TRENDSWATCH
THE SCENARIO EDITION
A TOOL FOR MUSEUM PLANNING

Center for the Future
of Museums

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Supertrees at Singapore's Gardens by the Bay image (lower left cover, p. 27, p. 33): © Viktoria Diachenko/Shutterstock.com

"Sometimes reality is too complex.
Stories give it form."

—Jean Luc Godard

"The human species thinks in metaphors
and learns through stories."

—Mary Catherine Bateson

INTRODUCTION

Welcome to *TrendsWatch: The Scenario Edition.* This installment of the Alliance's annual forecasting report takes a break from our usual format. Rather than exploring five or six trends and their implications for society and for museums, in this edition we present four stories of the future, designed to strengthen museum planning.

Futurist fiction is enjoying a resurgence of popularity as readers discover or revisit classics such as George Orwell's *1984*, Margaret Atwood's *The Handmaid's Tale,* and Octavia Butler's *Parable of the Sower.* These books command our attention because they provide a lens through which to process current events. Even titles that are almost a hundred years old (Aldous Huxley's *Brave New World* was published in 1931) raise issues of burning relevance today. What happens when technology gives government the tools to monitor our behavior, speech, even our very thoughts? Is social progress linear, or could we lose many of the basic human rights we've fought to establish in the past century? If we continue on our current path of growing inequality, environmental degradation, and political divisiveness, what kind of world will we create? Dark imaginings can make us hesitate before continuing down that path, while utopian fiction like *Always Coming Home* (Ursula K. LeGuin), *Woman on the Edge of Time* (Marge Piercy), and *Pacific Edge* (Kim Stanley Robinson) encourages us to work towards peaceful, equitable, and ecologically sane futures.

What does fiction have to do with the practical application of future studies? Everything, as it happens. I believe that good futurist fiction tells the truth about things that haven't happened...yet. While it is important to share the relevant facts and figures, storytelling is the beating emotional heart of strategic foresight. We often go through life with an unexamined assumption that the future is going to be more or less like the present, except with better technology. By immersing us in many plausible futures, fiction can challenge this assumption. Stories help us surface and confront our fears. They encourage us to dream big, to ask how our best version of the world could come true. And they disrupt complacency, making us realize we have both the power and the responsibility to shape our future.

The stories created by futurists are called scenarios, and sets of scenarios, exploring a range of possible outcomes, are critical planning tools for government and industry. One of the earliest proponents of scenario planning was Herman Kahn, who used it to advocate for nuclear deterrence during the Cold War, and the US military continues to use scenarios to model possible outcomes of global or regional conflict. Shell oil company has been developing scenarios since the 1970s, designed to guide key decisions, anticipate fluctuations in the energy market, and explore new business models.

One motivation for founding the Center for the Future of Museums (CFM), back in 2008, was concern on the part of the Alliance's Accreditation Commission that museum planning is often short sighted, failing to anticipate and adapt to a rapidly changing environment. As we mark CFM's 10-year anniversary, it seems high time that our sector have our own set of scenarios to help museums navigate an uncertain future. With the help of many creative thinkers (acknowledged on page 47), I collected diverse story threads that explore the Cone of Plausibility (see page 4), and wove them into the scenarios presented here. It is my hope that we will see many museum plans become stronger, more resilient, and more future-proof as a result of this resource.

Yours from the future,

Elizabeth Merritt

Elizabeth Merritt
VP OF STRATEGIC FORESIGHT AND
FOUNDING DIRECTOR, CENTER FOR THE FUTURE OF MUSEUMS
AMERICAN ALLIANCE OF MUSEUMS

HOW TO USE THIS REPORT

This edition of *TrendsWatch* presents four scenarios that illustrate challenges and opportunities that museums may face in coming decades. By exploring the Cone of Plausibility (below), planners can expand their thinking about the many ways the future might play out, and identify the future they would like to help create. Each scenario concludes with questions to help users explore how they and their organizations might thrive under these circumstances, and the steps they might take to make any elements of these plots more or less likely to come true.
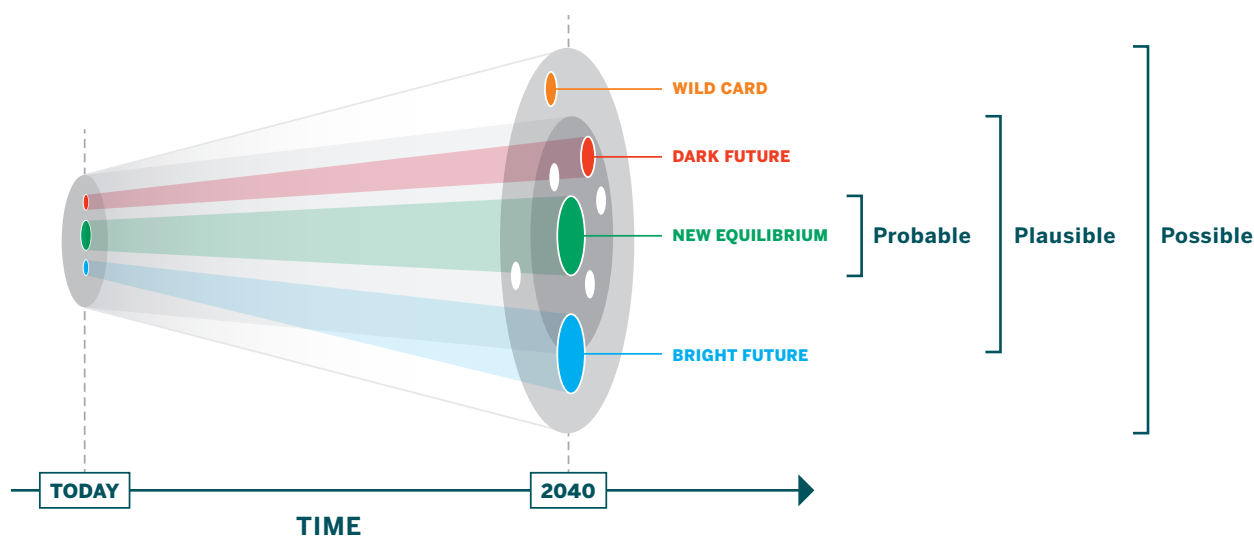
The Cone of Plausibility

The goal of strategic foresight is to map the many ways the future might play out. Futurists depict this map as a Cone of Plausibility, with the edges of the cone defining the boundaries of what might reasonably be true at any point in the future. The cone starts with a narrow range of possibilities because the near future is likely to be pretty similar to the present. The cone expands as it moves forward in time, reflecting the fact that things that are not possible now (telepathy, for example, or manned interplanetary spaceflight) may be possible, even mundane, at some point in the future.

CFM director Elizabeth Merritt typing up scenarios on a trusty vintage Underwood.

Why Tell Stories About the Future?

Plans based on one anticipated future are brittle: they are prone to failure if the underlying assumptions turn out to be wrong. Many a strategic plan has met its demise as the economy shifts, popular tastes change, or new technologies present unforeseen challenges and opportunities.

Plans that take into account the many different ways the world could evolve tend to be resilient. Such plans may include contingencies and back-up plans, and be flexible enough to take advantage of serendipity. The habit of planning in the context of multiple futures cultivates organization culture that is nimble, responsive, and skilled at navigating change.

To foster resilient planning, futurists create scenarios. Each is a short, evocative story that describes one possible future within the Cone of Plausibility (see page 4). Scenarios help organizations systematically identify and explore multiple versions of how the world, their community, and their operating environment may evolve.

This edition of *TrendsWatch* presents four such scenarios. They are tailored for museums but could be equally useful to other sectors engaged in planning. I encourage board, staff, and community members to use these scenarios to broaden their thinking before diving into the nitty-gritty business of setting goals, creating strategies, and taking actions. Taken as a set, these scenarios invite planners to ask themselves, "What forces would create this or that future? How can we spot those forces at work early on? What is our preferred future, and what steps can we take to make that future come true?" The process of exploring these questions will create a futures-oriented mindset conducive to successful planning.

Our Four Futures

With the help of a diverse set of folks from museums and adjacent sectors, we've crafted four scenarios. Each describes one version of the year 2040 that poses distinct strategic challenges. Conforming to a commonly used futurist framework, each story offers a different outlook:
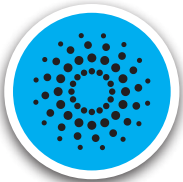
» **A BRIGHT FUTURE is based on the hopes and dreams shared by museum people when we asked, "What's the best future you can imagine?"** Exploring optimistic outcomes helps organizations test their assumptions, build alignment among stakeholders, and identify actions they can take to make their own vision of a bright future come true.

» **A DARK FUTURE embodies the fears that haunt museum people in the middle of the night.** Thinking about worst-case outcomes can actually be empowering. Events that at first glance seem to presage the end of the world may turn out to be manageable when confronted with reason and ingenuity. Besides, dark futures make for compelling storytelling and can energize planning by capturing participants' imaginations.

» **An EQUILIBRIUM might result from existing limits and challenges as they play out in coming decades.** This scenario reflects people's common unconscious assumption that the future will be pretty much like the present, only more so. The details are based on credible, mainstream forecasts on topics ranging from the economy to demographics to climate change. (This scenario was the jumping-off point for *Museum 2040*, an issue of the Alliance's *Museum* magazine that explored how museums might thrive in this version of the future.)

» **Finally, a WILD CARD illustrates the kind of low-probability, high-impact event that can disrupt the best-laid plans.** Though you shouldn't obsess about these possibilities, including a few wild cards in your museum's planning deck will help you prepare to respond should the best or worst occur. And as you consider how you could handle these disruptions, you may discover actions that improve the museum's performance whether or not a particular wild card comes into play.

The future we end up living in probably will lie somewhere in the considerable grey areas between our scenarios, combining elements of each. As you work with these scenarios, remember that your goal isn't predicting what will happen, but imagining many different ways things could turn out. As our colleagues at the Institute of the Future have observed, "The future is not completely predictable, but neither is it completely unknowable. What exists is a space of multiple possibilities that can be systematically identified and understood." The most important thing to keep in mind is that your organization's actions, guided by your plan, can be a powerful force of change that helps determine which path to the future we actually take.

A Note on Values

Labeling any future as "bright" or "dark" depends on the opinions and world view of the writer(s). As I point out in our first story, "Our Bright Future," one person's imagined happy success (booming local development, rising property values, expansion of the museum's footprint and staff) might be someone else's nightmare scenario that paves the way for gentrification, displacement, and loss of the organization's core identity.

You may well find, as you explore these stories, that members of your planning team disagree on which plot points are plausible or desirable. That's great! Disagreement can spark discussion about values and surface differences of opinion. Use these stories as a starting point. You can edit, adapt, and develop them to reflect your organization's collective hopes and fears, and arrive at a consensus version of your preferred future.

Why 2040?

The overarching purpose of strategic foresight is to help organizations think and plan in the context of a longer time frame. Which begs the question, *how* long?

The Long Now Foundation sets its work in a 10,000-year context to make people think about what we would have to do to ensure that civilization, in some form, endures for at least that long. Interesting as it is to contemplate museums in that exceedingly long time frame (and yes, CFM offers a talk and a workshop on that topic), it isn't immediately practical for museum planning. On the other hand, when challenged to think about a point 10 years in the future, people tend to describe what's happening now. After much consultation with folks in the futurist community, we set our scenarios in the year 2040—well within the practical range of museum planning (especially for major investments in infrastructure) but far enough out to encourage creative thought on how things might change.

How to Use the Scenarios

These stories can be used in a myriad of settings. Some options to consider are:

» **Hosting an informal lunchtime discussion for staff,** focused on one scenario and structured around the questions provided at the end of each chapter.

» **Devoting time at a board meeting** to an exploration of how these scenarios apply to the museum they govern.

» **Encouraging staff to contribute news items and stories** to a fictional version of the museum's newsletter or in-house communications platform that explore what the museum is like in one of these versions of 2040. (For inspiration, see the special issue of *Museum* magazine, *Museum 2040*, featuring articles based on the scenario "A New Equilibrium.")

» **Using this edition of *TrendsWatch* to create one or more extended exercises** as part of your strategic planning process.

Here are some resources to help you integrate scenarios into your planning:

» *Tomorrow in the Golden State: Museums and the Future of California*, created by CFM for the California Association of Museums, includes an introduction to foresight, five scenarios, as well as worksheets and sample agendas for forecasting sessions. This report is available as a free PDF download from the CFM section of the Alliance website aam-us.org.

» "Scenario Planning: A Tool for Strategic Thinking." Paul J.H. Schoemaker, *MIT Sloan Management Review*, Winter 1995. (Readers can access one free article from the *Review* online.)

» Shell Scenarios in Film. The first video in this collection ("Navigating an Uncertain Future," 4.31 minutes) is a nice introduction to scenarios in general and to the benefits of generating "alternative memories of the future." Other videos explore particular scenarios that Shell has developed. Available on the Shell website shell.com under Energy and Innovation.

THE SCENARIOS

OUR
BRIGHT
FUTURE
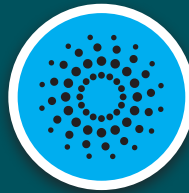
**IDEALISTS AND PRAGMATISTS
WORK TOGETHER TO BUILD
A SUSTAINABLE WORLD**
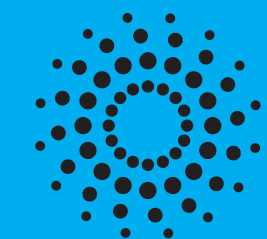
Introduction to This Scenario

"Our Bright Future" is a story based on the hopes and aspirations that museum people shared with AAM's Center for the Future of Museums when we asked, "What is the best future you can imagine?" While it is unlikely that all these happy dreams will combine to form one blindingly bright future, they all fall somewhere in the range of plausibility. (See Signals, below, for current trends and events that support that case.)

OUR BRIGHT FUTURE
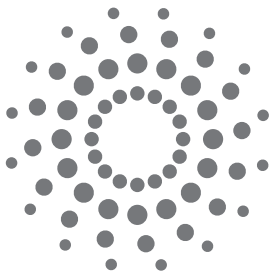
Picturing a best-case scenario is not just an exercise in wishful thinking. Exploring optimistic outcomes helps organizations test their assumptions, build alignment among stakeholders, and identify actions that can turn vision into reality. Imagining the best future can help members of the museums leadership and key stakeholders:

» **Compare their individual hopes for the future and arrive at an organizational consensus about aspirational goals for the community and the museum.** One person's version of success (booming local development, rising property values, expansion of the museum's footprint and staff) might strike someone else as a nightmare scenario that paves the way for gentrification, displacement, and loss of the organization's core identity.

» **In the process, take a critical look at what they *think* they want.** People are actually very bad at anticipating what will make them happy. Achieving long-desired goals such as getting tenure or a raise, or buying a house, often leaves a person's baseline happiness unchanged. Similarly, organizations sometimes make unquestioned assumptions about success. Are more visitors, bigger collections, or a new building the best way to fulfill your mission?

» **Prepare for the best.** On a personal scale, happy life events like marriage, the arrival of a baby, moving, and taking a new job can be pretty traumatic. The same holds true for organizations. Many highly anticipated events in the life cycle of a museum—a successful capital campaign, expansion of staff, opening of a new wing—come with challenges that can derail previously successful organizations. By asking "And then what?" about elements in your best-case scenario, your museum can prepare to respond to the opportunities afforded by these events if they become reality.

» **Challenge your planning team to explore "How could we help this come true?"** As you write your organizational plan, you can allocate time and resources to incremental steps that will take you in the right direction. This exercise can also prepare you to recognize and take advantage of serendipitous opportunities that a narrow focus on "the plan" might otherwise lead you to ignore.

A Snapshot of This Future

This synopsis describes a vision of the year 2040 with respect to culture, technology, the economy, ecology, and policy.

America in 2040 is more tolerant, less divisive, and more socially and economically equitable than it was early in the century. The civil rights activism of the 2010s paved the way for major investments by government, philanthropy, and big business in efforts to eliminate racial disparities in health, education, incarceration, and employment. Mounting evidence of the broad economic benefits of dismantling systemic equities laid the foundation for bipartisan political support of these goals. Younger Americans, born into a majority-minority age cohort, take diversity and multiculturalism for granted. A large segment of the population is over the age of 65 (20 percent in 2040, compared to 16 percent in 2020), and these "perennials" are heavily dependent on first-generation immigrants for home care and personal assistance. The ubiquity of these arrangements, with the social bonds and intercultural exposure they afford, has led to a significant rise in tolerance and reduction in bias among older Americans.

Automation, fueled by robotics and artificial intelligence (AI), has increased productivity and profits for many industries, including domestic manufacturing, e-commerce, data services, and health care. As was predicted at the turn of the century, this AI revolution has caused massive disruptions to many professions, from white-collar bastions such as law and medicine to blue-collar stalwarts like telemarketing and long-haul trucking. While the immense profits generated by AI have gone disproportionately to the top 1 percent of individuals and companies, government and private philanthropy have channeled much of that wealth back into public infrastructure and the creation of a strong public safety net in the interest of economic and social stability. Universal basic income (UBI) provides an unconditional stipend sufficient to meet every individual's basic needs. Universal health care (UHC) covers drug rehabilitation, mental health services, and comprehensive support for people with disabilities. Taken together, UBI and UHC have resulted in the flowering of private enterprise, small businesses, and creative endeavors. While there is still great wealth inequality in the US, these opportunities have built a new, robust "middle class" with the assets it needs for self-fulfillment and civic participation.
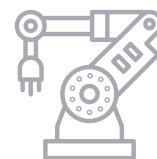
The promise of AI and big data has come to fruition in the past two decades largely because companies and regulatory agencies worked together to address valid public concerns about privacy and surveillance. The public played a direct role in "leashing the data beast" by becoming highly selective about what online services they used, what terms they agreed to, and how they controlled their own personal data. Revenue models based on harvesting and selling personal data have been largely discredited, and social media has fragmented into a plethora of platforms, some of them supported by subscription while others, modeled on Wikipedia, are open-source, community-run, and donation-supported. The Algorithmic Transparency Act of 2025 helped minimize bias in the AI programs that have become essential to our educational systems, law enforcement, and job recruitment and hiring.

Strong privacy protection also helped fuel development of the huge, open, interoperable data sets that are shared among sectors (health, government, education). These data sets in turn enabled researchers to conduct large-scale longitudinal studies that established the benefits of a variety of types of behavior, including cultural engagement. This research played a major role in the resurgence of government funding for the arts and humanities, as advocates made the case that such support not only achieved an intrinsic good, but made financial sense. As Sriram Mather, Republican senator from Utah and chair of the Senate Finance Committee, remarked when explaining his support for doubling the funding for the National Endowment for the Arts in 2032, "If the arts can help keep at-risk teens in school and out of jail, I'm all for it. I'd rather build museums than prisons."

Primary education has slowly pivoted away from "industrialized" learning, standardized tests, and age-based classrooms. Indeed, it has largely broken out of the four walls of the traditional school building and now takes place in many locations, public and private, throughout the community. The new model of education emphasizes creativity, collaboration, social intelligence, and cross-disciplinary thinking. The mainstream approach is experiential and inquiry-based. Students work with mentors to create and execute personalized learning plans that build on their passions and learning styles. Two-thirds of states have adopted pooled funding for public schools (first implemented by Vermont in 1997), sharing wealth among districts and reducing inequalities of education and opportunity. A huge endowment created by tech billionaires Elon Musk, Peter Thiel, and Pierre Omidyar in 2025 ensures that every child is provided with an AI-enabled tutor that provides personalized content and connections to suitable online and community-based learning opportunities. Higher education has diversified into a robust set of effective, affordable options that include community colleges, microcredentialing, apprenticeship programs, and online courses. Regulatory reform has lifted the burden of crippling student debt. Many students take advantage of income-sharing agreements that offer low-cost tuition and loans in exchange for a share of future earnings.

Multisensory, immersive augmented reality (AR) and virtual reality (VR) tech is affordable and widely used in education, medicine, workplace applications, and popular entertainment. However, while these technologies are deeply integrated into everyday living, public preference for leisure time has shifted to real-life, face-to-face social interaction, and to place-based immersive experiences that may or may not incorporate digital elements. Although 80 percent of adults access VR at least once a day, "digital fasting" has become increasingly popular, and many adults, especially parents, regularly take themselves and their families off-line for anywhere from a day to a week at a time.

The year 2021, now known as "Anthrogeddon," marked a turning point in the US's stance on climate change. That summer, every state capital experienced record-high temperatures; 12 large-scale natural disasters (flood, fire, storm, drought) fueled by climate change displaced over 1 million people from their homes; and five major coastal cities suffered destructive flooding. In the aftermath of this trauma, a national carbon tax was instituted with bipartisan backing, and the US threw its considerable resources into support of the Paris Climate Accords. The subsequent global partnership among governments and NGOs has been characterized as an effort on par with the united efforts of the Allied forces during World War Two. The world economy has been converted to a low-carbon energy system, and as a result, the earth is on track to meet the more ambitious goal of the accords, limiting the temperature increase to 1.5 degrees Celsius above pre-industrial levels by mid-century. These initiatives have reduced global sea level rise to just under 3/4 foot (23 centimeters)—at the low end of the most optimistic projections made in 2018.

Signals

A selection of real news stories and research from the present illustrating trends and events that could create this version of the future.


On the case for bipartisan support for social justice and universal basic income

The W. K. Kellogg Foundation released *The Business Case for Racial Equity: a strategy for growth* (2018), arguing that the US could realize an $8 trillion gain in gross domestic product (GDP) by closing the racial equity gap. (For scale, in 2016 the entire US GDP was $18.57 billion.) A study by the Roosevelt Institute concluded that an annual universal basic income of $12,000 per adult would grow the economy by more than 12 percent over eight years, increasing the GDP by $2.48 trillion. A Gallup poll showed that almost half of Americans support a UBI program, up from 12 percent in 2008. Numerous tests of UBI are in process across the globe, including trials in Oakland and Stockton, California.

On the rise of data privacy

Facebook founder Mark Zuckerberg was called to testify in 2018 before Senate and House committees regarding his company's decision to allow research firm Cambridge Analytica to access the personal data of as many as 87 million users. The European Union's sweeping new privacy law went into effect in May, and because the General Data Protection Regulation applies to any business that holds data on EU citizens, it is having a worldwide impact. Similarly, California is poised to vote on a ballot initiative that would enact one of the broadest privacy laws in the US. If the act passes, many companies may voluntarily adopt the same standards on a national level. Concerns about the data practices of large social media platforms have fueled interest in alternatives such as MeWe, which "challenges the status quo by making privacy the foundation of online social experiences"; the open-source project Diaspora; Steemit and Minds, both of which reward contributors and community curators with cryptocurrency; and Ello, created and maintained by a global community of artists.
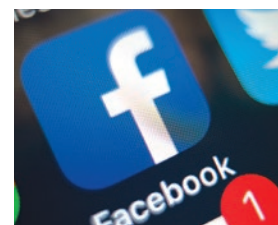
karanik yimpat / Shutterstock.com

On the potential for a global commitment to a carbon-neutral power supply

In 2017, the Climate Leadership Council, comprised of Republican elder statesmen, unveiled a "conservative climate solution" that would fight global warming by taxing greenhouse gas emissions and returning the money to taxpayers as a "climate dividend." Their premise is that increasing the cost of making energy derived from fossil fuels will impel the free market to pivot towards renewable energy and other low-carbon solutions. Exxon Mobil, other oil companies, and a number of major corporations joined the Nature Conservancy and the World Resources Institute in backing the proposal. The European Union (EU) is already planning to generate 20 percent of its electricity using only renewable sources by 2020. One of the major pressures driving the adoption of renewables is Europe's annual $38 billion carbon market.

Discussion Guide

Reality Check

Despite the signals listed above, you may feel that some of the elements in this story are implausible. If so, see if you can find recent stories or research that bolster your case for pushing these plot lines back into the "Cone of Plausibility."

Agree/Disagree

You may love some parts of "Our Bright Future," and you may feel that certain elements of this scenario, as written, aren't desirable. That's great! Disagreement can spark discussion about values and surface differences of opinion. Use this story as a starting point and edit, adapt, and develop it to reflect your shared version of a bright future.

Museums in This Future

What are some of the implications of this future for museums? Here are a few thoughts to get you started:

» **The nurturing environment of this bright future leads to a boom in new cultural nonprofits.** While funding is abundant, this proliferation leads to increased competition for time and attention, as well as philanthropic and government funding.

» **With the security provided by UBI and UHC, many people are pursuing their passions as full- or part-time citizen artists, citizen scientists, and citizen historians.** These communities expect museum resources to be open and accessible, and want to play significant roles in museum research and content creation.

» **Creators of VR and AR content see museums as premiere sources of high-quality digital content.** At the same time, museums are popular destinations for those looking to unplug from the digital world.

From Insight to Foresight

Exploring scenarios helps us future-proof plans by asking, "How, in this future, would I/my family/ my community/my museum thrive?" By answering this question across several scenarios, you may identify actions that would be beneficial in a variety of circumstances.

In this future I might:

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In this future my organization might:

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From Foresight to Action

This story is built around trends and events we can see in the world today. But always remember the third force creating the future: the choices that we make as individuals and as organizations. The most important part of this exercise is discovering how you can help build the future you want to live. After you've tweaked this scenario to reflect a future you agree is both plausible and preferable, work on the following questions.

To help create this future I might:

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To help create this future my organization might:

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UNDERGROUND ACTIVISTS FIGHT FOR EQUITY, PRIVACY, AND ECONOMIC REFORM

FRAGMENTATION
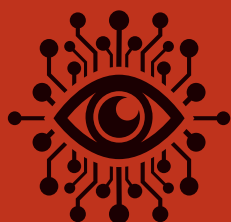
Introduction to This Scenario

"Fragmentation" weaves together some of the anxieties shared by museum people when we asked, "What are your fears about the future?" While we hope that these depressing themes don't all play out 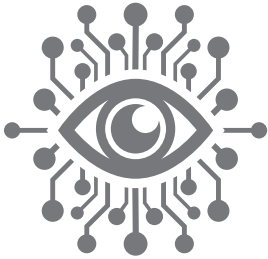at once, each event falls somewhere in the range of plausibility. (See Signals, below, for current trends and events that support that case.)

FRAGMENTATION

Why indulge in pessimistic thinking? Thinking about worst-case outcomes can actually be empowering. Many potential disasters seem like they would herald the end of the world. Upon reflection, however, we can create heroic narratives of how we could survive such cataclysms. Moreover, dark futures make for compelling storytelling. Name all the utopian novels and films you can think of. Now do the same for dystopic fiction. Which list is longer? Dark possibilities can energize planning by capturing participants' imagination. Discussing this scenario can help members of museum leadership and key stakeholders:

» **Identify critical risks and create early warning systems to monitor whether the probability and impact of these threats are increasing or decreasing.** This exercise can counteract our natural tendency to focus the majority of our attention on typical everyday occurrences, averting our gaze from future possibilities.

» **Recognize your organization's vulnerabilities.** Are your financial reserves too small to weather short-term setbacks in attendance or other income streams? Have you based your digital strategy on platforms or services that may change, disappear, or require significant investments to remain current? Is the average age of your members and donors 65 and climbing?

» **Anxieties that float at the edge of your attention can eat an enormous amount of cognitive energy.** Confronting your fears can help you place these rational concerns to one side, confident that you have strategies and tactics ready to deploy should they be needed.

» **Once you reach consensus about plot elements that are both plausible and highly undesirable, this scenario will challenge your planning team to explore, "How can we make sure this does *not* come true?"** The resulting filter will help ensure you do not use your organizational resources in ways that inadvertently make things worse. Dystopic thinking can also help you recognize and take advantage of opportunities to block, slow, or divert trends and events that may lead the world in a dark direction.

A Snapshot of This Future

This synopsis provides a high-level description of the year 2040 with respect to culture, technology, the economy, ecology, and policy.

American society has fragmented. People have aggregated into tight-knit physical and digital communities sharing similar backgrounds, life experiences, and political opinions. Income inequality and gentrification have combined to create highly homogeneous neighborhoods. "Digital redlining" by companies that filter content and restrict access based on personal data has created an equally segregated online world. Backlash against civil rights activism in the early century led to the rise of nationalism and the proliferation of hate groups, and political discord has driven parties to irreconcilable extremes. Trust in the government, nonprofit organizations, researchers, and advocacy groups is at an all-time low. The widespread use of technology that convincingly falsifies content, including audio and video recordings, has dealt a death blow to traditional journalism. Only three major cities—New York, Chicago, and Los Angeles—still support major newspapers. Locally, the news gap has been filled by crowdfunded publications and personal blogs.

The US population is both shrinking and aging. At the turn of the century, US population growth was driven by immigration and by a high birth rate among recent immigrants. Two and a half decades of tight immigration policies have reversed this trend, and the national fertility rate is now only 1.6—far below the 2.1 rate needed to maintain a stable population. This decline has also skewed the age ratio: one quarter of the population is over the age of 65 and only one in five is under the age of 18. While economic necessity drives many people to work long past the traditional age of retirement, there is still an enormous financial burden on the young to support those no longer able to work. There is also an acute shortage of people able and willing to provide home and health services for the elderly.

Wealth inequality has reached a tipping point. The nation has trifurcated into three well-defined cadres: the .1 percent, the 9.9 percent, and everybody else. Life status in the US is almost entirely determined by parentage, with very little mobility among social and economic classes. The government-funded social safety net that shaped the last half of the 20th century has been largely dismantled, replaced, in part, by private charity and a patchwork of nonprofit efforts. The small percentage of the population that makes charitable contributions is drawn, for the most part, from the elite .1 percent. These "mega-philanthropists" wield enormous influence not only in traditional areas of philanthropy—culture and human services—but also in education, health, and public infrastructure. The Occupy Wall Street movement, formed in response to the economic collapse of 2008, has grown into a large, decentralized underground movement working for social and economic reform.

Technology has driven massive disruptions in labor. Despite assurances that it would "supplement, not supplant" human workers, artificial intelligence (AI) has destroyed jobs in white-collar strongholds such as law and medicine as well as blue-collar bastions like telemarketing and long-haul trucking. Much of the displaced workforce has not found stable employment, and instead continually pieces together temporary assignments to support their basic needs. This tenuous "gig" lifestyle offers neither retirement benefits nor health insurance.
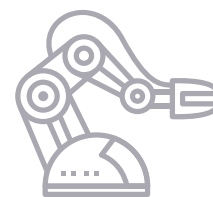
Privacy is a luxury good. Much of the new tech wealth was created from the collection and exploitation of personal data, giving rise to a thriving subculture of individuals dedicated to digital anonymity, ranging from individuals who go entirely offline and evade ubiquitous public surveillance, to "digital ghosts" who fake or mask their online identities. The so-called "Dark Web," once primarily known as a platform for illegal activity and terrorism, is a haven for the privacy underground, and much political and social activism is organized via highly encrypted Darknet sites that enable users to talk, blog, and share files confidentially. One important subgroup of the underground is comprised of people of color committed to evading the bias embedded in the AI algorithms that control so much of our lives, including educational assessment, job placement, public recognition, and awards.

Critics contend that education in 2040 is neither universal nor public. Many school districts depend on a small and shrinking tax base, and for-profit charter companies have siphoned off a large portion of the monies that remain. Public schools typically have a 1:100 teacher to student ratio, and the principal role of educators is to supervise the massive classrooms where students sit at terminals, accessing instructional software. Affluent families typically send their children to private schools or hire tutors. Elite colleges and universities have thrived, buoyed by their endowments and by students able to pay hefty tuitions. While these wealthy institutions do provide full scholarships for many students, these subsidized spots barely make a dent in the national need for affordable higher education. A large number of second- and third-tier colleges and professional schools have closed in the face of declining enrollment, done in by two decades of rising student debt, scandals related to for-profit diploma mills, and the gradual decoupling of degrees from salaries that enable graduates to repay student debt.

The world is on track to meet the worst-case projections of climate change. Drought, high temperatures, and weather instability have damaged agriculture in many regions, resulting in rising prices and food insecurity. Farmers in the central valley of California no longer grow fruit and nuts, as the trees no longer receive sufficient "chill hours" to bloom and set fruit. Much of Florida can no longer be used for agriculture due to rising salt water tables. Climate change has accelerated urbanization, and 90 percent of Americans now live in high-density megalopolises in order to access affordable climate control and minimize commuting. Demand for urban land has led to the loss of over half the green space that graced cities at the turn of the century. However, the large tracts of abandoned suburban and rural property created by human migration are an unexpected boon for species looking for a foothold in a changing world.

Signals

A selection of real news stories and research from the present illustrating trends and events that could create this version of the future.

On the fragmentation of physical and digital communities

The Pew Research Center has documented the rise of residential segregation by income since 1980, and in *The Big Sort* (2008), journalist Bill Bishop and sociologist Robert Cushing explore how choosing communities based on shared lifestyles results in political self-segregation. (How strong is the correlation between lifestyle and political affiliation? In 2017, a team of researchers from Stanford created a "surprisingly accurate" AI tool to predict how residents of a given neighborhood vote, based on Google Streetview images of their cars.) Microsoft researcher danah boyd has written extensively about how social platforms originally intended to create digital connections have left us feeling isolated and depressed. In a 2017 essay, boyd also explored how two major structures supporting diversity in the US—the military and college life—are being undermined by privatization and by digital tools, respectively.

On the future of trust

Since it launched in 2000, the Edelman Trust Barometer has tracked trust in business, media, government, and NGOs across the globe. The year 2017 marked the first time that the Barometer documented a decline in trust in all four of these sectors, and 2018 documented the largest-ever-recorded drop in the survey's history among the general population of the US. The rise of sophisticated technology capable of faking digital audio and video content may well make the situation worse. In 2018, an international team of researchers announced the development of Deep Video Portraits, an AI application that creates highly convincing fake videos by using recordings of actors to alter source footage of real people. While the researchers focus on legitimate practical applications (e.g., improving dubbing or editing during movie production), they concede that unethical users could utilize the software to create phony footage of politicians or other public figures.

On wealth inequality and the future of philanthropy

In June 2018, the Chronicle of Philanthropy noted that the percentage of American households giving to charity is declining, while those who do donate are giving more (a pattern that holds true among both younger and older donors). In this philanthropic climate, individual donors wield outsized influence in the areas they choose to fund. For example, the mega-philanthropy of billionaires such as Steven and Connie Ballmer, Denny Sanford, Priscilla Chan and Mark Zuckerberg, and Bill and Melinda Gates is shaping the direction of P-12 education reform. Philanthropists are stepping up to fund other kinds of public infrastructure as well. In 2017, city managers in Kalamazoo, Michigan, accepted major contributions from two wealthy individuals to pay for a quarter of the city's operating budget for three years. These donors also provided seed money for a charitable foundation designed to fund city government and reduce the tax burden over the long term. While some residents saw financing tax reduction as an equitable way to distribute benefits, critics warned that it may give individual philanthropists outsized influence over what services cities choose to fund.

Maciej Czekajewski / Shutterstock.com

Signals *(continued)*

On the unraveling of public and higher education

In 2017, the nonprofit advocacy organization Network for Public Education released *Charters and Consequences*, summarizing their ongoing investigation of the charter school industry. The report concludes that charter schools overall exacerbate segregation by race, socioeconomic status, language, and (dis)ability, and divert money from the public school systems. Futurist Bryan Alexander has been tracking the onset of "peak higher education" since 2013. In his work, Alexander documents how lower birth rates, declining enrollment, the rising exploitation of adjunct faculty, soaring student debt, and other factors lead to shrinking campuses, program elimination, mergers, and closures.

Discussion Guide

Reality Check

Despite the signals listed above, you may feel that some of the elements in this story are implausible. If so, see if you can find recent stories or research that bolster your case for pushing these plot lines towards the edge of the "Cone of Plausibility."

Agree/Disagree

You may hate some parts of the future envisioned in "Fragmentation," or you may feel that certain elements of this scenario, as written, wouldn't be so bad. That's great! Disagreement can spark discussion about values and surface differences of opinion. Use this story as a starting point and edit, adapt, and develop it to reflect your organization's shared version of a dark future.

Museums in This Future

What are some implications of this future for museums? To seed your thinking, here are a few statements about what might be true about museums in a fragmented world:

» **In a society shaped by extreme wealth inequality, most museums fall into one of three categories:** a growing number of "private" museums funded by affluent founders who retain a large measure of control over operations and content; profitable nonprofits that primarily serve the 10 percent of the population who can afford high admission fees; and small, mostly volunteer community museums that self-organize around local needs.

» **In an effort to foster trust in their content, many museums commit to providing "open evidence"**— comprehensive, publicly available documentation of the sources undergirding the museum's exhibits and published materials. Museums have found that one particularly effective practice is to invite members of the skeptical public to examine original archives and artifacts, as in an era of sophisticated digital fakery, analog evidence commands more trust.

» **Museums that serve low-income neighborhoods often operate P-12 education cooperatives that offer a high-quality, affordable alternative to overcrowded public schools.** Respect and appreciation for the work of these museum schools are major drivers of deep grass roots support for community museums.

From Insight to Foresight

Exploring dystopic scenarios helps us future-proof plans by asking, "In the face of challenges posed by this future, how would I/my family/my community/my museum thrive?" By answering this question across several scenarios, you may identify actions that would be beneficial in a variety of circumstances.

In this future I might:

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In this future my organization might:

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From Foresight to Action

This story is built around trends and events we can see in the world today. But always remember the third force creating the future: the choices that we make as individuals and as organizations. The most important part of this exercise is discovering how you can help build the future you want to live. After you've tweaked this scenario to reflect a future you agree is both plausible and preferable, work on the following questions:

To help prevent this future I might:

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To help prevent this future my organization might:

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A NEW EQUILIBRIUM

MAKING THE BEST OF A WORLD THAT'S A LOT LIKE TODAY, ONLY MORE SO
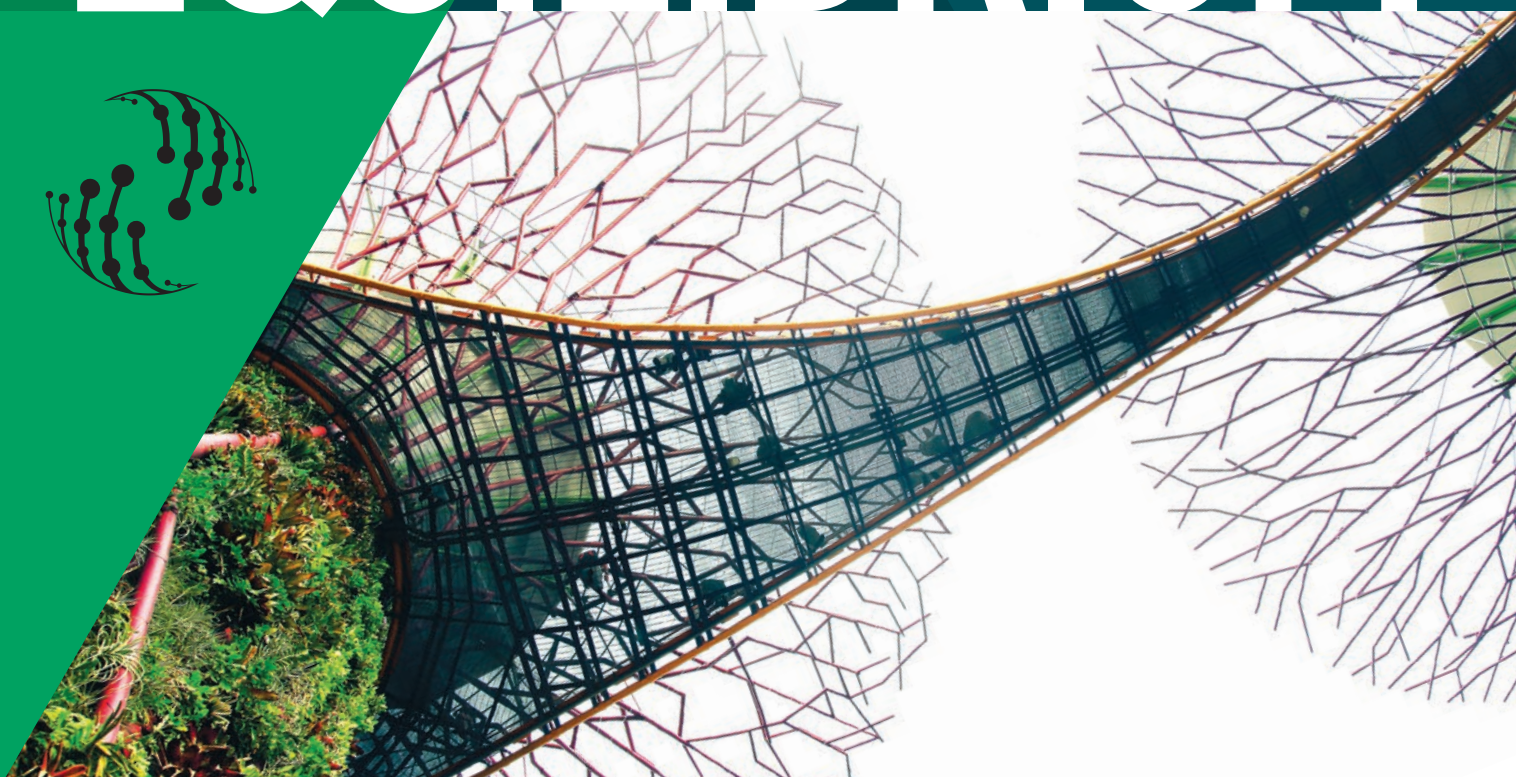
Introduction to This Scenario

"A New Equilibrium" describes a future that might result from existing limits and challenges as they play out in coming decades. Using mainstream projections from credible sources, we envision where our current path might take us. (See Signals, below, for a selection of the research undergirding this story.)

A NEW EQUILIBRIUM

"Equilibrium" explores a probable future, set in the center of the "Cone of Plausibility." Scenarios inhabiting this zone of the Cone, defined by conventional expectations, generally resemble amplified versions of the present. People tend to operate with the hazy assumption that the future will lie somewhere in this zone. While probable scenarios rarely reflect ideal circumstances, they at least offer the comfort of familiarity. By surfacing, examining, and critically deconstructing the assumptions that underlie probable futures, planners can:

» **Distinguish between expectations and probabilities.** Things we presume will happen are not necessarily likely, and things that are very likely may hold no space in our imaginations. Many Baby Boomers' first exposure to futurism was the 1960s cartoon *The Jetsons*, set in 2062. Halfway to that mark, we're still waiting for flying cars, but the 1950s social dynamics of George's family are already blatantly anachronistic.

» **Recognize blind spots.** Technology is shiny and sexy and fun to shop for. Consequentially, it often looms unduly large in our imaginings of the future. (Hence the Jetsons' obsession with flying cars, robot maid, and food replicators.) Yes, technology will shape our world, but technology itself is shaped by cultural, economic, and environmental change. Even five years ago, most architects automatically included two kinds of restrooms in plans for a new museum: men's and women's. Now it is more common for designers to realize they need to serve people who identify as transgender or gender neutral (or better yet, to create adaptable space that can keep pace with evolving expectations regarding restroom equity).

» **Identify forces that may disrupt a straight path to the probable future.** Newton's first law of motion, as applied to forecasting, might be stated as, "Trends continue in the same speed and same direction unless acted upon by an unbalanced force." Unbalanced forces pretty much characterize our world, but it takes thoughtful focus to identify specific disruptors and evaluate their potential effects.

» **Assess whether probable is the same as preferable.** A more informal wording of Newton's first law of forecasting might be, "Absent disruptions, we'll get where we are going." But will we actually *like* that future when we arrive? Painting a picture of the expected future can motivate us to become changemakers, pushing the world towards more desirable outcomes.

A Snapshot of This Future

This synopsis provides a high-level description of the year 2040 with respect to culture, technology, the economy, ecology, and policy.

The US population is older and more diverse than it was in 2017. The Latino population has grown to compose 25 percent of the population, and within 10 years no one racial group will make up a majority of the country. The population continues to age: 22 percent of the population is over the age of 65. Advances in healthy aging have been offset by the increase in diabetes, heart disease, and related illnesses, but overall, the ratio of retired people to people of working age (so-called "old-age dependency") has climbed to 38 percent from 25 percent in 2017. One in four Americans has never married, up from one in five in 2012.

Economic stratification has continued to grow in the past few decades. The top 10 percent of families now holds 85 percent of the wealth in the US, while the bottom 60 percent holds 1 percent. Automation and the applications of advanced artificial intelligence (AI) have displaced much human labor, including warehouse employees, cashiers, medical technicians, translators, receptionists, security guards, and salespeople. Jobs requiring empathy and social skills, such as therapists, personal trainers, and home care attendants, have remained solid, though low-paying, and there has been a surge in demand for highly skilled labor in programming and data analytics. AI applications provide critical assistance to a wide variety of professionals, including doctors, lawyers, engineers, designers, scientists, and policy analysts, creating more effective, affordable products and services. Total labor participation stands at about 58 percent (compared to 63 percent in 2017). About 45 percent of workers are primarily employed in the so-called "gig economy," characterized by alternative working arrangements such as on-call, temporary help, contract work, or freelance.

Consumption of complex digital content continues to rise. Immersive, multisensory virtual reality rigs are as affordable and common in 2040 as large-screen televisions were in 2017. The latest American Time Use Survey documents robust consumption of streaming content on a variety of platforms for entertainment, socializing, and gaming, but contrary to some predictions, screen time in all its forms leveled off in the early 2020s. Demand for physical, place-based experienced IRL (In Real Life) experiences has grown in the past two decades.

Public education largely conforms to the model codified in the last century. Public schools continue to emphasize standardized testing, though a brief consensus on curricula (the "Common Core" of the early 2000s) has fragmented, and only 12 states currently participate in a shared standards initiative. There has been significant growth in the number of private schools, and charter schools now serve 15 percent of the public school population (triple the number in 2014). While some of these charter schools outperform their public counterparts, many have done so through selective admission and expulsion. Public schools serve a disproportionate number of students from low-income families and students with special needs. Now, more than ever, a college degree is a prerequisite for employment and well-paid work, but a shrinking portion of students enters conventional place-based, four-year programs. Many high school graduates go on to two- or three-year community college programs, supplemented by online courses and other forms of "microcredentialing" in order to avoid the crushing burden of student loan debt.

Transportation is safer, more affordable, and more accessible. Self-driving technologies have matured, leading to a massive drop in private car ownership, a decrease in traffic fatalities and congestion, and revitalization of urban areas. Space previously devoted to parking lots and garages has been transformed into parks and other public amenities. On-street parking has been turned into dedicated lanes for a variety of smaller vehicles, including bicycles and electric scooters. Autonomous vehicles have increased the mobility of people with disabilities, the very old, and the very young—though that freedom of movement challenges businesses and public facilities to appropriately serve these populations once they have arrived.
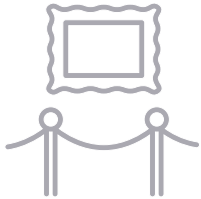
Funding for human services, arts, and culture has continued to shift from government to private sources. Government funding for nonprofit organizations has continued its slow, decades-long decline. Changes to US tax policies have resulted in a 20 percent decline in charitable giving over the past three decades. So-called "impact philanthropy" has become the dominant guiding principle of individual and foundation funding, and nonprofits are expected to provide concrete, measurable data of how they have improved the environment or people's lives in order to secure support. A growing number of foundations and individuals engage in "impact investing," putting their money behind companies that deliver both financial and mission-related returns. Socially responsible investing (SRI) is experiencing huge growth. In addition to traditional SRI funds consisting of for-profit companies that demonstrate responsible business practices, many financial management companies now offer funds that invest solely in benefit corporations—companies that are legally accountable for creating measurable social and/or ecological benefits as well as providing a financial return.

Climate change is gradually reshaping the world. Due in large part to limited implementation of the Paris Climate Agreement, by 2040 global temperatures have risen by an average of 3.6 degrees Fahrenheit above pre-industrial levels. Globally, sea level has risen an average of one-half foot, but the increase has been far worse in many places, including the US East Coast, where sea levels have risen a little over one foot. Miami, New Orleans, Jacksonville, Sacramento, and Virginia Beach have been hit particularly hard, as the land beneath these cities has sunk, compounding the effects of sea level rise. Many traditional agricultural crops have been disrupted by climatic change. Vermont no longer is known for its maple syrup, nor Georgia for its peaches. Across the Midwest the yield of commodity crops such as soybeans and corn has fallen steadily, leaving the US more dependent on food imports. There has been a modest increase in the adoption of alternative energy technologies, but overall the US is still heavily dependent on fossil fuels.

Signals

A selection of the sources we consulted for projections on how current trends are likely to play out by the year 2040.

On US population demographics

The US Census Bureau provides a wealth of fabulous data. It regularly issues reports projecting demographic change for a wide variety of parameters including age, sex, race, Hispanic origin, and nativity, factoring in variables such as migration, fertility, and mortality. See in particular *Demographic Turning Points for the United States: Population Projections for 2020 to 2060*. The Pew Research Center also reports on social and demographic trends, tracking trends related to marriage, parenthood, aging, income inequality, education, economics, and many other key issues.

On the rise of autonomous vehicles

In constructing this scenario, we looked to three sources of input on the future of self-driving cars: the public, producers, and pundits. A 2016 survey by the MIT AgeLab and the New England Motor Press Association found that while older drivers are not ready for full automation, almost a third of people under the age of 45 are open to the idea of completely autonomous vehicles. Manufacturers, who have a huge stake in getting this projection right, are placing their bets on the rapid adoption of self-driving technologies. A 2018 survey of the 11 largest automakers found they are all devoting significant resources to rolling out autonomous vehicles, with target dates ranging from right now to 2030. Academic researchers tend to be more pessimistic, but even a recent critical model found that self-driving vehicles might represent nearly 90 percent of private cars by 2045 if rapid price drops are paired with a rising willingness of Americans to pay for autonomy.

On economic stratification

Numerous publications document the rising inequality in wealth and income both globally and in the US, and explore the ramifications of this trend. For baseline figures, see the US Census Bureau's summaries, visualizations, and data tools (of particular interest, the report *Income and Poverty in the United States: 2017*). For an overview of trends in inequality, see Deloitte's issue brief, "Income inequality in the United States: What do we know and what does it mean?" (July 2017). Quantumrun, an agency that conducts long-term strategic forecasting for organizations, has published a special series devoted to the future of the economy, and in 2017 released a pithy analysis of wealth inequality. Pew Research reports explore how income inequality affects Americans differentially by gender, race, and ethnicity, and the compounding effect of the growing digital divide.

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Signals *(continued)*

On the impacts of climate change and sea level

Credible, science-based climate models offer a range of possible outcomes for temperature and sea level. For this scenario we have chosen values from the mid-range of these projections. In 2016, research published in the *Proceedings of the National Academy of Sciences (PNAS)* projected how a 2-degree Celsius (3.6-degree Fahrenheit) temperature increase would affect global sea level and particular locations. A limit of 2 degrees Celsius is the goal of the Paris Climate Agreement, and the authors note that this threshold is likely to be reached between 2040 and 2050. We identified US cities at particularly high risk from rising tides using data in a paper that appeared in *PNAS* in 2015, calculating the effects of sea level rise on US cities with populations of over 100,000. Data from research projects such as these undergird the interactive, online tools created by the nonprofit Climate Center (climatecentral.org), and we encourage planners to use these tools to explore a range of possible outcomes for their own locality.

Discussion Guide

Reality Check

Opinions may vary regarding what constitutes a trustworthy source for "credible, mainstream projections" about the future. To moderate such discussions in your own organization, it may help to start by establishing the criteria you will use to evaluate the credibility of published research. The European Association for International Education recommends a framework of eight questions, including: Why was the study undertaken? What is the reputation of the organization and individuals who conducted the research? What were the methodology, sample size, and response rate? And (perhaps most revealing) who paid for the research?

Agree/Disagree

Unlike the first two scenarios in this set, "Equilibrium" isn't based on judgments about what would constitute a good or bad future. The scenario does not reflect museum people's hopes or fears, but simply tries to present what is likely to happen given current trends. That said, some early readers observed that "Equilibrium" sounds uncomfortably dystopian. You may agree or disagree! After your planning team edits the scenario as needed to reflect their vision of a probable future, discuss which aspects of the scenario are welcome and which are undesirable.

Museums in This Future

In 2017, a special issue of *Museum* magazine explored the implications this scenario holds for museums. (*Museum 2040* is available as a free download from the Alliance website.) Contributors were invited to submit articles, opinion pieces, and news items that illustrate how museums have managed to thrive in this version of the year 2040. The narratives they came up with include:

» **The rise of hybrid organizations that serve many roles for their communities.** Many museums incorporate libraries, preschools, parks, houses of worship, or health centers into their operations.

» **Museums serving as hubs for a generation of New Creatives**—people displaced from traditional employment who, subsidized in part through the Universal Basic Income Act of 2033, redirect their time to creative pursuits.

» **A new category of AAM accreditation that credentials the entire cultural landscape of a city, town, or region.** This certification recognizes the successful collaboration of an area's museums with the government, school system, libraries, and relevant arts, culture, and heritage/history nonprofits.

Use this issue of the magazine to inspire stories of your own.

From Insight to Foresight

Exploring scenarios helps us future-proof plans by asking, "In this future, how would I/my family/ my community/my museum thrive?" By answering this question across several scenarios, you may identify actions that would be beneficial in a variety of circumstances.

In this future I might:

In this future my organization might:

From Foresight to Action

Remember that "probable" does not mean "inevitable." The most important part of this exercise is discovering how you can build the future in which you want to live. After you have tweaked this scenario to reflect a future you believe is probable, identify what parts of that future are desirable, and which you hope will never come to pass. Based on that assessment, work on the following questions:

To improve the probable future I might:

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To improve the probable future my organization might:

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WILD TIMES

IN WHICH SOCIAL SERVICE NONPROFITS SAVE THE DAY

Introduction to This Scenario

A **wild card scenario** explores the kind of low-probability, high-impact event that can disrupt the best-laid plans. Though you shouldn't obsess about these possibilities, including a few wild cards in your planning deck will help you prepare to respond should the best or worst occur. As you consider how you could handle these disruptions, you may discover actions that improve your organization's performance whether or not a particular wild card comes into play.

WILD TIMES

When I invited museum people to brainstorm wild cards for our scenario set, their ideas varied in tone from blazingly bright (the federal government establishes a fund that provides operating support to all US museums) to pitch black (a meteor strike wipes out the majority of life on earth). However, it's important to consider not just the probability and impact of a wild card event, but also utility. When choosing a wild card for your planning, ask, "How can contemplating this possibility make us better prepared for the future?" Applying those criteria to our whole sector, I selected a wild card that has long piqued my curiosity: What if cultural nonprofits collectively lost their nonprofit status?

Loss of nonprofit status would certainly be high impact, and thankfully it is highly improbable as well. This particular wild card is worth considering because it raises issues many organizations should be confronting in any case. A scenario based on this wild card can lead planners to:

» **Develop a more entrepreneurial approach to financial planning.** All too often, our field operates as if "nonprofit" were a business strategy rather than a tax status. By temporarily setting aside the not-for-profit label, museum leaders can stimulate creative thinking about how their organizations can develop new sources of income, enabling them to do more and better mission-driven work.

» **Become sensitized to signals that may presage more circumscribed versions of this wild card.** While the extreme version of this story is highly improbable, the advantages of tax-exempt status are already being eroded in many cities and states through the imposition of fees or payments in lieu of taxes, or the removal of local or state tax exemptions. Recent changes in tax policy have resulted in fewer incentives for charitable donations, and many mega-donors are directing the vast majority of their giving to health and education causes rather than to arts and culture. (See more on these trends in the Signals section, below.)

» **Revisit their value proposition.** All organizations should be able to articulate who benefits from their work and how. Documenting the shared public benefits of an organization's work builds the case for broad public support. Identifying particular segments of the public, government, or business community that enjoy specific benefits may lead to creative thinking about other types of financial support. Thinking beyond admissions revenue and traditional philanthropy, some nonprofits are beginning to build value around relationships in other ways, from social impact bonds to fees for service.

» **Raise awareness of the need to engage in state and national advocacy.** The best way to future-proof the nonprofit status of museums is to document the benefits we provide, collect and share compelling stories of the difference we make in the world, and build ongoing relationships with local, state, and federal legislators.

» **Recognize that there are emerging business models, including for-profit, social enterprise, and benefit corporation status,** that may be viable alternatives for museums in the future.

Overview of This World in 2040

This synopsis provides a high-level description of the year 2040 with respect to culture, technology, the economy, ecology, and policy.

America has a large and thriving nonprofit community consisting primarily of organizations (both secular and religious) devoted to meeting basic human needs. These organizations play a crucial and valued role in housing, food security, employment training, and community health services. They receive generous operating subsidies from the government, and all donors are eligible for a universal charitable deduction on their federal tax returns.

A time traveler from the 20th century would be surprised at the notable organizations missing from this national nonprofit roster, including the Society for the Prevention of Cruelty to Animals, the Girl Scouts, the Nature Conservancy, UNICEF, Planned Parenthood, and the American Alliance of Museums. In fact, by 2040, *only* entities dedicated to health and human services are eligible for federal tax-exempt status. Many states and municipalities, taking their lead from the federal government, have also tightened restrictions on what types of organizations qualify for property and sales tax exemptions.

This huge shift in the makeup of America's nonprofits was the result of the national Nonprofit Reform Act of 2035, which radically redrafted the boundaries of the charitable sector. We can trace the origin of the act to the virulent partisan debates leading up to the 2032 presidential election. The victorious candidate had campaigned on a platform of minimalist government. One component of this platform was a call for nonprofit reform that was essentially a rhetorical device for criticizing federal tax policy and federal spending. This abstract proposal became very real, however, when the new president was faced with two crises shortly after taking office. In the fall of 2033, the corporate debt bubble burst, triggering the largest economic downturn in the history of the industrial era. Come winter, the global pandemic of Geriatric Respiratory Syndrome arrived in the US via international travelers. While GRS had mercifully low mortality rates, it left 20 percent of survivors over the age of 65 in need of long-term, full-time home care.

Rallying in the face of these disasters, elected officials set aside partisan concerns and united around efforts to provide effective relief. Polls showed massive popular support for a larger federal role in repairing and extending the social safety net in the wake of the double disaster, including extended unemployment payments, job retraining, support for family caregivers, and the creation of a national home health service corps. The president, trying to balance her campaign promises with this demand for government action, turned to social service nonprofits as major partners in meeting these needs. The most effective role for government, she argued, was to channel public moneys to the charitable sector via both tax policies and direct funding. The push for nonprofit reform was revived, this time as a mechanism for concentrating government and philanthropic support where it was most needed.

Economists and policy analysts are still trying to untangle the effects of the reform. It is well documented that social service nonprofits rose to the challenge and have been doing a tremendous job supporting the needs of their communities during the long, slow process of recovery. But the reform was devastating for that segment of the charitable sector that lost its nonprofit status. Some organizations reinvented themselves and converted to new business models. Many small, community-based organizations that lost nonprofit status found that the people who valued their work were still willing to donate time, materials, and money. Some became benefit corporations, retaining their legal obligation to deliver on their missions while remaining eligible for some kinds of foundation funding. But many former nonprofits simply folded. It is estimated that as many as 250,000 organizations, large and small, declared bankruptcy or suspended operations in the years following reform.

The nonprofit purge may actually have hampered economic recovery and amplified individual and community trauma. The failure of so many organizations added 8 million workers to the rolls of the unemployed, with another 8 million layoffs from for-profit business attributed to downturns in travel, tourism, retail, and support services. Estimates of the economic damage from lost wages, direct revenue, and taxes associated with travel and tourism range from $20 billion to $200 billion. And many people feel that the loss of these valued organizations damaged the resilience of communities when they were most in need of social connections, inspiration, and joy.

Signals

Although wild cards often seem to come out of the blue, seismic events are sometimes presaged by foreshocks—small rumblings that warn of what may come. Here is a selection of real news stories and research from the present that are faint signals of the major disruption at the heart of this scenario.

On erosion of the benefits of tax-exempt status

The Lincoln Institute of Land Policy's 2016 brief *Nonprofit PILOTS (Payments in Lieu of Taxes)* notes that local governments waive about 4 to 8 percent of their property tax revenue each year due to exemptions for charitable nonprofits. In response, 218 localities in 28 states have imposed PILOT fees that generate over $92 million in revenue each year. While hospitals and institutions of higher education bear the brunt of these fees, many smaller nonprofits, including museums, have been affected as well.

On differential treatment of segments of the nonprofit sector

The US House of Representatives version of a 2019 appropriations bill currently under negotiation revises the Johnson Amendment, a provision of the federal tax law that bars nonprofits from endorsing candidates for public office and engaging in partisan electioneering activities. The controversial rider would exempt churches (but not other nonprofits) from this long-standing ban. (The proposal has met with condemnation from a wide variety of nonprofit organizations, and a national poll showed that 72 percent of American voters supported the current blanket prohibition on partisan political activity by nonprofits.)

The 2016 U.S. Trust Study of High Net Worth Philanthropy found that 63 percent of wealthy donors give to charities providing basic necessities, while only 26.8 percent support arts and culture. (This translates to almost 28 percent of high net worth dollars going to support basic needs, with 4.6 percent going to arts and culture.) The 2018 report *Arts Funding at Twenty-Five: What Data and Analysis Continue to Tell Funders about the Field*, commissioned by Grantsmakers in the Arts, documents how the pressure to meet basic human needs is shrinking the percentage of US foundation funding dedicated to arts and culture.

On public preparedness to defend nonprofits

In a recent analysis of data from the National Awareness, Attitudes, and Usage Study, researcher Colleen Dilenschneider found that over half of both non-visitors and visitors to nonprofit cultural organizations are not aware that these entities are nonprofits. If the public does not know that museums are nonprofit organizations (or what that means), how can they be expected to defend policies that establish and maintain the nonprofit sector?

Discussion Guide

Reality Check

This scenario is deliberately premised on a low-probability event. Your challenge is not to quantify exactly how probable it is, but to identify what signs could warn us that this scenario is becoming *more* likely as time goes on. As you read the news in coming weeks, keep your eyes open for signals of trends or events that could lead us towards some version of this future.

Agree/Disagree

While this wild card is broadly applicable to all cultural nonprofits, it may not be the improbable event of greatest concern to your organization. In your planning process, include some time for participants to brainstorm a list of the low-probability, high-impact events they feel are most significant for your circumstances. You may find it useful to develop your own scenario around one or more of these wild cards.

Here are a few other wild cards suggested by CFM's brainstorming group:

» A major donor decides to divert critical support to another institution.

» **An earthquake of 7.0 or greater devastates the local community/region.** (This risk is of particular relevance to organizations sited near major geologic fault lines such as the New Madrid fault in the Southern and Midwestern US, the San Andreas and Hayward faults on the Pacific coast, and the Cascadia fault in the Pacific Northwest.)

» **A major cyberattack** targets global internet infrastructure, and malware spread via cloud-integrated systems destroys 90 percent of all digital assets and commerce.

» **Global tourism collapses due to curbs established to contain terrorism and the spread of pandemic disease.** (Some people suggested events that could significantly damage domestic tourism in particular communities as well.)

Museums in This Future

What are some of the implications of this future for museums? Here are some thoughts to get you started, along with notes on how these issues may pertain to more probable futures:

» **In the present, museums on average have seven volunteers for each paid staff member. In this scenario, museums may lose this labor force** if people are unwilling to volunteer their time to organizations that are not non-profit. If volunteerism does decline, how will museums adapt? The Bureau of Labor Statistics has already documented a slow decline in the rate of volunteerism in the US. Trends such as more people needing to hold multiple jobs, a rising number of single parent households, and older workers delaying retirement may make it harder for people to volunteer in coming decades.

» **In this future, absent a tax incentive, will people still be willing to donate money and collections to museums?** Thirty percent of taxpayers currently itemize deductions on their returns, but recent changes in tax law could drop that number to 10 percent. (The American Alliance of Museums is advocating for the passage of a universal charitable deduction to incentivize giving.)

» **In this future, might some museums retain their nonprofit status because of their focus on community health and human services?** Think about what that museum might look like. Are there museums that fit that profile today?

» **What legal structures, other than nonprofit status, could foster the nonprofit missions of museums?** Consider, for example, the rise of benefit corporations and low-profit limited liability companies (L3Cs)—forms of incorporation that legally obligate a company to deliver both social/environmental and economic returns to their investors. We are also seeing an increase in the number of for-profit companies becoming certified as B corporations, a form of voluntary third-party verification documenting how the company balances profit with social and environmental performance, public transparency, and legal accountability.

From Insight to Foresight

Exploring scenarios helps us future-proof plans by asking, "How, in this future, would I/my family/ my community/my museum thrive?" By answering this question across several scenarios, you may identify actions that would be beneficial in a variety of circumstances.

In this future I might:

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In this future my organization might:

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From Foresight to Action

This scenario could result from trends and events we see in the world today. But always remember the third force creating the future: the choices that we make as individuals and as organizations. The most important part of this exercise is discovering how you can help build the future in which you want to live. As you explore the implications of this scenario, consider the following questions.

To help avoid this future I might:

» *Engage in local, state, and national advocacy to support the museum field.*
   Attend Museums Advocacy Day!

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To help avoid this future my organization might:

» *Document the economic and community impact of my organization's work.*
   (See, for example, the impact reports prepared by the Detroit Zoo.)

In particular, it would be valuable for all who work in and around the museum sector to ask ourselves, "How can we foster the public's understanding and appreciation of how their lives are better because of museums, such that it would be unthinkable to withdraw support from museums?"

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WHERE TO FIND THE
FUTURE

» Most of CFM's content is available free over the Web.

» CFM's page on the Alliance website (aam-us.org/programs/center-for-the-future-of-museums) includes links to all of our projects and reports, and to all of the products listed below.

» All past issues of *TrendsWatch* are available as free PDF downloads from the Alliance website and in print through the Alliance Bookstore.

» The **CFM Blog** features a mix of essays by CFM's director, guest posts, recommended reading and viewing, and commentary on current news.

» Each issue of CFM's weekly e-newsletter, "**Dispatches from the Future of Museums**," contains summaries of and links to a dozen or so news items about trends, projections, museum innovations, and tools for the future.

» You can follow CFM on Twitter (@futureofmuseums), where our tweets feature links to news, research, opportunities, and current events.

» On Pinterest (pinterest.com/futureofmuseums), CFM's boards are devoted to images illustrating the trends we follow, recommended reading and viewing, and glimpses of potential futures.

» CFM's Facebook page (facebook.com/futureofmuseums) shares links and brief commentary on stories related to museums.

» CFM's YouTube channel (youtube.com/futureofmuseums) hosts interviews with museum professionals around the world as well as recordings and screencasts of talks by CFM staff, while our "Favorites" list is a compilation of futures-related videos from a wide variety of sources.

» Staff are available to give keynotes or workshops, prepare tailored forecasting reports, and participate in museum planning via Alliance Advisors at aam-us.org/programs/alliance-advisors.

"The stories we tell literally make the world. If you want to change the world, you need to change your story. This truth applies both to individuals and institutions."

—Michael Margolis

Author Credit

Elizabeth Merritt is vice president, strategic foresight, and founding director, Center for the Future of Museums, at the American Alliance of Museums. She believes that we are shaped by the books we read. So when asked for a bio, she shared this list of some books that have influenced her life (a biblio-biography, as it were), with an emphasis on futurist fiction:

» At age 10, *King Solomon's Ring,* by Konrad Lorenz, which has been described as "one of the best and most penetrating non-technical books about animals and animal nature that has ever been written." This book fired Elizabeth's early ambition to be an ethologist—a scientist who studies animal behavior. (If that had worked out, she might be studying wombats in Australia rather than museums in the US.)

» At age 15, *The Left Hand of Darkness,* by Ursula K. Le Guin, which helped her realize that: a) not all science fiction writers are old, white men, b) gender is a social construct that can be questioned, and c) smuggling novels into geometry class is Not A Good Idea.

» At age 20, *Picasso's Guernica,* by Sir Anthony Blunt, which she came across whilst browsing the stacks of Yale's Sterling Library. As a biology student, this was the first time she had been pulled deeply into a work of art criticism, and it inspired her to spend more time in the university's art museums.

» At age 30 (ish), *The Parable of the Sower,* by Octavia Butler, her first encounter with Afrofuturism. Years later, the book inspired her own first foray into writing futurist fiction—*A Learning Day, 2037*. She embedded this work in "Exploring the Educational Future," an article that appeared in the *Journal of Museum Education* in fall 2012. (A reprint is available in the CFM section of the Alliance website.)

» At age 40, *The Diamond Age: or, A Young Lady's Illustrated Primer*, by Neal Stephenson. A novel any futurist should read, this book shaped Elizabeth's thinking about the potential for technologies such as artificial intelligence to subvert existing power structures and foment social change.

» Most recently, *The City & The City,* by China Miéville, which confirmed Elizabeth's suspicion that people who live in the same geographic space can inhabit entirely different worlds, based on what they choose to see and not see.

Elizabeth's areas of expertise include strategic foresight, museum standards and best practices, ethics, collections management and planning, and assessment of nonprofit performance. Her books include *National Standards and Best Practices for US Museums* and the *AAM Guide to Collections Planning*. She blogs for CFM at aam-us.org/category/future-of-museums/ and tweets as @futureofmuseums. She is available for keynotes, workshops, and consulting via Alliance Advisors at aam-us.org/programs/alliance-advisors/.

About Us

The Alliance's Center for the Future of Museums (CFM) helps museums explore the cultural, political, and economic challenges facing society and devise strategies to shape a better tomorrow. CFM is a think tank and R&D lab for fostering creativity and helping museums transcend traditional boundaries to serve society in new ways.

The American Alliance 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. Representing more than 35,000 individual museum professionals and volunteers, institutions, and corporate partners serving the museum field, the Alliance stands for the broad scope of the museum community.

For more information on CFM and the Alliance, visit aam-us.org.

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—*Dale Strange, President & GM, Blackbaud Arts & Cultural*

Blackbaud is the world's leading cloud software company powering social good. Blackbaud provides cloud software, services, expertise, and data intelligence that museums, large and small, need to build and grow lifelong, loyal patron relationships and maximize revenue to thrive. Plus, Blackbaud is backed by over 30 years of industry expertise, translated into meaningful and relevant support from expert onboarding, to in-product help, to connecting museums with an active peer community.

"I always look forward to reading CFM's annual *TrendsWatch* report, as it provides a window into the world of what concerns museums most. The highlighted trends often provide a spotlight on current perils and exposures and thus potential helpful clues about how we need to modify risk management techniques to better serve the museum community."

—*Joe Dunn, President & CEO, Huntington T. Block Insurance Agency, Inc.*

Huntington T. Block Insurance manages AAM-recognized insurance programs, offering museum collections, exhibitions & temporary loans/fine art, property & casualty, and trustees/directors & officers liability insurance. Each unique program strives to provide broad coverage at very competitive premiums with service from a knowledgeable and responsive team of risk professionals.

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American Alliance of Museums

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