

Service Despite Stress: Museum Attendance and Funding in a Year of Recession

A Report from the American Association of Museums (February 2010)
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A majority of American museums report an increase in attendance 2009, in many cases despite a significant decline in funding. This is the key finding from a survey of institutional members of the American Association of Museums conducted in January 2010. In a time of financial stress for museums and economic hardship for many of their users, museums have become increasingly important to the communities they serve.

Attendance Increased

- 57.4% of museums reported an increase in total attendance¹ in 2009, compared to recent years (**FIGURE 1**). More than a quarter (26%) reported a “significant increase” in total attendance of 5–20% and 14.6% of museums reported a “sizable increase” (more than 20% compared to recent years). By contrast, less than a third of museums reported a decrease in total attendance.
- Similar increases in attendance were reported by museums of all types (**FIGURE 2**), all budget sizes (**FIGURE 3**), and in all regions of the country (**FIGURE 4**), with two notable exceptions: Science/technology museums and centers were most likely to see an increase in total attendance in 2009 (81.3%) and museums in the New England region were the least likely to report increases (45.3% vs. 57.4% of all museums in the United States).
- In 2009, the median attendance for all museums in the survey was 39,282. This reflects a total attendance of *at least* 700 million for all museums in the United States (based on a conservative extrapolation).²

Why Did Museum Attendance Increase?

- Respondents offered several reasons for increases in museum attendance. These were the most common explanations:

¹ Museum attendance is a deceptively simple measure. Museums can and do count the number of people who come through their doors, but there is no consensus about whom to include in the count. Some museums include attendance at off-site programs. Some count the people who attend programs held on museum grounds (such as fairs or festivals); others do not. Some museums — such as outdoor historic sites — do not even have doors. For this survey, we asked museums to consider their “total attendance,” without further qualification. Note that total attendance may include several visits by the same person on different occasions.

² Median attendance (39,282) x estimated number of museums in the U.S. (17,744) = 697,019,808. See Elizabeth E. Merritt and Philip M. Katz, eds., *Museum Financial Information 2009* (AAM Press, 2009), p. 14, for a discussion of how we extrapolate from a representative sample to the entire universe of American museums.

1. More aggressive marketing to local visitors, including “local school groups whose travel had been cut due to rising gas prices and later the economic fall.” Many museums reported increases in marketing budgets and/or more aggressive efforts to attract free publicity.
 2. The “staycation” phenomenon, defined as “people ... staying closer to home and seeking out less expensive ways to pass the time.”
 3. The low price of museum admissions, “a bargain as compared to movies or other forms of leisure entertainment.”
 4. New or special exhibits with an especially high level of appeal.
 5. Museums as a respite: people “desire[d] to visit a quiet, beautiful place in times of economic uncertainty.”
- Museums that reported a decline in admissions pointed to these typical factors: a decrease in tourism, the state of the economy, a decline in school visits, and a reduction in staff and/or hours.

Admission Fees Became More Common — But Prices Remained Steady

- One effect of the weak economy in 2009 was an increase in the number of museums that charge a general admission fee: 65.7% versus 59% in 2008 (according to AAM’s Museum Financial Information survey).³ Indeed, 14.2% of museums in the current survey reported an increase or implementation of general admission fees in 2009.
- Museums that charge a general admission fee were less likely to experience increased attendance in 2009 than museums that did not charge a fee (**FIGURE 5**).
- The median price for an adult admission was \$7.00, unchanged since 2008 (and still cheaper than the average movie ticket).
- To increase their accessibility, many of the museums that charged admission in 2009 also added free days (28.7%) or offered new discounts to local residents (17.5%).

Museums Under Stress

- More than two-thirds (67.1%) of museums in the survey reported at least moderate financial stress in 2009 (**FIGURE 6**). For 8.4% the stress was categorized as *severe* (defined as “bad, but I have seen worse in the previous 5 years”) and for 17.8% the financial stress was *very severe* (defined as “the very worst I have seen in at least 5 years”). However, another 31.2% experienced minimal or no financial stress in 2009.
- This finding is consistent with a survey conducted by the Johns Hopkins Listening Post Project in Spring 2009, which asked nonprofit leaders to describe the level of economic stress on their institutions during the first six months of the current

³ See *Museum Financial Information 2009*, pp. 66-70.

economic crisis (roughly September 2008 to March 2009).⁴ According to that survey, 29% of museums were experiencing severe or very severe economic stress at the time, as opposed to 37% of all nonprofit institutions in the Listening Post study.

- Not all types or sizes of museums experienced the same levels of economic stress in 2009. For example, museums in the Mid-Atlantic region were significantly more likely to experience severe or very severe economic stress in 2009 while museums in the Mountain-Plains states were significantly more likely to experience minimal or no stress (**FIGURE 7**). Museums with larger budgets were more likely to experience severe or very severe economic stress than smaller museums (**FIGURE 8**).
- There is no way to predict from these results whether 2010 will be more or less stressful for any particular museum or type of museum.
- There was a correlation between economic stress and increased attendance in 2009: the higher the level of economic stress reported by museums, the less likely they were to report an increase in attendance. Nonetheless, even museums that experienced severe economic distress were more likely than not to report increased attendance; despite their own economic hardship, they managed to serve more visitors (**FIGURE 9**).

Public Funding and Investments Down — But Museum Patrons Remain Generous

- Half the museums reported a decline in total revenues in 2009 and 27% reported an increase in revenues compared to the previous year (**FIGURE 8**).
- Museums rely on many different sources of income, not all of which trended the same way in 2009. Investment income took the hardest hit: 63.3% of museums reported a decline in investment income versus just 15.2% who saw an increase in income from investments. Government funding and support from business and philanthropic sources also suffered significantly, with many more museums experiencing decreases than increases in these revenue streams. (These results say nothing about how much revenue was involved, only whether the *total* amount of the revenue in each category was up or down.)
- The overall picture of museum revenue is better than we expected, given the general state of the economy. Three factors help explain the full half of museums with unchanged or increased total revenues in 2009:
 1. An improvement in market conditions since the fourth quarter of 2008: investments have suffered in 2009, to be sure, but not as much as they did at the end of FY08, which was the point of comparison for this survey.
 2. The resilience of many museums, especially those that have developed a robust mix of revenue streams.

⁴ Lester M. Salamon, et al., *Impact of the 2007-09 Economic Recession on Nonprofit Organizations* (Johns Hopkins Listening Post Project, 2009), online at http://www.ccss.jhu.edu/pdfs/LP_Communicues/LP_Communique_14.pdf. This report is based on a broad survey of nonprofit organizations in the social services, community development, and the arts/culture (including museums).

3. Increases in personal donations, admission income, membership dues, and other earned income. Although some museums reported a decline in one or more of these areas, about as many (or more, in the case of admission fees) reported an increase. In other words, the generosity of individual visitors and supporters helped make up for drastic decreases in government and corporate support.

Survey Methodology

This survey was conducted online between January 11 and 21, 2010. Invitations were sent to approximately 2,300 institutional members of the American Association of Museums, representing a cross-section of all museums in the United States, including art museums, children's museums, history museums and sites, zoos and aquariums, science and technology museums, arboreta and gardens, etc. Responses were received from 481 institutions; in most cases, the survey was completed by the museum's director, chief financial officer, or other senior administrator. Results have a margin of error of $\pm 4.4\%$ for the entire population of U.S. museums.

About AAM

The American Association of Museums has been bringing museums together since 1906, helping to develop standards and best practices, gathering and sharing knowledge, and providing advocacy on issues of concern to the entire museum community. With more than 15,000 individual, 3,000 institutional and 300 corporate members, AAM is dedicated to ensuring that museums remain a vital part of the American landscape, connecting people with the greatest achievements of the human experience, past, present and future. For more information, visit www.aam-us.org.

More Information?

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FIGURES

Note that, in most cases, responses of “no real change [from 2008 to 2009]” are excluded from these figures for the sake of clarity.









