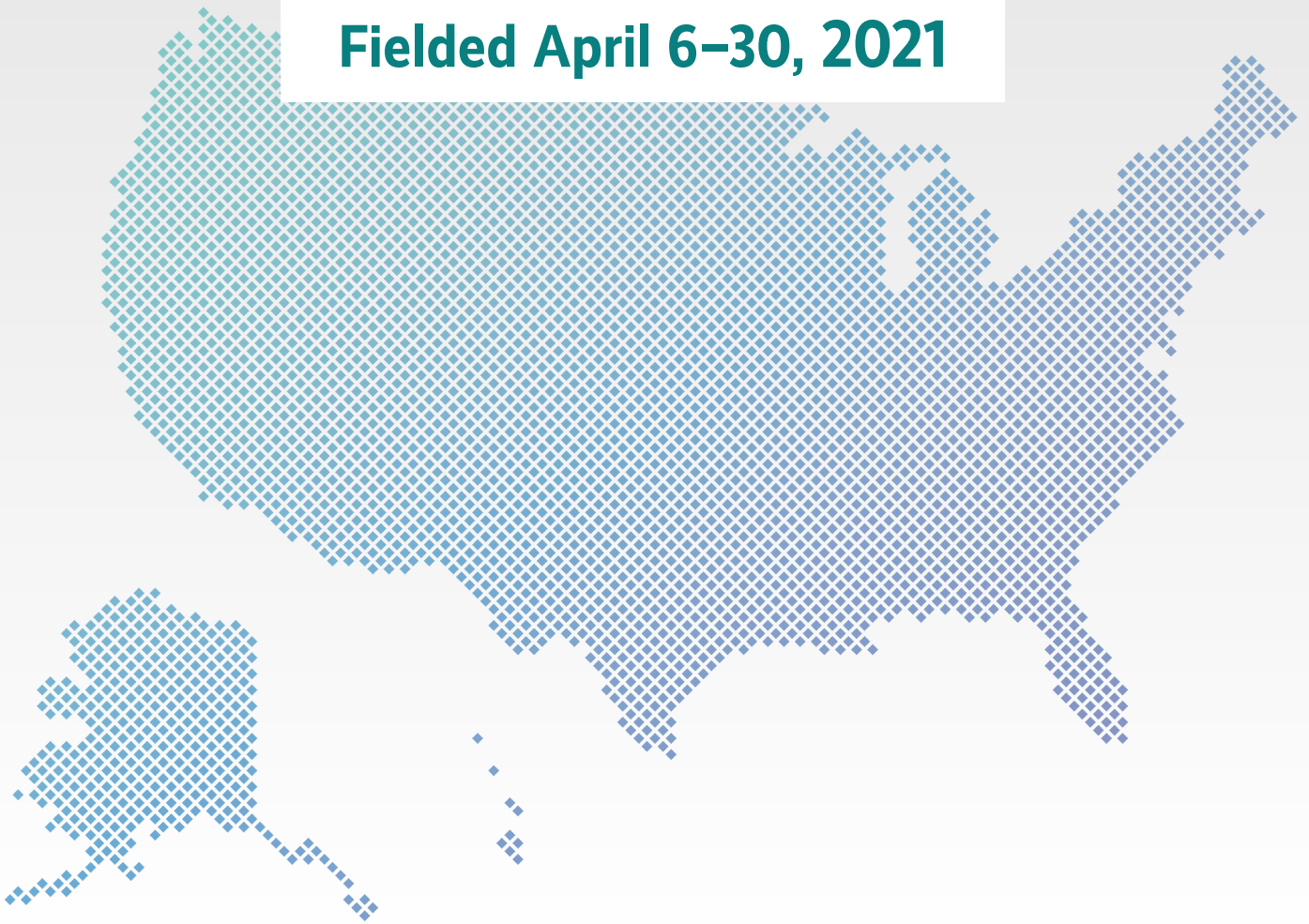


National Snapshot of COVID-19 Impact on United States Museums

Fielded April 6–30, 2021



Research Conducted By:



American
Alliance of
Museums



WilkeningConsulting

audience research | knowledge curation

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Introduction and topline findings

Between April 6-30, 2021, AAM and Seattle-based Wilkening Consulting conducted the third iteration of a survey of museum directors to assess the impacts of COVID-19 on the museum field. The survey tracked some metrics the Alliance began to collect in June 2020, as well as assessing the overall impact to museums' financial condition in the past year. Museum directors responded to the AAM survey on behalf of their organizations, representing a broad cross-section of the field geographically, by size, and by discipline.

The response pool of 1,004 museums provides a confidence level of 95 percent with a confidence interval of 2.6 percent for the population of AAM member museums. The data filters (by museum type, geographic region, and museum operating expenses) have smaller numbers and therefore higher margins of error.

The results of this survey document profound damage inflicted on US museums by the pandemic, but also reveals some optimism about recovery.

- Three quarters of museums (76 percent) report that their operating income fell an average of 40 percent in 2020 while their doors were closed to the public an average of 28 weeks due to the pandemic.
- Museums have largely been unable to offset losses by cutting expenditures. Nearly two-thirds of institutions (61 percent) report that their net operating performance decreased, by an average of 38 percent.
- About 85 percent of directors now believe there is no significant risk of their museum's permanent closure in the next six months; 15 percent (the equivalent of over 5,000 US museums) confirmed there was a "significant risk of permanent closure" or they "didn't know" if they would survive the next six months absent additional financial relief.
- While 15 percent of museums at high financial risk is still a painful prospect, this is a considerable improvement from the AAM survey conducted in October 2020 when nearly one-third of museum directors surveyed believed there was a "significant risk" of closing permanently by fall 2021, or they "didn't know" if they would survive.
- Nearly half (46 percent) of museums surveyed report that their total staff size has decreased by an average of 29 percent compared with pre-pandemic levels. Only 44 percent of all respondents plan to rehire or increase their staff size in the coming year. Pre-pandemic museums supported 726,000 jobs.
- 59 percent of responding museums were forced to cut back on education, programming, and other public services due to budget shortfalls and/or staff reductions during the pandemic.

- Thirty-nine percent of responding museums have plans to make investments into their building, HVAC equipment, and other infrastructure to improve energy efficiency and reduce the environmental impact of their operations. The average anticipated cost of these improvements is \$668,000 per museum.

Closure and Attendance

Since March 2020, on average museums were closed to the public for 28 weeks due to the pandemic.

At the time of the survey, 29 percent of responding museums were still closed to the public. Of the museums that were open:

- They were experiencing an average of 41 percent of pre-pandemic attendance.
- 68 percent were operating under mandated attendance limits, with the average mandated cap being 42 percent of capacity.

Of the museums that were closed:

- 64 percent had identified an opening date with 79 percent identifying a reopening date by July 2021 or earlier.
- 4 museums reported that they plan to close permanently. The survey is anonymous and confidential—the names of these institutions are not available.

On average, museums spent about \$300k each on closing, preparing to reopen, and reopening in response to the pandemic.

Staffing

Only 44 percent of museums did not furlough or lay-off any staff since March 2020. Twenty-two percent of museums reported having laid off full-time staff, and 28 percent laid off part-time staff.

Seventeen percent of responding museums reduced hours for full-time staff, 27 percent reduced hours for part-time staff, and 14 percent reduced pay and benefits for full-time staff.

At the time of the survey, museums reported that an average of 14 percent of staff were currently furloughed.

Forty-six percent of museums report that their staff size has decreased since 2019, with an average decrease of 29 percent, with nearly all of these changes attributed to the impact of the pandemic.

Forty-four percent of total respondents plan to rehire or increase staff size in the coming year, 31 percent do not plan to do so, and 26 percent are not yet sure.

Finances

Three quarters of museums (76 percent) report that their operating income decreased in 2020, compared to the previous year, with an average decrease of 40 percent.

Museums were largely unable to compensate for these losses through cutting expenditures. 61 percent report that their net operating performance decreased as well, by an average of 38 percent.

The average pandemic financial loss per museum was just over \$694,000 in revenue.

Museums report having, on average, 16 months of operating reserve on hand, but one quarter of respondents had 4 months or less remaining.

Fifty-nine percent of responding museums had to cut back on education, programming, and other public services due to budget shortfalls and/or staff reductions.

Eighty-five percent of directors now believe there is no significant risk of permanent closure in the next 6 months, absent additional relief; 5 percent feel there is still significant risk of permanent closure; and 10 percent are not sure. This is a considerable improvement from the survey conducted in October 2020, when 12 percent of directors felt there was a significant risk of their museum closing permanently, and another 17 percent were not sure.

Federal Support

Sixty-three percent of respondents received a PPP loan last year, and three quarters of those have had the loan forgiven.

Ninety-four percent applied for a second PPP draw this year, of which 91 percent received the draw.

Twenty percent confirmed they are eligible for a Shuttered Venue Operators grant, and three quarters (74 percent) intend to apply.

Sixteen percent of respondents had claimed the Employee Retention Tax Credit.

Safety Upgrades

Thirty-seven percent of respondents indicated they intend to make additional health and safety related upgrades to their building, equipment or exhibits, at an average cost of slightly over \$110,000 per museum.

One quarter (24 percent) made improvements to their HVAC to meet their own goals for safe ventilation, at an average cost of \$34,400. Seven percent planned to make further HVAC improvements. Thirteen percent had not made improvements yet, but planned to do so, at an average cost of \$155,400.

Infrastructure and Energy Efficiency

Thirty-nine percent of responding museums have plans to make investments into their building, HVAC equipment, and other infrastructure to improve energy efficiency and reduce the environmental impact of their operations. The average anticipated cost of these improvements is \$668,000 per museum.

Community

During the pandemic, responding museums supported their communities in myriad ways:

- 90 percent offered online or physically distanced in-person programming to the general public.
- 66 percent provided educational resources geared to the needs of pandemic schooling
- 48 percent distributed activity kits
- 24 percent created and installed art or exhibitions in public places
- 19 percent provided space for students to engage in in-person or remote learning
- 19 percent donated PPE to medical personnel or the community
- 18 percent hosted health and wellness activities
- 17 percent provided information on COVID-19 and vaccinations

Some examples of the creative ways museums served their communities during the pandemic include:

- Creating a mobile makerspace to visit neighborhoods and provide wifi, programming and information
- Organizing art giveaways in conjunction with food distribution in partnership with local service agencies
- Running an emergency childcare center
- Partnering with the Red Cross to host blood drives
- Providing relief grants to artists
- Distributing personal items to those in need, including people without stable housing
- Operating a public farmers market
- Serving as a warming center during severe weather