

Last December the Colorado Springs Pioneers Museum, a history and art museum founded in 1896, owned and operated by the city, was told to close because of the recession's effect on city finances. This is worrying since it is in many ways typical of the 18,000 or so museums in the United States. Roughly half are, like the Pioneers Museum, related to history.

The Pioneers Museum had an operating budget in 2008 of \$1.1m, close to the median of all museums of \$1.2m. Contrary to assumptions in Europe, most museums do get funding from government. On average it accounts for 24 per cent of revenues, predominantly from city, county or state, but with some federal money. On the point of closing, the museum was given a much reduced subvention for a year to come up with a survival plan.

Very few museums did close in 2009. The American Association of Museums (AAM), which strives to provide good statistics on the field, counted 23, of which 12 were historic sites in Illinois. There was even some good news from a recent AAM survey: 57 per cent of museums had an increase in attendances. The reasons? Staycations, more aggressive marketing, and blockbusters like Tutankhamen, and Bodyworld. This was not enough to balance budgets. Nearly every museum had to cut costs.

In some cases they did so strategically. The director of one of the "closed" museums, Kristin Makhholm of the Minnesota Museum of American Art, blogged that the loss of the building was liberating: we "are working diligently to get our esteemed collection (close to 4,700 artworks) out into new venues, with exhibitions opening in January and March of 2010, and developing plans for travelling exhibitions, a state-wide biennial, and a pilot program for art in the public schools".

Endowments can be a blessing when they provide a cushion of stable income. But the collapse of the stock market hit those institutions that had not sufficiently developed other sources of income. The biggest fell hardest. The J. Paul Getty Trust's endowment fell by a quarter in the year to June 2009 to a mere \$4.4 bn. Getty cut costs by a quarter, much more than the average museum, and by more than might have been expected since museums average their take from endowment over three to five years. The cuts were across the

board, rather than strategic. The Metropolitan Museum of Art's new English director, Tom Campbell, took his broom to cut the number of staff by 14 per cent, but did so with a sensitivity that retained the loyalty of remaining employees.

The trustees of the Los Angeles Museum of Contemporary Art sat and watched its endowment misused over ten years to meet operating costs. When crisis hit at the end of 2008, it contemplated mergers and art sales. It was saved by the local billionaire, Eli Broad, who then brought in (shock, horror) a dealer, Jeffrey Deitch, as the new director. This is a bold and unusual choice but radical measures were called for.

Radical does not always equal good. The president of Brandeis University, Jehuda Reinharz, decided to close the Rose Art Museum and sell off its collection to boost funds depleted by the Madoff fraud. However this was widely seen to be an act of stupidity rather than the beginning of a trend.

If the story of 2009 was survival, museums will have a tougher time this year and next unless the economy rebounds energetically as all sources of revenue are under greater pressure.

The recession has brought to the fore longer-term issues.

The past two decades have seen a boom in museum building, rising from \$400m a year in 1993 to \$2bn in 2007. The capital costs were largely financed by gifts, but the knock-on effect has been a rise in fixed and other costs.

New buildings did not lead to much of an increase in attendances. The AAM tracked the same group of 125 museums for the nine years to 2008. The median increase in that time was 10 per cent. For museums that charge (some two-thirds of all museums, with more starting to charge) there was a median increase in ticket prices from \$4 to \$7. The story has been a few more people paying a lot more money for a greatly enhanced museum experience.

It is worrying that museum attendance has not risen faster than it has. The population is better educated, which usually is correlated with participation in the arts. Display is better. Museums are more hospitable. But arts education in

schools has been axed. Web surfing and social networking takes up free time. Museums remain too museum-like. More museums are charging. Whatever the reasons, a rising tide of admissions would help museums gain the support that is going to be ever more needed in the next few years.

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