

Museums and the American Economy in 2011 A Report from the American Association of Museums (April 2012)

In 2011, American museums reflected the overall state of the U.S. economy, with a high level of economic stress and continued belt-tightening but also the signs of potential recovery. For the third year in a row, a majority of museums report increased attendance but moderate to very severe economic stress. Yet budgets are shrinking at a slower pace, museums are starting to hire new workers, and spending on K-12 education remains a high priority. Museum leaders are optimistic that economic conditions will improve in 2012, while recognizing that the field continues to face serious economic challenges. “The last four years have been a significant challenge,” says one museum leader, in comments that were echoed by many of his peers. “We’ve adapted, and are working harder than ever.”

Here are the key findings from the Annual Condition of Museums and the Economy (ACME)* survey conducted by the American Association of Museums (AAM):

Economic Stress Continues – but the Future Looks Brighter

- More than 70% of AAM member museums reported **economic stress at their institutions** in 2011, ranging from *moderate* (43%) to *severe* (16%) to *very severe* (13%) – with very severe stress defined as “the very worst I have seen in at least 5 years.” [FIGURE 1] The economic stress was greatest in the southeastern states, where 81% of museums reported at least moderate levels of stress, and mildest in the band of mountain-plains states that stretches from Texas in the south to Montana and North Dakota (only 55% of museums reported stress in this area). Overall, this was nearly identical to the level of stress reported in 2010; but the reports of severe stress were significantly reduced, from 18% in 2010 to just 13% in 2011. [FIGURE 2]
- Nearly 40% of museums experienced a **decline in total revenues** in 2011, compared to 53% that experienced reduced revenues in 2010 (which means that many museums have experienced compounded years of shrinking revenues since the start of the economic downturn in 2008). The decline in government funding was especially sharp, with 47% reporting a drop in government support versus just 12% that reported net increases in government support. At the same time, a growing number of museums experienced **boosts in funding** from private donations, corporate donations, foundations and earned income in 2011, compared to the previous year. [FIGURE 3]
- A third of museums **entered 2012 with larger budgets** (32%) and another third (35%) fully maintained their budgets from 2011. [FIGURE 4] This does not necessarily mean a return to pre-recession levels of museum revenue, even for

* For the reports based on previous ACME surveys, see “Service Despite Stress: Museum Attendance and Funding in a Year of Recession” (<http://sn.im/acme10>) and “U.S. Museums Continue to Serve Despite Stress” (<http://sn.im/acme11>).

museums with expanded revenue in 2011 and bigger budgets in 2012 – the survey data do not provide enough evidence to make this claim – but it strongly suggests a swing towards economic recovery for the nation’s museums.

- Museums leaders are also **guardedly optimistic about the future**, with 28% saying that 2012 will be better or much better economically for their museums and just 13% predicting worse times ahead. [FIGURE 5] Comments collected by the survey reflect this split in opinion, but with a greater number of optimistic comments on balance. Although some museums feel stuck “in survival mode only,” others report that “things are better than they were in 2009 and 2010.” “We feel we’ve turned the corner,” said one museum leader, while another wrote that “we see light at the end of the tunnel.”

Museums are Serving More Visitors and Making Schools a Priority

- One reason for optimism is that **most American museums served more visitors in 2011** than the year before. For three years in a row, museums have expanded their service to the American people despite economic stress. [FIGURE 6] More than half of museums in the ACME survey (53%) reported gains of attendance in 2011, in some cases gains of 20% or more. Just 29% reported declining attendance.
- The **median price** of an adult general admission ticket remained the same as it was in 2009 and 2010 (just \$7), while 40% of museums remained free at all times or had suggested admission fees only.
- The largest museums in the survey (with budgets of more than \$4 million) and the smallest museums in the survey (with budgets of \$250,000 or less) were just as likely to see increases in attendance. However, **museums that charge admission were less likely to see increases in attendance** than museums that do not charge admission. [FIGURE 7] This suggests that museum visitors were very sensitive to pricing in 2011. As one museum leader noted, “People have less disposable income and are sticking closer to home, finding inexpensive things to do during their leisure time.” Another added that visitors were “very frugal in their expenditures [in 2011], including museum store purchases.”
- American museums also **opened their doors to more members of the armed forces** in 2011, with 14% of museums offering new or expanded discounts on admission to military personnel and/or their families. (More than 1,500 museums participated in the Blue Star Museums initiative in 2011, offering free admission to all active duty and reserve personnel and their families from Memorial Day through Labor Day.)
- Museums adopted a variety of budget-saving measures in 2011 (see below), but one area where they did *not* cut back was education. Instead, **education was a priority in 2011**, with 88% of museums in the survey maintaining (55%) or increasing (33%) the amount of resources devoted to K-12 students and their teachers (among museums that track resources specifically devoted to this purpose). Many museum leaders used the ACME survey to comment on the deep cuts in local school funding, which museums can only partly replace with their own educational resources. “The schools have lost funding for field trips and we will have to explore

how to bring [our museum] to the school,” wrote one, “which will at least [keep our museum] on the minds of the teachers with hope of a better economy and field trips.” Another said that “we are working hard to create alternative museum experience, either virtually or off-site ... [but neither] can replace a physical visit” by a school group.

Deferring Costs, Creating Jobs, and Planning for the Future

- Museums adopted a variety of **budget-saving measures** to meet their economic challenges in 2011, with *deferred maintenance* (reported by 33% of museums in the survey, a notable increase since 2010), *relying more on volunteers* (30%), *hiring freezes* (28%) and *relying more on their own collections* for exhibitions (26%) as the most common strategies. [TABLE 1] These were also the top four budget-saving strategies in 2010. Very few museums (less than 4%) chose to deaccession items from their collections to help balance the books in 2011. Just 9% raised the price of general admission.
- While 28% of institutions froze hiring and 13% laid off some staff in 2011, 19% of museums (69 of 371 that responded to this question in the ACME survey) experienced a **net increase in staffing during the year**, with a median increase of two full-time, paid positions. It is not possible to calculate the net change in the entire museum workforce based on these results, but the federal Bureau of Labor Statistics estimates a gain of 4.7% in the number of people working in “museums, historical sites, zoos, and parks” between January 2011 and January 2012.*
- Economic difficulties spurred **increased attention to strategic planning** in 2011, with 33% of museums reporting a change in strategic plans (including the creation of a new strategic plan) to “reflect changes in economic conditions.” One museum leader attributed the relatively strong performance of his museum to “a decision as a staff in 2010 that we would not allow the economy to be an excuse for failing to perform as an organization.” Another said “[we conducted] a management audit ... [and] stopped doing things that weren’t our core focus.” But planning has its limits, as yet another museum leader noted: “The museum developed a museum master plan in 2009; the recession has substantially slowed the process we had hoped to make toward improving operations.” In more cases than not, planning in 2011 seems to have been a *reaction* to economic difficulties rather than a *proactive* step (i.e., museums that felt little economic stress were less likely to turn their attention to strategic planning). [FIGURE 8]
- Finally, many museum leaders used this survey to voice their **uncertainties about the future**. They want to know, Will the trends established during the economic downturn become the “new normal” for museums? Will government support for museums and schools continue to dwindle? Will we “continue to find it harder to find and capture corporate sponsorships?” Will charitable donations continue to flow to “health and human service agencies whose missions are deemed more urgent than museum programming or collections care?” Is the “invigoration in

* “All Employees: Leisure and Hospitality: Museums, Historical Sites, Zoos, and Parks,” via the St. Louis Federal Reserve Bank: <http://research.stlouisfed.org/fred2/series/CES7071200001>.

volunteerism” sustainable? What will be the long-term effect, on institutions and individuals, of smaller staffs “working much harder and longer hours?” And “if the economy recovers, we wonder if people will once again begin to look outside of their own neighborhoods for leisure activities.”

About the Survey

This Annual Condition of Museums in the Economy 2012 survey was conducted online between February 8 and 19, 2012. Invitations were sent to approximately 2,250 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 433 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 approximately $\pm 5\%$ 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 18,000 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.

For more information

Contact Philip M. Katz, AAM Assistant Director for Research, at pkatz@aam-us.org or (202) 289-1818.

FIGURE 1

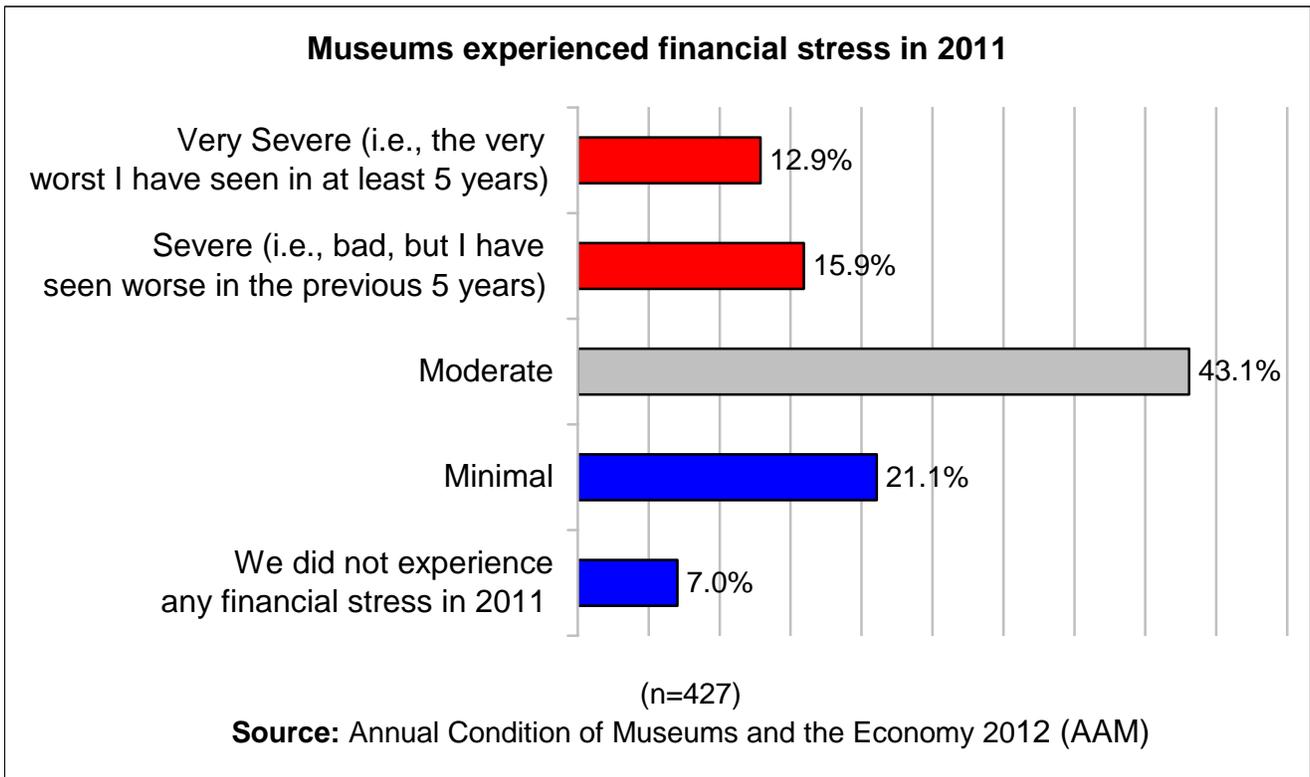


FIGURE 2

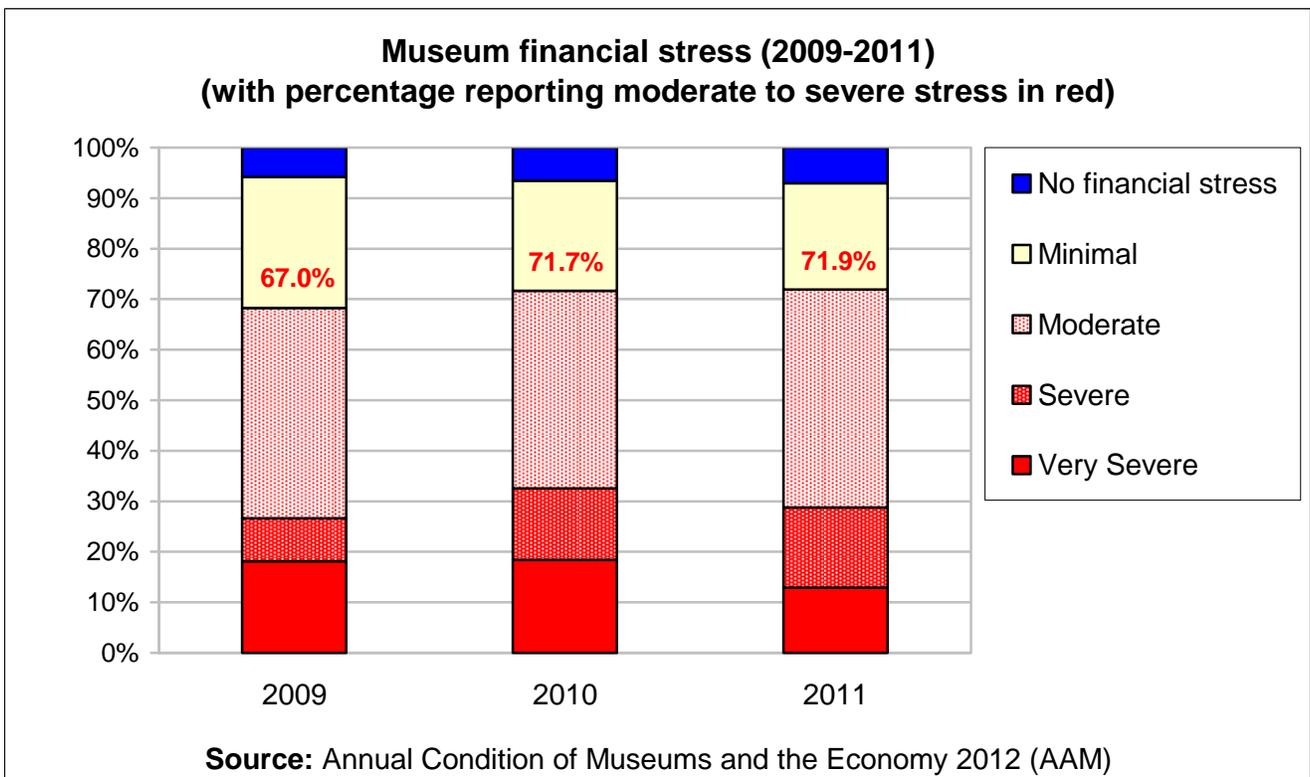


FIGURE 3

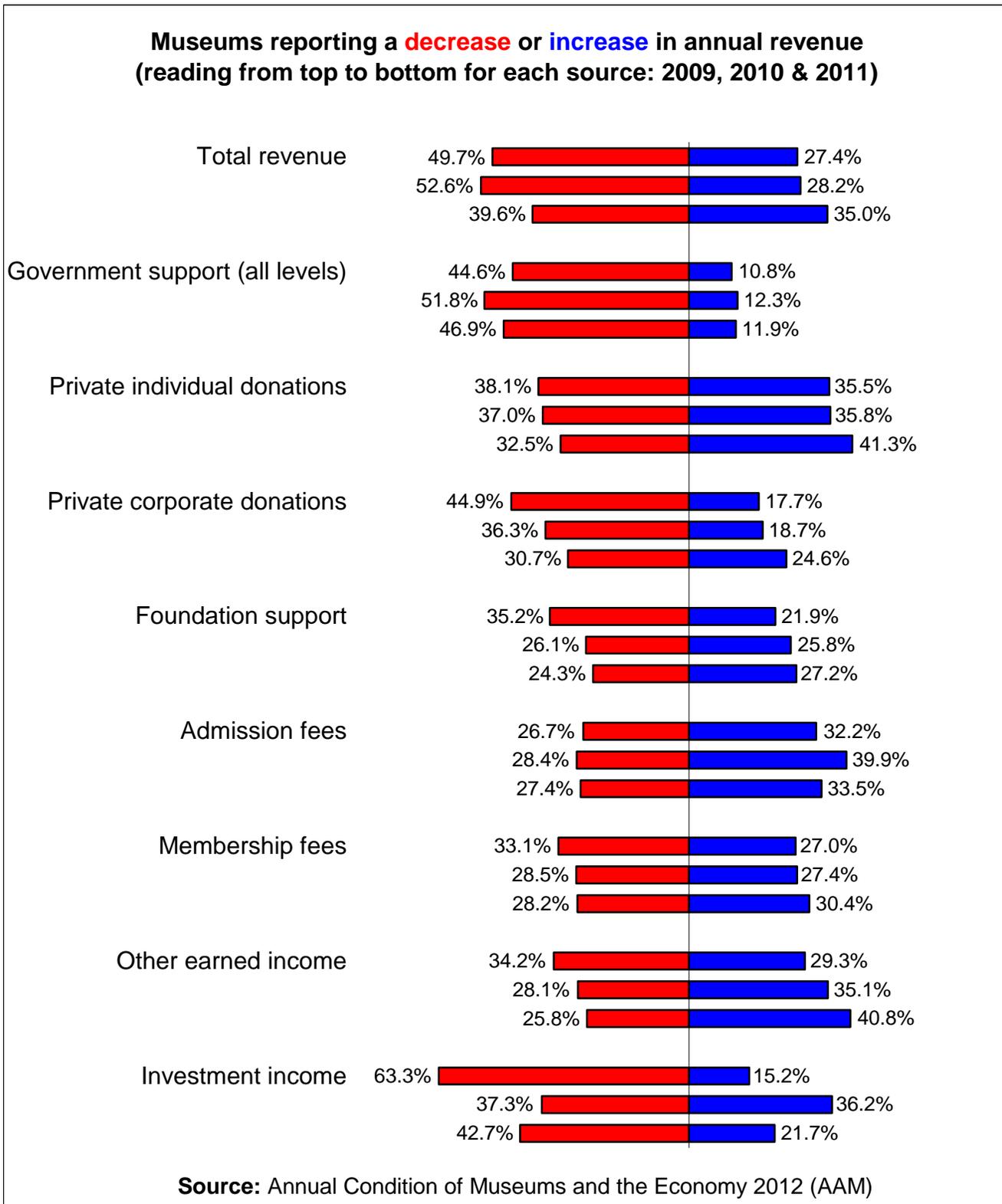


FIGURE 4

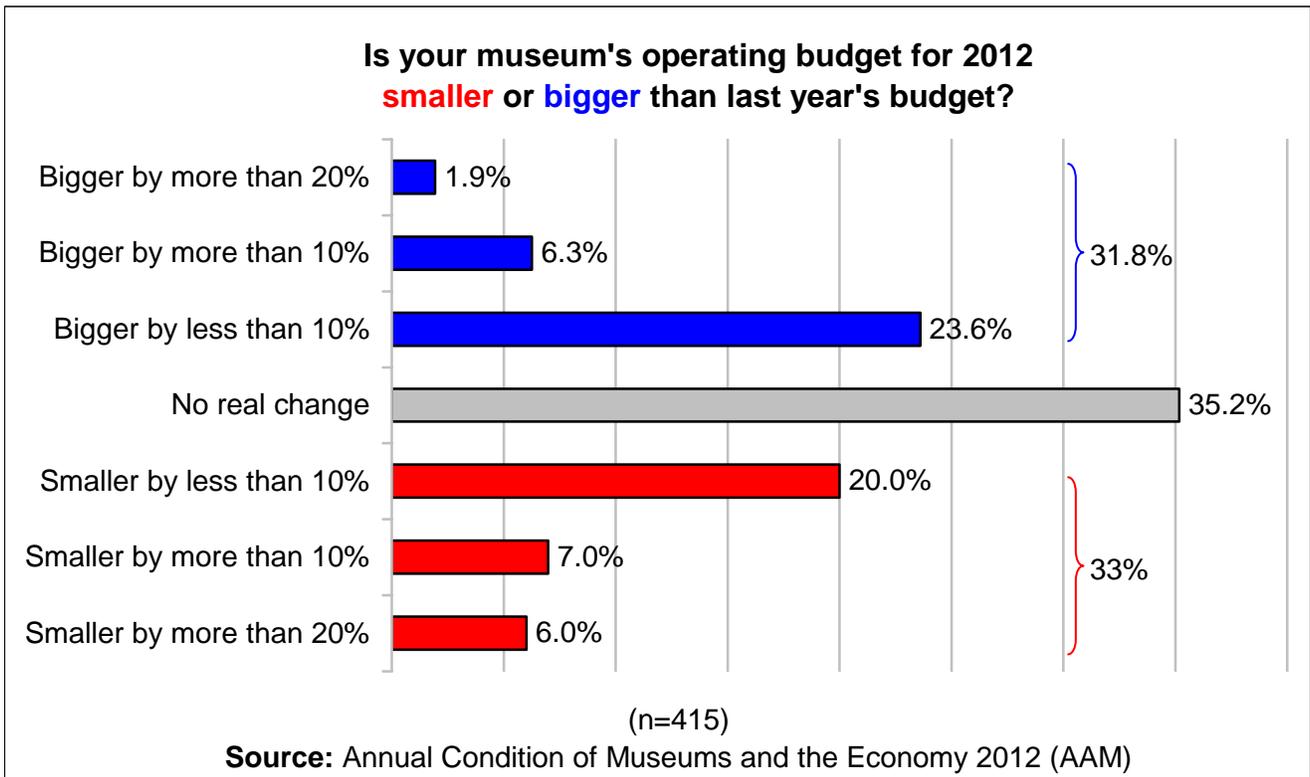


FIGURE 5

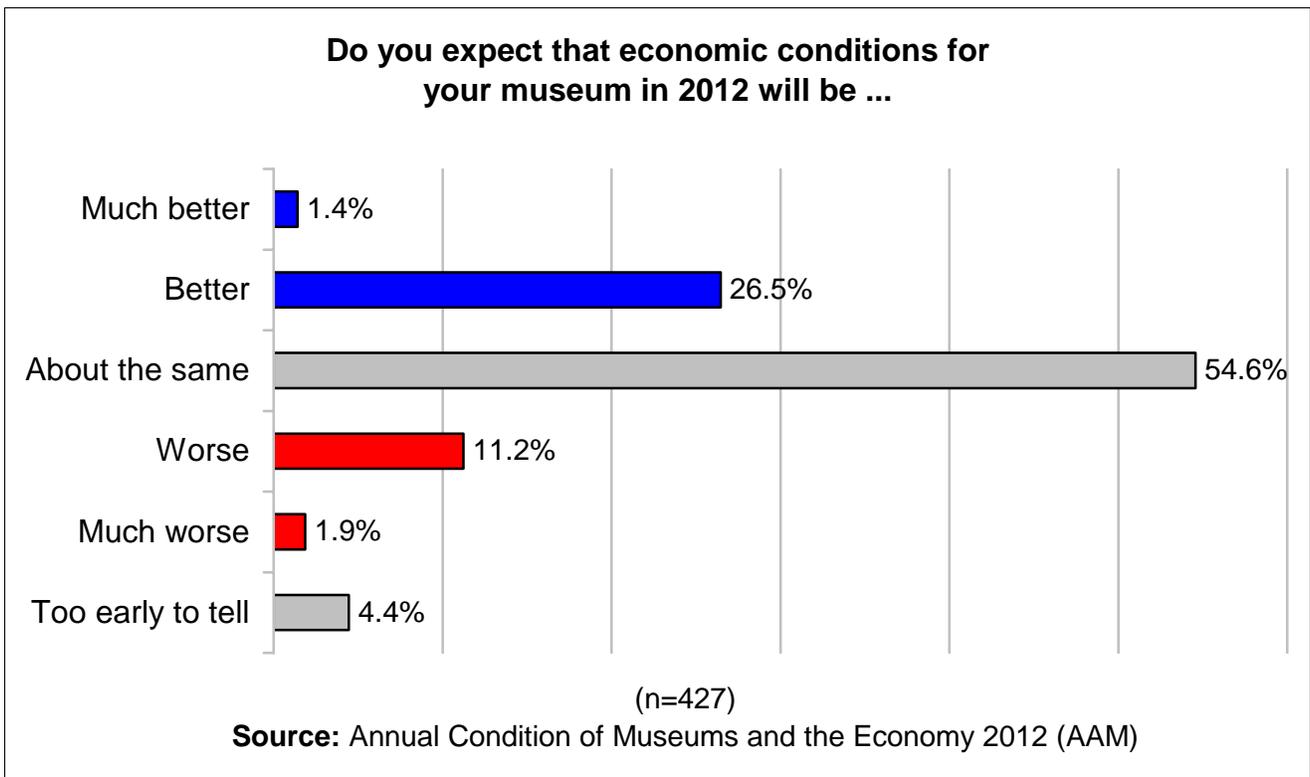
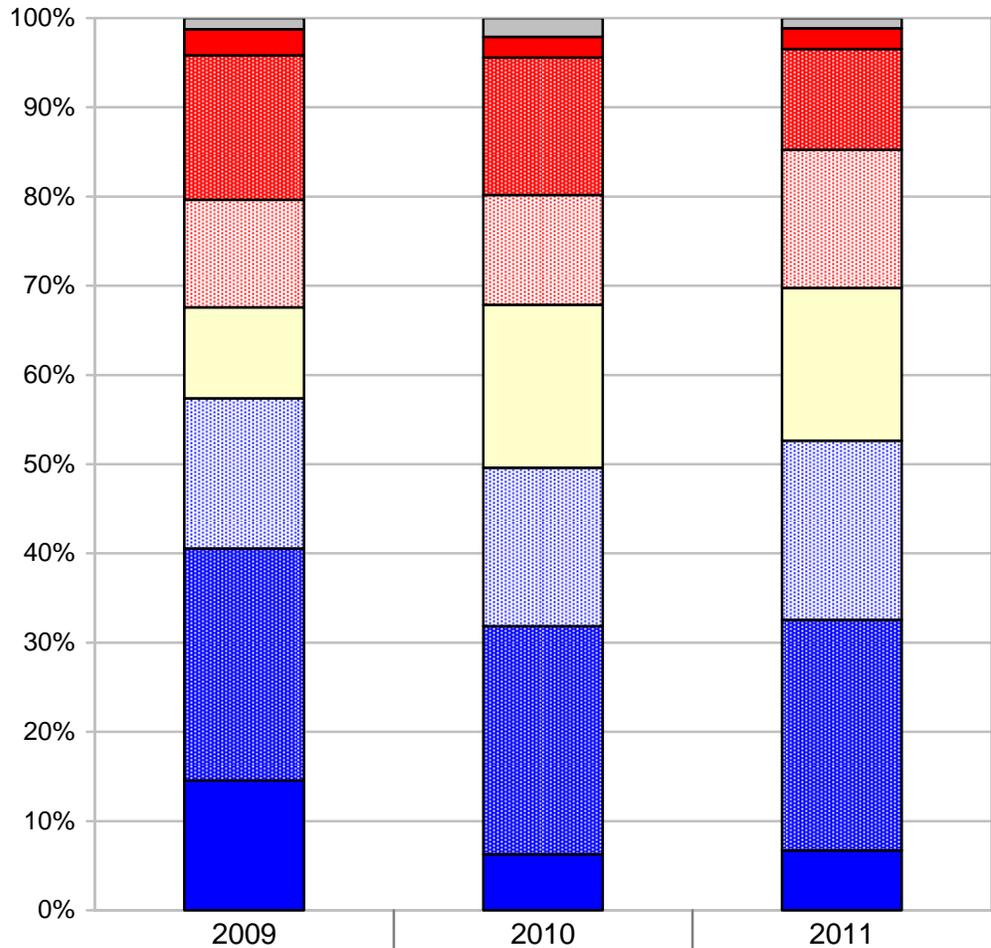


FIGURE 6

Reported changes in museum attendance (2009-2011)



■ Don't know	1.2%	2.1%	1.2%
■ Sizable decrease (>20%)	2.9%	2.3%	2.3%
■ Significant decrease (5%-20%)	16.2%	15.4%	11.3%
■ Small decrease (<5%)	12.1%	12.3%	15.5%
■ No appreciable change	10.2%	18.3%	17.1%
■ Small increase (<5%)	16.8%	17.8%	20.1%
■ Significant increase (5%-20%)	26.0%	25.6%	25.9%
■ Sizable increase in total attendance (>20%)	14.6%	6.3%	6.7%

Source: Annual Condition of Museums and the Economy 2012 (AAM)

FIGURE 7

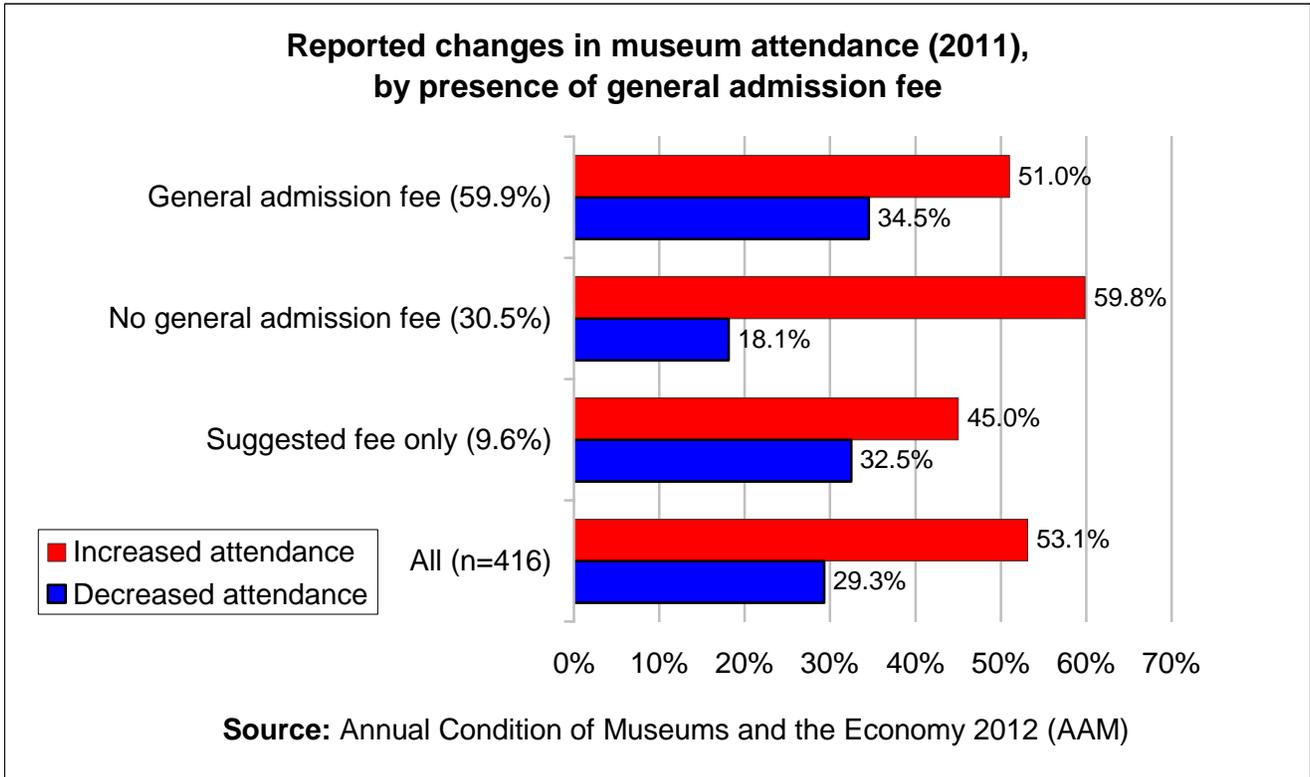


FIGURE 8
 (percentages do not equal 100% because “not sure” responses are excluded)

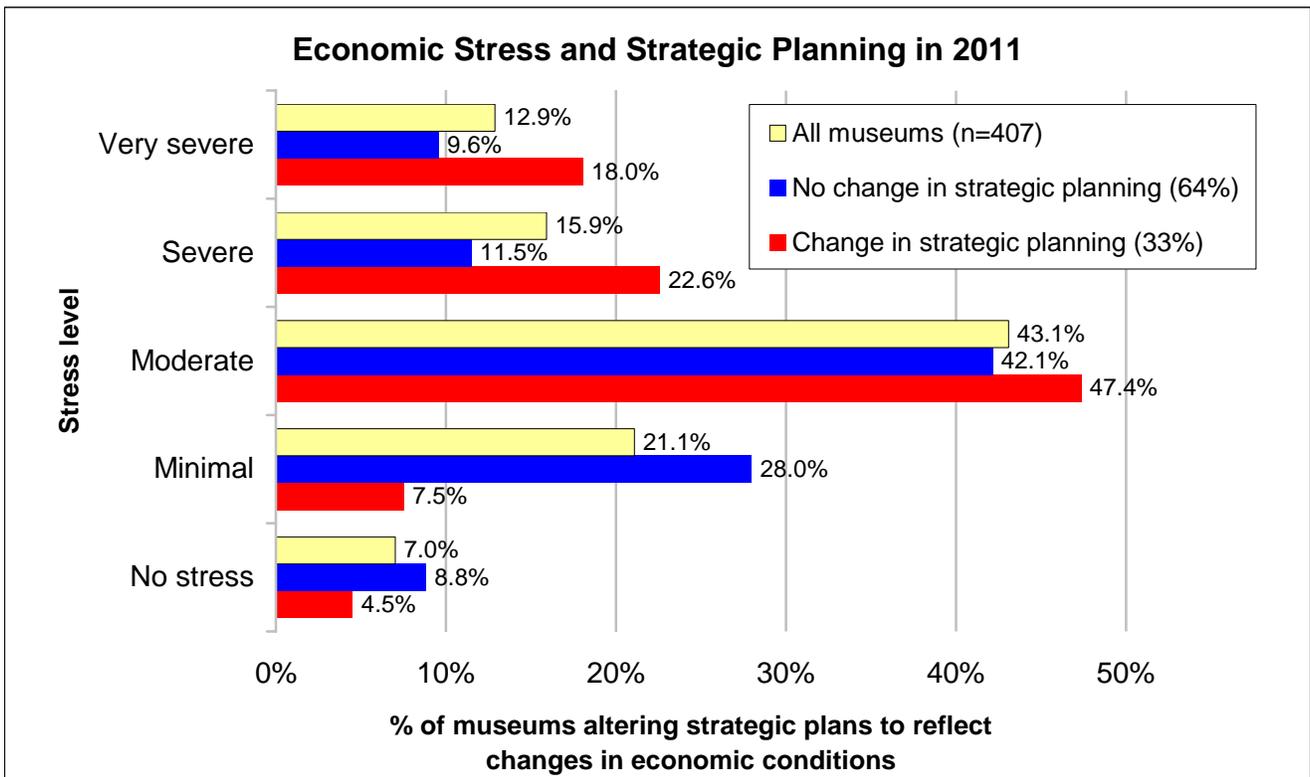


TABLE 1
Budget-saving measures adopted by museums in 2011 & 2010

% of museums		Budget-saving measure
2011	2010	
32.8%	29.5%	Defer building maintenance
30.3%	34.2%	Rely more on volunteers
27.7%	35.2%	Freeze hiring
26.1%	28.5%	Rely more heavily on the museum's own collection for exhibits
13.4%	16.2%	Lay off staff
13.2%	17.2%	Rely less on traveling exhibits
12.9%	14.4%	Postpone or cancel a construction project
12.0%	13.3%	Postpone or cancel an exhibit
11.8%	15.4%	Reduce staff benefits
11.3%	13.3%	Reduce operating hours
11.1%	11.0%	Shift functions from paid staff to outside contractors
10.4%	13.8%	Postpone or cancel a capital campaign
7.6%*	12.5%	Other
3.9%	8.1%	Furlough staff
3.9%	2.9%	Deaccession item(s) from your collection
3.0%	1.0%	Rely more on traveling exhibits
1.8%	3.7%	Close individual galleries or exhibits on selected days
76.0%	78.6%	<i>Any</i> budget-saving measure

* 12 respondents specifically mentioned salary freezes