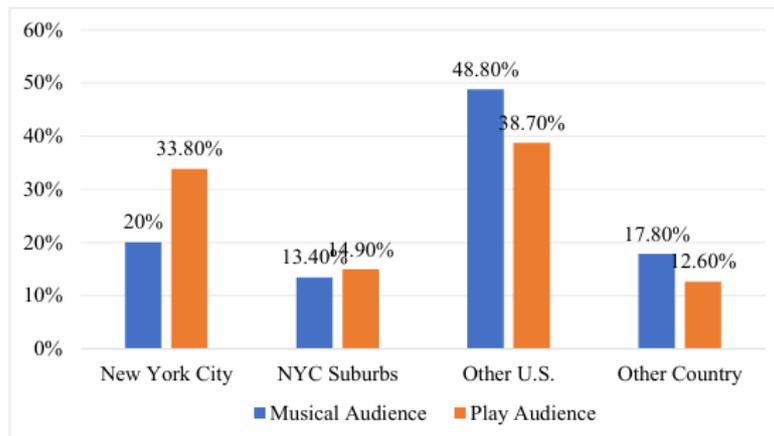


Figure 3. Geographic composition of the audience by type of show (2022-2023 season) (picture credit: original)

Different types of dramas appeal to different audiences. Musicals typically possess stronger entertainment value and visual effects, enjoying high cross-cultural acceptance. On the other hand, drama requires a certain level of cultural proficiency and text interpretation ability, making it more attractive to audiences with specific cultural backgrounds. Figure 3 shows that the percentage of local theater audiences in New York is higher than that of musical audiences, while the opposite is true for tourists: locals account for 31.4% of the total audience, while tourists account for 68.6% of the total audience, revealing the characteristic that Broadway primarily relies on tourists for its revenue.

### 3.2. Transformation towards a digital business model

On July 3, 2020 (Friday), the "stage movie" version of the renowned musical "Hamilton" became available for exclusive streaming on Disney+. Within three days of its launch, the Disney+ Plus app saw 752,451 global downloads, of which 458,796 were in the United States. This total download volume was 74% higher than the average for the four weekends from Friday to Sunday in June 2020. Globally, app downloads over the weekend were 46.6% higher than the average for the previous four Friday-to-Sunday periods [8]. As a significant landmark event in the new era, this move has ushered in a new mode of musical dissemination in the post-pandemic era. Although screen adaptations of famous musicals stopped being novelties, the pandemic ban on gatherings propelled a surge of musical art on streaming platforms, a shift that now shapes the landscape Broadway live performance must navigate [9].

### 4. The development dilemmas and future optimization suggestions of Broadway in the post-pandemic era

As previously mentioned, although audience and box office figures generally rise, the pandemic profoundly and irreversibly impacted Broadway, permanently altering its future. According to a survey conducted in 2023, feedback from 171 theaters across the United States showed that "55% of responding theaters are expected to have a deficit in their budget for fiscal year 2024, which is slightly lower than the 62% predicted for fiscal year 2023, but still significantly higher than the 30% in fiscal year 2022 and the 10% in fiscal year 2021 [9]."Therefore, the analysis of Broadway's development dilemmas in the post-pandemic era and discussions on future optimization suggestions

will be a long-term hot topic in the industry, providing sustainable solutions and recommendations to answer the long-standing question of "where does theater art go in the digital era of economic downturn?".

#### 4.1. Dilemmas

Firstly, Broadway is facing the dilemma of a changing audience structure and a shrinking market. The Broadway League's recently released annual report for the 2023-2024 season indicates that in the second full performance season post-pandemic, the total number of admissions reached 12.3 million, marking a slight increase of 0.4% compared to the 2022-2023 season [2]. Nevertheless, the number of admissions, at 12.3 million, was still significantly lower than the record-breaking 2018-2019 season before the pandemic, representing a decrease of 16.8% [2]. The proportion of international tourists has decreased from approximately 19% before the pandemic to 17%. Although tourists from other parts of the United States have increased to 47%, the total volume has not returned to the peak in 2019, resulting in a long-term shortage of high-value customers. Meanwhile, the average age has dropped to 40.4 years old, with the proportion of single-ride ticket purchases exceeding 60% for the first time, and the season ticket system continues to shrink [2]. Secondly, in the post-pandemic era, operating costs on Broadway rose and profit pressure surged. Post-pandemic inflation in the US economy sharply raised Broadway's operating costs and placed substantial pressure on its profitability. In October 2021, Andrew Lloyd Webber returned to Broadway with his original Broadway cast of a 27-member band version of "The Phantom of the Opera" [10]. However, less than a year later, the show faced a crisis and ultimately came to a formal end on April 16, 2023, due to profitability issues. Surprisingly, since the resumption of performances after the pandemic, the Broadway version of "The Phantom of the Opera" has maintained an average attendance rate of over 80%, with weekly revenue reaching \$850,000. Producer Cameron Mackintosh stated that the weekly cost of the show's revival is \$950,000, which is \$100,000 higher than before the pandemic. Therefore, even if the total revenue and attendance rates recover, it cannot change the fact that the show is losing money every week. Thirdly, the intensified competition online has led to audience fragmentation. 10 Broadway musicals have been made available online through platforms such as Disney+ and Netflix from 2020 to 2022, forming a "living room Broadway". Meanwhile, in 2024, the total audience volume of London's West End and regional theaters in the United States surpassed that of Broadway for the first time, further exacerbating the degree of audience diversion.

#### 4.2. Suggestion

First, deepen digital transformation and online expansion. In today's digital age, while the revival of Broadway on online streaming platforms may pose a threat to Broadway, it also heralds another opportunity. The wide coverage and convenience of streaming media platforms enable more viewers to experience Broadway musicals at a lower cost, especially those who are unable to attend in person due to price or geographical constraints. This not only increases the exposure of Broadway but also has the potential to attract audiences to attend live performances in the future. Meanwhile, the copyright fees provided by streaming media companies to Broadway will also increase its revenue sources, which can compensate for its financial shortfall to a certain extent [3]. Secondly, strengthen cooperation between the local market and the community. In the post-pandemic era, the audience structure of Broadway changed significantly. The proportion of international tourists has decreased from approximately 19% before the pandemic to 17%, while the proportion of local and other United States tourists stands at 82.8% [2]. This change has compelled Broadway to reduce its

reliance on the international market and strengthen cooperation with the local market and community. Local audiences exhibit high loyalty, preferring and finding it geographically more convenient to repeatedly attend performances, and they have a higher level of commitment to local cultural events. Strengthening the local market can cultivate a stable audience base, thereby increasing the repurchase rate and engagement. Meanwhile, reducing dependence on international tourists can mitigate market risks and enhance stability.

## 5. Conclusion

This study conducts an in-depth analysis of the current development status of Broadway musicals in the post-pandemic era, summarizing the main changes and challenges they face in terms of audience and box office performance, operational models, and market structure. Research found that despite some signs of recovery on Broadway after the pandemic, changes in audience structure, rising operating costs, and intensified online competition posed numerous irreversible challenges to it. In terms of audience, the proportion of international tourists declined, and local audiences became the main force. Additionally, the audience trended younger, and ticket purchasing shifted from season tickets to single-use tickets. Operating costs rose significantly because of inflation and placed increased pressure on profitability. For example, the revival of "The Phantom of the Opera" halted when costs became excessively high. Meanwhile, the rise of online streaming fragmented audiences and the "living-room Broadway" model posed strong competition to traditional live performances.

This study provides important insights for the Broadway League and the theater industry. Firstly, the Broadway League should actively promote digital transformation, leveraging the wide coverage and convenience of streaming platforms to expand its audience base, especially those who are unable to attend live performances due to price or geographical constraints. By collaborating with streaming media companies, not only can Broadway's exposure be increased, but also additional sources of income can be generated through copyright royalties. Secondly, strengthening cooperation between the local market and community is a key strategy to cope with changes in audience structure. Local audiences have high loyalty and are more inclined to repeatedly watch performances. Therefore, cultivating a local audience base through community activities, local promotions, and other means can increase repurchase rates and participation, enhancing market stability. In addition, Broadway should focus on content innovation, combining modern technology with social issues to create more attractive musical works, to meet the challenges of online competition. For the theater industry, the lessons learned from Broadway are instructive, especially in terms of digital transformation and local market development. Other theaters and performance institutions should also actively explore sustainable development paths that are suitable for themselves.

This study is based on authoritative data and literature, but there are limitations. The scope of the research is currently focused on Broadway musicals, and it will need to be expanded to cover other types of dramas and the development trends of theaters worldwide in the future. The analysis of digital transformation is insufficient, and further research should be conducted on the synergy between streaming media and live performances, as well as the enhancement of interactive experiences. The trend prediction is relatively macro. In the future, it can explore the innovation directions under new technologies and policies through case studies.

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