Association of Art Museum Directors

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STATE OF THE NATION'S ART MUSEUMS SURVEY REVEALS DEEP COMMITMENT TO SUSTAINING PUBLIC SERVICE DESPITE WEAK ECONOMY

Association of Art Museum Directors National Survey Shows Areas of Challenge As Well as Continuing Stability and Strong Support from Public

New York, April 10, 2003…The Association of Art Museum Directors (AAMD) today released a survey on the state of the nation's art museums that reveals a fundamental commitment to sustaining the highest levels of public programming and community service despite the country's weak economy. While more than half of respondents saw an overall decline in revenue in 2002, the majority reported steady or expanded public programming, strong attendance, and stable or increased financial support from individual donors. In addition, 75% of the museums responding reported either no change or an increase in staffing levels, and 40% reported an increase in regional marketing, reflecting an emphasis on serving as cultural, educational, and economic resources in their communities.

One hundred and twenty-eight museums responded to the survey, conducted by the AAMD in February 2003. The survey builds on and updates data gathered in the AAMD's 2002 State of the Nation's Art Museums survey, which was conducted to gauge the after-effects of the events of September 11. The institutions surveyed represent a broad range of the nation's art museum community, including large, mid-sized, and smaller institutions in urban, suburban, and rural areas, as well as federal, university, private, and public museums.

"The AAMD's new survey on the state of the nation's art museums reveals a complex picture," said AAMD president Maxwell L. Anderson, who is director of the Whitney Museum of American Art in New York. "While each museum faces circumstances and challenges that are unique, the survey underscores that this diverse community of institutions shares a fundamental set of values: our single highest priority is serving the public. I believe that the tremendous loyalty our communities and individual supporters are demonstrating springs from their recognition of museums' unwavering commitment to public service. While no one can predict the country's economic future, I can say that long-term, thoughtful fiscal policies and a profound dedication to safeguarding and exhibiting the masterworks of human creativity will continue to guide museums in any economic climate."

The survey indicates the core mission of the art museum community — presenting public programming, improving facilities and services, providing and strengthening collections — was sustained in 2002 despite significant economic challenges. Nearly 80% of museums reported that they maintained or increased public programming in 2002, and 92% maintained or increased the normal rate of growth of their collections during this period. Many museums responded that they are planning expansions, projects that represent a significant, long-range capital investment in a museum's ability to serve as a cultural, educational, and social resource. Of the 91 art museums reporting such projects, 87 are moving forward with these initiatives; four are deferring their plans indefinitely.

A fiscal management strategy that makes preservation of public service its top priority characterizes the art museum community's response to challenging economic times. When asked to rank a variety of methods for addressing declining revenues, the vast majority of museums identified seeking new donors, building endowment, and cutting spending, and increasing board contributions as their highest priorities; respondents indicated their last options were reducing staffing levels and public programming. While the survey demonstrated museums' strong commitment to retaining personnel, 25% of institutions did report a staffing decrease. The average decrease was 8% of total staff. The survey did not ask whether this drop was due to lay-offs or to hiring freezes and attrition.

Museum attendance remained stable in 2002 despite a nationwide decrease in tourism, with two-thirds of museums seeing attendance remain at previous levels or increase. Particularly notable was the rise in financial support from individual donors — nearly half of museums reported growth in this source of funding — indicating continued strong, broad-based support from the public. While support from individuals increased, the effects of the ongoing economic downturn could be seen in declining revenues in other categories. Reflecting the drop in the stock market, nearly 80% of museums reported a decline in endowment income in 2002. Half of museums saw a decrease in government funding, nearly half saw a decrease in earned income, and more than 40% experienced a drop in corporate support. Funding from foundations was more stable, with 27% of museums reporting a decrease, 28% reporting an increase, and 45% reporting no change.

"Museums, like all institutions in both the non-profit and for-profit sector, are facing very serious financial challenges and difficult management decisions," said Mimi Gaudieri, Executive Director of the AAMD. "By gathering and disseminating annual data, the AAMD emphasizes its commitment to inform the public of both the strengths and the struggles of the museum community. The trends this survey reveals — active support from the public and careful fiscal planning by the museum community — argue for the important role that art museums play in the life of the country and the value of sustaining the national commitment to these institutions."

The Association of Art Museum Directors is a membership organization representing 175 directors of major art museums in the United States, Canada, and Mexico. Its purpose is to aid its members in establishing and maintaining high standards for themselves and their institutions. AAMD serves as a forum for the exchange of information and the exploration of ideas, and a voice to express the joint concerns and issues facing the museum community.

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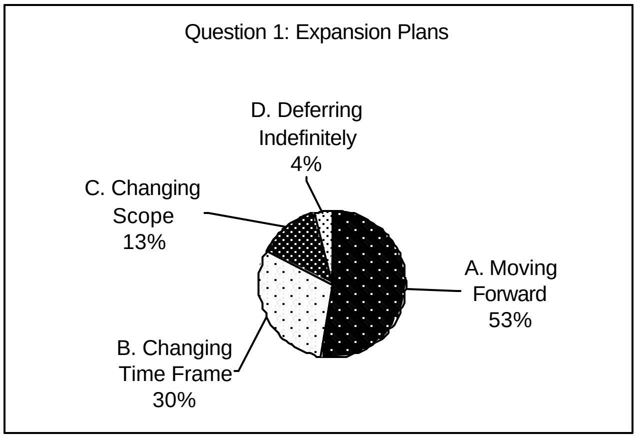
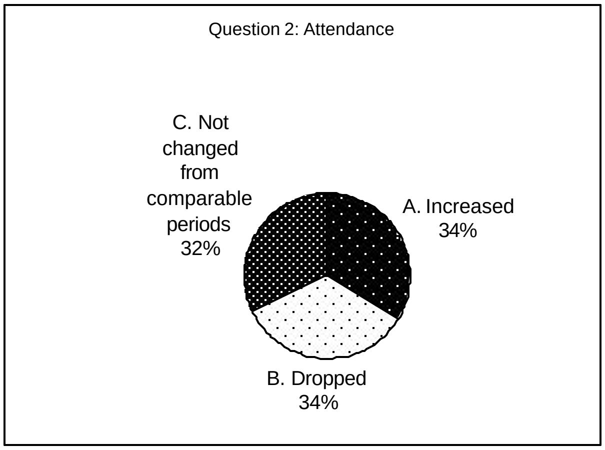
1. If you have an expansion planned or in progress, are you:

A. Moving forward with the original plan: **53%**
B. Changing the time frame: **30%**
C. Changing the scope: **13%**
D. Deferring indefinitely: **4%**



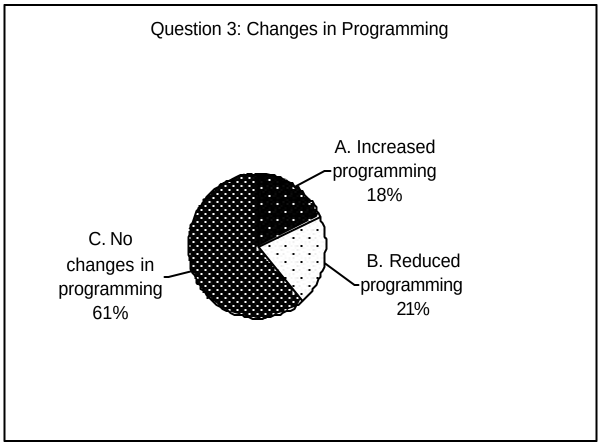
2. Since January 2002, has your attendance:

A. Attendance increased: **34%**
B. Attendance dropped: **34%**
C. Not changed from comparable periods: **32%**



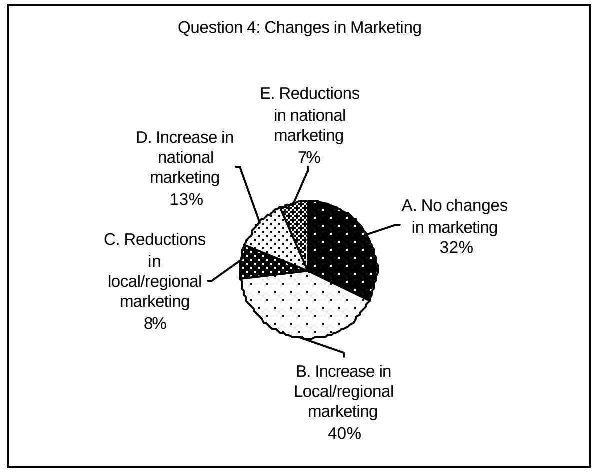
3. Since January 2002, have you made any significant changes to your institution's programming?

A. Increased programming: **18%**
B. Reduced programming: **21%**
C. No changes in programming: **61%**



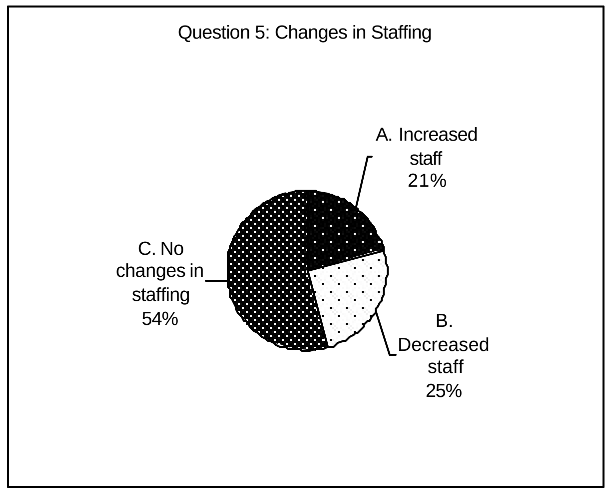
4. Since January 2002, have you made any significant changes to your institution's marketing? ***(Check all that apply.)***

A. No changes in marketing: **32%**
B. Increase in local/regional marketing: **40%**
C. Reductions in local/regional marketing: **8%**
D. Increase in national marketing: **13%**
E. Reductions in national marketing: **7%**



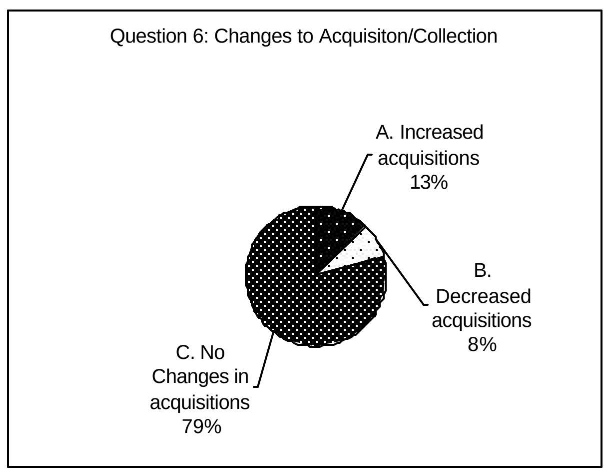
5. Since January 2002, have you made any significant changes to your institution's staffing?

A. Number reporting staff increases: **21%**
*Average staff increase: **14%***
B. Number reporting staff decrease: **25%**
*Average staff decrease: **8%***
C. Number reporting no changes in staffing: **54%**



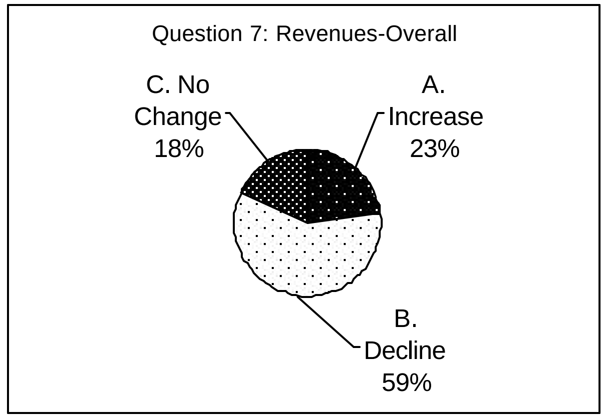
6. Since January 2002, have you made any changes to your acquisition/collecting program?

A. Number reporting increased acquisitions: **13%**
*Average increase in acquisitions: **50%***
B. Number reporting decreased acquisitions: **8%**
*Average decrease in acquisitions: **35%***
C. Number reporting no changes in acquisitions: **79%**



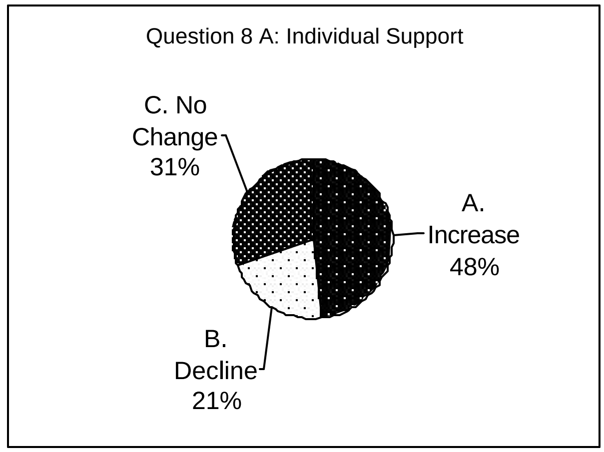
7. Since January 2002, have you experienced any significant change in overall revenue for the year:

A. Increase: **23%**
B. Decline: **59%**
C. No change: **18%**



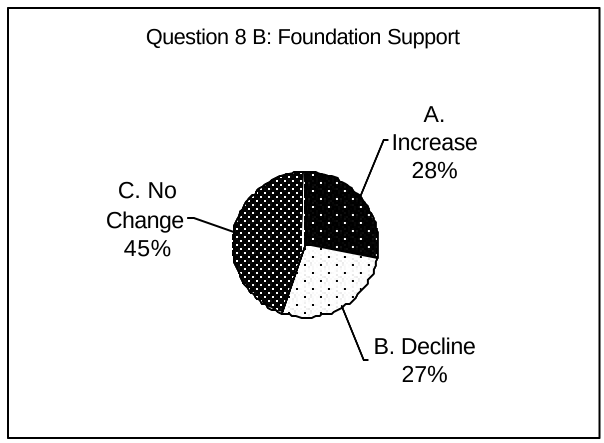
8A. Since January 2002, has your institution seen any significant change in support from individuals:

A. Increased support: **48%**
B. Decreased support: **21%**
C. No change: **31%**



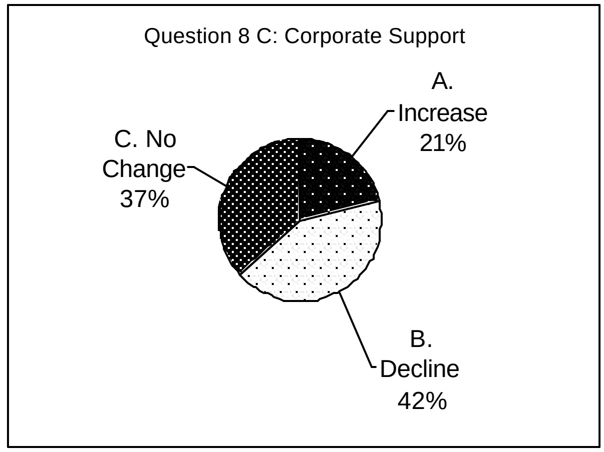
8B. Since January 2002, has your institution seen any significant change in support from foundations:

A. Increased support: **28%**
B. Decreased support: **27%**
C. No change: **45%**



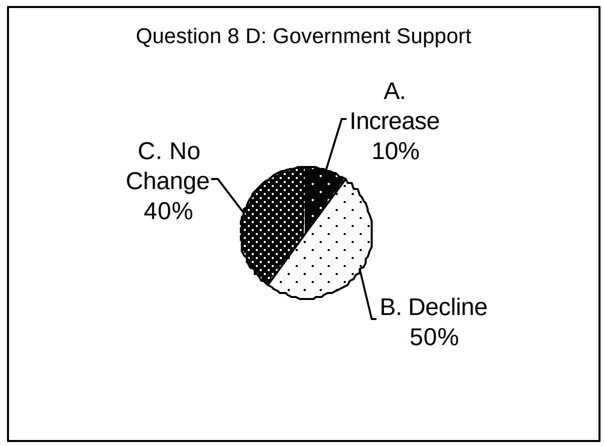
8C. Since January 2002, has your institution seen any significant change in support from corporations:

A. Increased support: **21%**
B. Decreased support: **42%**
C. No change: **37%**



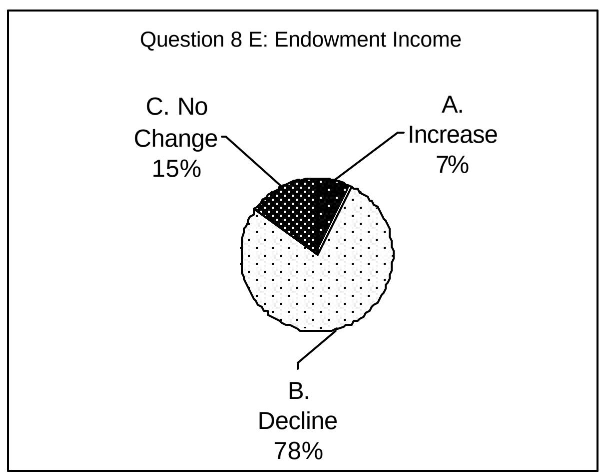
8D. Since January 2002, has your institution seen any significant change in support from the government:

A. Increased support: **10%**
B. Decreased support: **50%**
C. No change: **40%**



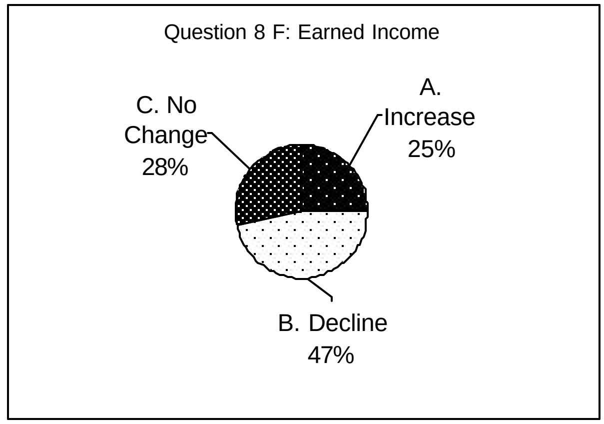
8E. Since January 2002, has your institution seen any significant change in endowment income:

A. Increased income: **7%**
B. Decreased income: **78%**
C. No change: **15%**



8F. Since January 2002, has your institution seen any significant change in earned income:

A. Increased income: **25%**
B. Decreased income: **47%**
C. No change: **28%**



9. Of the following strategies for addressing economic challenges, how would you prioritize the importance of the following options for your institution.

[Note: we have provided here the **highest percentage ranking** for each answer.]

Top Priorities

Seeking out new major donors: **68% placed this in the highest third of priorities**

Increasing/building endowment: **49% placed this in the highest third of priorities**

Cutting spending: **45% placed this in the highest third of priorities**

Increasing board contributions: **45% placed this in the highest third of priorities**

Middle Priorities

Increasing earned income: **41% placed this in the middle third of priorities**

Developing new corporate partnerships: **41% placed this in the middle third of priorities**

Increasing marketing/audience building efforts: **39% placed this in the middle third of priorities**

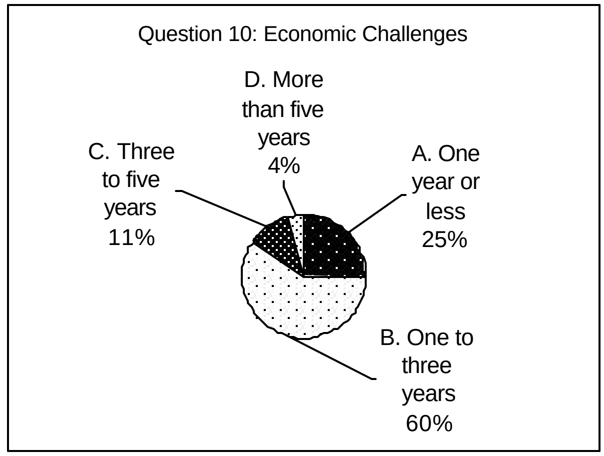
Lowest Priorities

Reducing public services/programs/museum access: **81% placed this in the lowest third of priorities**

Reducing staff: **72% placed this in the lowest third of priorities**

10. If your institution has taken any actions in response to current economic challenges, what is your planning timeframe for these steps?

A. One year or less: **25%**
B. One to three years: **60%**
C. Three to five years: **11%**
D. More than five years: **4%**



AAMD STATE OF THE NATION'S ART MUSEUMS SURVEY
COMPARATIVE DATA 2003 — 2002

The 2002 AAMD State of the Nations' Art Museums survey focused on gauging the immediate effects of September 11, while the 2003 survey was designed to reflect changes occurring over the course of a full calendar year. Variations in the questions posed in the 2002 and 2003 surveys reflect this difference in emphasis. Of the 175 members of AAMD, 128 responded to the 2003 survey and 134 responded to the 2002 survey. Participation in the survey is voluntary, which results in a different set of respondents in any given year.

EXPANSIONS

- Of the 91 museums responding to questions regarding expansion plans in 2003, four reported deferring plans indefinitely
- Of the 102 museums responding in 2002, one museum reported deferring plans indefinitely

2003		**2002**	
Moving Forward	53%	Moving Forward	67%
Changing Time Frame	30%	Changing Time Frame	28%
Changing Scope	13%	Changing Scope	4%
Deferring Indefinitely	4%	Deferring Indefinitely	1%

ATTENDANCE

2003		**2002**	
Increase	34%	Increase	20%
Decrease	34%	Decrease	21%
No change	32%	No change	26%
		Dropped and then regained	28%
		Increased and then dropped	5%

PROGRAMMING

2003		**2002**	
Increase	18%	Increase	9%
Decrease	21%	Decrease	26%
No change	61%	No change	65%

STAFFING

2003		2002	
Increase	21%	Increase	8%
Decrease	25%	Decrease	29%
No change	54%	No change	63%
Average Staff Increase:	14.%	Average Increase:	No data gathered
Average Staff Decrease:	8%	Average Decrease:	No data gathered

REVENUE

Overall Revenue

2003		2002	
Increase	23%	Increase	15%
Decrease	59%	Decrease	50%
No change	18%	No change	35%

Individual Support

2003		2002	
Increase	48%	Increase	21%
Decrease	21%	Decrease	23%
No change	31%	No change	33%
		Too early to tell	23%

Foundation Support

2003		2002	
Increase	28%	Increase	8%
Decrease	27%	Decrease	17%
No change	45%	No change	33%
		Too early to tell	42%

Corporate Support

2003		2002	
Increase	21%	Increase	8%
Decrease	42%	Decrease	33%
No change	37%	No change	24%
		Too early to tell	35%

Government Support

2003		2002	
Increase	10%	Increase	5%
Decrease	50%	Decrease	27%
No change	40%	No change	31%
		Too early to tell	37%

REVENUE CONTINUED

Endowment Income

2003		2002
Increase	7%	No Data Gathered
Decrease	78%	
No change	15%	

Earned Income

2003		2002
Increase	25%	No Data Gathered
Decrease	47%	
No change	28%	

MARKETING

2003		2002	
Increase in local/regional marketing	40%	Increase in local/regional marketing	24%
Decrease in local/regional marketing	8%	Decrease in local/regional marketing	10%
Increase in national marketing	13%	Increase in national marketing	6%
Decrease in national marketing	7%	Decrease in national marketing	15%
No change in marketing	32%	No change in marketing	45%

ACQUISITIONS

2003		2002
Increase	13%	No Data Gathered
Decrease	8%	
No change	79%	

Average acquisitions increase: 50%
Average acquisitions decrease: 35%

PLANNING TIME FRAME

- When asked the planning timeframe for actions taken in response to the current economic climate, respondents replied:

One Year or Less	25%
One to Three Years	60%
Three to Five Years	11%
More than Five Years	4%

No data was gathered on this question in 2002