

# MUSEUM ASSOCIATION OF NEW YORK

## Mid-Year Economic Report: The State of Museums in the Empire State

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Even though it's July and the beginning of summer, overcast might be the best way to describe the economic outlook. With 2010 six months old, what does the unsettled economic weather mean for the Museum Association of New York [MANY] and its member organizations? Utilizing data from its recent online economic survey, here MANY takes a look at the state's museum community, what's up, what's down, and what's flat.

Nationally despite the threat of a double-dip recession, nonprofit investments seem to be up. A recent survey by the Commonfund Institute found that in 173 foundations, annual investment returns were up in 2009, showing a 20.0 percent return, a welcome comeback after a 26 percent decline in 2008. And if you believe Crain's Business News, it's sexier—their word, not ours—to give to the arts than various social causes at least in New York City where giving to big-name institutions, including museums, brings name recognition and publicity.

But New York state is its own special non-profit environment and museums a relatively small sub-group. To find out what is going on in the Empire state, MANY polls 26 of its members every quarter. And based on our findings, it was a tough winter and spring. Of the members surveyed, 25 percent report an increase in their operating deficit while 16 percent say the time it takes to pay bills has increased. The other place where there is pain is public money. Forty five percent of MANY's respondents reported a decline in government support. On the plus side, visitation continues strong with some of MANY's biggest members like MOMA and the Metropolitan Museum posting record years, but even suburban and rural organizations are reporting strong numbers, cold comfort to recession-ravaged staff who are doing more with less to meet increasing demand.

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When asked what tactics they had undertaken to cushion their institutions from the recession's hammer blow, several reported trimming unnecessary spending with one making staff cuts. Several more reported increased membership campaigns including cooperative ventures with other local organizations like the Chamber of Commerce. And

when asked their predictions for the future—the remaining months of 2010—the group was cautiously optimistic. In fact, for some there seems to be a sense that having been very conservative in 2009 is paying off now. “It will be harder to raise capital funds for restoration projects but we are confident that our museum can sustain the support of our core membership,” wrote one respondent. For some though, the word that appeared frequently was “bleak.” They wrote that missing grant monies and a weakened sponsorship base left their organizations in trouble. This was especially true for museums whose funding was caught up in the state’s perennial budget wars.

**Prediction for the future:  
“bleak”.**

While it may be too late for some, the Kennedy Center’s Michael Kaiser, who’s become something of a recession turn around guru for arts organizations, believes having the courage to put the brakes on is vital. His mantra is that planning—whether your museum is big or very small—is key to a healthy non-profit. “Planning should not be left to larger groups,” Kaiser wrote in a June piece for the Huffington Post. He goes on to say that a small organization may not get national press, but in a sense it doesn’t need it. The number of people it must influence is fewer than for a big organization. In fact, a small museum really only needs to influence 100-200 selected people in its community to have a life-changing effect on the organization.”