

“Fiscal Woes for the Nonprofit Arts Sector: What It Takes to Sustain a Small, Public Art Museum in the 21st Century”

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PA 661-02 Nonprofit Management Practices

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Article abstract: While many organizations in the nonprofit sector have the luxury of receiving some government support, that seems to be the exception rather than the rule when it comes to small, public art museums in America. Most art institutions rely on the generosity of individuals and corporations, self-generated fundraisers, admission and membership fees, gift store profits, investment income, foundation grants and smaller streams of revenue to keep the doors open. The budget breakdown varies, but the financial headaches remain the same for Executive Directors and Boards of Trustees. This article examines Muskegon Museum of Art’s current financial situation as it begins the transition of becoming an independent nonprofit organization, separate from the local school district, and seeks to sustain itself for a second century.

Introduction

For the nonprofits art sector, especially small, public art museums, short- and long-term funding and financial sustainability concerns have started to overshadow the real work they were intended to do, which is to serve as a treasure chest for priceless public art collections that not only record history, but make up the fabric of our lives as Americans. Unlike European countries, which provide major government support to art institutions, the majority of America’s art museums raise a substantial amount of their own revenue. The Muskegon Museum of Art in Muskegon, Michigan, is an example of the economic and cultural impact such an institution can have on a small community. Like a patchwork quilt, this museum collects and protects all mediums of the visual arts, then weaves them together in a way that honors the single object as well as raises the aesthetic awareness for the whole collection. It operates so diverse populations from all ethnic backgrounds and socio-economic levels can gain an understanding of and appreciation for art. The Muskegon Museum of Art will celebrate its centennial in 2012, while also making the transition to a self-governed, self-funded institution separate from Muskegon Public Schools. The year surely will be bittersweet, marked by exhibitions and receptions recognizing major milestones as well as tough decisions to position the museum for another 100 years of operation. In the last decade, endowment income and state grants have eroded, virtually flipping the museum’s revenue streams upside down. Finding a funding model that works, balanced in the areas of private and corporate giving, fundraising, investment income, admissions and memberships and government support, is the imminent management challenge facing the Executive Director and Board of Trustees.

For more information on the complete paper, please contact Marla Miller.