Show Me the Money: Funding Exhibition Development in Changing Times

by Marilyn Hoyt

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Impact of the 2008 Crash

This article presents selected data on the impact of the market crash in 2008 on the field in general and particularly on funding for exhibitions. It includes the perspectives of nine museum colleagues active across the field.

When the crash hit, museum launches and expansions were already trending down. The 20-year-long museum boom was fading. And then, in the last quarter of 2008, all business models were disrupted worldwide. Investments that secure foundation and corporate foundation giving dropped a median of 29%. In 2009, these institutional donors passed on only 9–12% of this loss in reduced grant making. The museum field experienced greater impact as giving priorities and geographic interests narrowed. Government support joined the downtrend in 2010 as tax revenues fell. This reduction continues. Although current downturns in unemployment and upticks in home sales suggest that tax revenues are rebuilding, changes in federal, state and local funding patterns make it difficult to project future funding. Museum earnings, grants, and contributions were all affected dramatically in the Great Recession. Most are still depressed, even as the U.S. pulls ahead of Europe in the re-bound, and U.S. economic indicators in general trend up. Although the formal recession is now in the rearview mirror, at this writing in 2012, the economy worldwide remains volatile with no region reporting consistent growth.

Observations on the “New Normal”
The museum sector may appear to outsiders to be somehow untouched by the current economy, but this view is mistaken. After 2008, layoffs and program changes occurred behind a successful façade—sometimes even to the museum’s own trustees. Mac West’s tracking through these years as reported in Informal Learning Review (2011, July-August) suggests that museums resist closing even when they are very unstable. And since funders typically award the same average grant to merged organizations as they previously gave to each of the merging partners, mergers are not too attractive. In addition, as foundation funders change priorities in response to endowment losses, they often move away from funding cultural institutions. Now some zoos and museums are seeing tax-hungry state and local governments seek to assess PILOTS: payments in lieu of taxes. Other indicators of the new normal include:

• Uneven growth: In a 2011 AAM study expanded regionally by the Museum Association of NY (MANY), a majority of museums reported increased attendance and renewed hiring. Nonetheless, some museum segments including history and house museums are not seeing these increases. Museums are reporting that work with collections and constituents is hollowed out by staff layoffs and funding losses. Most report “moderate” to “very severe” stress continuing.

• Status in 2008: Institutional status at the time of the crash matters. Museums already suffering operating deficits and those that had just finished an expansion with its increased operating expenses
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were hardest hit and continue to struggle.

• Impact of volunteers: Volunteer-dominated museums that raised monies from earnings, events, and a close circle of engaged donors have gone relatively unscathed.

• Impact of museum size: Museum size appears to be a factor in positioning to grow again. An April Nonprofit Research Collaborative report notes that in 2011 over half of nonprofits saw increases in year-to-year contributions. These gains were geographically dispersed, but larger nonprofits gained most. Large museums have experienced dramatic challenges, but nonetheless have had the institutional mass to invest in fund raising and board development. Small and medium-sized museums have been hardest hit as they have not had the capacity to invest in board development to broaden their donor bases and increase the volume of asking.

• Impact of capacity building: Interestingly, several sources for this article noted that smaller museums investing in board development and their donor bases are pulling out earlier than their peers. So it may be that capacity building, rather than institutional mass alone, is the success indicator.

_Funding for New Exhibitions—Continuing Trends_
Exhibitions have always enjoyed a smaller number of dedicated funders than programs. For example, a broad stroke search using the Foundation Center’s Foundation Directory reveals:

• 26 foundations include “museum + exhibit” in their stated funding priorities

• 782 foundations include “museum + children/youth” program grants as a priority

As a result, the case for exhibition fundraising nearly always includes a larger value proposition. Exhibitions draw funding by enhancing tourism, supporting education, or serving as forums for topics that corporations or government agencies wish to see communicated. Museums seek funder priorities allied with, but often not equivalent to, internal curatorial/content perspectives and visitor interests. And often, exhibition development is funded within the larger context of a capital campaign.

_Funding for New Exhibitions—New Trends Emerging_
_Planning monies are hardest hit in the downturn._
Reduced planning monies from federal agencies and foundations have hit exhibition development. As a result, planning is more often supported via operating budgets using in-house staff and some specialized consulting. Enhancements to existing facilities may also be part of these plans. One school of thought suggests that the use of in-house staff may increase prototyping and formative evaluation as these were often the first costs cut when using outside designers. Time will tell.

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Big exhibitions are more often developed in phases while small exhibitions are not. Big, exciting ideas are helpful to fundraising, but the total price tag is daunting. One solution is to embrace the big idea through early proof of concept phases involving prototyping and exhibit module production. This phased approach also allows for engagement of students, families, and corporate employees. Staff develop new design, production and evaluation skills. Employees and community members open doors to corporate and foundation funding. In contrast, small exhibitions commonly do not require phasing. Grants of $40,000 to $100,000, often coupled with loaned objects, can cover costs using primarily in-house staff.

We are not settled on the value of these new models. Conversations for this article yielded both enthusiasm for the phasing process that provides more time to deeply engage the community in exhibition development and concern with minimal funding that may yield smaller, less coherent, less “museum quality” work.

Paucity of funding leads collecting museums to work assertively with their own collections. The banners that hang at both large and small art and history museums announce new shows of old holdings—a boon to donors who gave these objects and the curators who have studied them—and sometimes travail to marketing staff who find publics still addicted to marvels from afar. Non-collecting museums are also turning to collectors for content and associated funding. Examples range from a historic house museum presenting a collection of rare gardening tools and associated lectures, to a full-blown exhibition under development with hands-on forensics exhibits anchored by an invaluable collection of Arthur Conan Doyle manuscripts and objects from the period that inspired his work.

Major donors continue to hesitate. Larger museums, collecting museums, and all museums embedding exhibition development in capital campaigns have traditionally tapped major donors for exhibition funding. There are steady reports of “We know we are getting the
The plethora of new health-themed exhibitions in science centers and children’s museums reflects the comparatively accessible funding from insurers and pharmaceutical companies at least as much as the value of such exhibitions to communities and education.
from insurers and pharmaceutical companies at least as much as the value of such exhibitions to communities and education. At the same time, the recruitment of corporate trustees and engagement of corporate employees and their families in exhibition development is providing champions for winning corporate support.

2) More museums are developing exhibition alternatives. Inspired by non-field activity such as the Maker movement, museums are using mega-gifts/grants available for “innovation” or modest funding from trustees and others “in the family” on increased programming. Traditionally the field has used a set of Stage One experiences: exhibitions providing access to varied content; supported by Stage Two experiences: workshops, camps, family labs, libraries and make-it-take-it activities providing personal opportunities to drill deeper in an area of particular interest. Now some museums are seeking to start with Stage Two experiences. These are often less capital intensive and more staff intensive. Family labs and Maker spaces are taking over where make-it-and-take-it left off, providing richly resourced spaces with technology, trained staff, and sometimes gizmos or models on which to build freely. In some instances, integrating STEM activities via facilitated experiences is the focus of these spaces. Evaluators and exhibit design firms are involved in some projects with the same rigor traditionally applied to exhibitions More commonly, in-house staff is producing alternative visitor experiences. Current experience does not inform the field as to whether visitors learn content at the same levels as with exhibits or see Maker spaces competing for family time year-round. It will take time to compare exhibitions versus alternative spaces in driving return-desire and membership sales. In addition, the field’s experience with the costs of building, maintaining, and interpreting exhibitions has, as yet, no parallel with alternative spaces. It is critical that we communicate what we are learning informally now. Formal studies will follow.

3) Where government priorities are
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strongest, government funding is stable or growing. STEM, and now STEAM initiatives, are a priority. These program grants can include exhibit modules as tools for learning.

However, constraints seem to be the order of the day. The federal GAO’s report bemoaning duplication of grant making priorities among NOAA, NASA, NIH and NSF—coupled with the call for more defined outputs and outcomes—will yield changed funding priorities affecting museums working with science content. And the NEA’s ongoing exception from federal indirect cost recovery negotiations will continue to undermine capacity building in art museums.

Our confidence has been shaken
The author has worked in the cultural field as a grantmaker, fundraiser, and consultant for over 40 years, and never has there been such evident discomfort with sharing detail in an open forum such as this. Those who study institutional psychology would tell us that this is typical of times when institutions and the people who work in them are stressed. But it means that articles such as this are helpful in the broad stroke and not so much at the level of drawing models detailed enough to implement. With this in mind, the author asked colleagues involved in these discussions if they would be willing to open a door to their source or talk with an individual reader of the Exhibitionist. Nearly all of them said, “Yes.”

Looking Ahead
Our challenge is to differentiate between the distracting signals of this disrupted fundraising marketplace and our deep experience in how to communicate museum content effectively. If, under fundraising pressure, we discard our knowledge of how visitors exercise their multiple intelligences to learn in museums, we fail our missions, our communities, and the field we have built with such great effort over the last century. Innovation is always needed, but so is institutional memory. “Keep Calm and Carry On.”

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