

11-20-2022

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**Geographical and Attendance Impact on Financial Sustainability at the Field Museum in
Chicago, IL**

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The Center for Nonprofit and NGO Studies, Northern Illinois University

NNGO 495: Capstone Seminar in Nonprofit and NGO Studies, Fall 2022

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November 20, 2022

Abstract

This study focuses on the Field Museum of Natural History in Chicago, Illinois, and analyzes how the geographical location of the museum and the rate of attendance impacts the museum's financial health and sustainability. This study utilizes three sources of data: annual reports to donors, yearly financial audits, and a primary data source via a survey response from an employee of the finance department at the Field Museum. The data collected was analyzed qualitatively using three categories that aligned with the research question: location, attendance, and finances. These three categories, and the use of Excel and its equation functions, allowed for the effective comparison of the data collected. The financial sustainability of nonprofit organizations is intertwined with the size and diversification of each organization's financials. Although it may seem that these three factors have little impact on one another, they are all interconnected because the large, urban location of the museum grants access to a growing community of attendees who, through outreach and connections, will become members, donors, supporters, and patrons of the museum, ultimately increasing the museum's financial size, health, and sustainability.

Key Words: museum, financial sustainability, attendance, geography, location

Introduction

This project presents research that is significant in multiple ways and for multiple reasons. First and foremost, the impact of geographic location is not an often examined aspect of organizational financials and financial sustainability. The presentation of current literature, analysis of documents such as financial and annual reports, and integration of primary research provides a new outlook on how attendance and outreach due to location can make an impact on the financials and financial health of an organization, specifically museums. This research topic is critical to understanding how the geographical situation of an organization can make an impact on its outcomes and outputs. This project's primary goal is to shed light on how an organization's location positively or negatively impacts its financial health, whether attendance and outreach play a role, and what implications these factors ultimately have on its financial sustainability.

Museums, like most other arts and culture organizations, are unique to the nonprofit or third sector. One of the primary factors separating this category of organizations from others is the variety in funding sources. In the case of the museum that was analyzed for this project, the Field Museum of Chicago, Illinois, the organization diversifies its income via admission fees and gift shop or online store sales, programming fees, grants, and other niche revenue sources. However, do these diversified revenue sources, especially if they are influenced by attendance and geography, impact the financial sustainability of an arts and culture organization like a museum?

Ultimately, these factors and inquiries led to the research question of this paper: "to what extent does geography and attendance impact two museum's financials and financial sustainability?"

Literature Review

A limited amount of explicit research and writing pertaining to this research question exists, particularly about geography and its impact on organizational financial sustainability. There is, however, plenty of research on financial sustainability, financial health, and the basics of financials and revenue for arts and culture organizations. For this reason, this section about current published literature will focus primarily on the essentials related to financials and sustainability in organizations before touching briefly on how geography plays a role. The following literature review will be broken up into thematic sections which illustrate the argument and data of other authors.

Background

To begin, it is imperative to define the term “financial sustainability”. Broadly, financial sustainability means an organization has the appropriate funding to meet all its financial obligations and sustain operations in the instance that funding sources were to disappear. As expressed by the International Council of Museum, or ICOM, two of the biggest signs a museum has become financially sustainable is its “intellectual and financial autonomy” (Pop and Borza 2016:5). In other words, for a museum or arts and culture organization to be financially sustainable, it must be self-sufficient in multiple categories of administration.

Museums have many different sources of funding and revenue. One of the main sources of funding is public funding. Unfortunately, the amount of money that typically comes from this source is limited and therefore heavily competitive (Johnson 1998:78). This competitiveness can vary depending on the number of museums or organizations in an area and the populations which they serve. According to Ekelund (2009:491), almost all museums in the United States face

“major funding problems”. These funding issues can ultimately lead to failures of sustainability and complete closures. The one way avoid failure is to achieve financial sustainability.

Finance and Revenue in Museums

Aside from the multitude of revenue sources like public funding, endowments, and other donations, earned income is one of the most significant sources of revenue for museums and other arts and culture organizations. Earned income can include, but is not limited to: admission costs such as tickets and parking payment, souvenirs and gift shops, rental spaces, and (specific to museums) loaning objects from a collection (Pop and Borza 2016:5). According to Lai, a scholar of business at Buffalo State College, New York, the mean single ticket price is \$26.57 USD and most organizations have fewer than 100 annual members (2009:173). Another source of funding for museums comes from fundraising, often through capital campaigns (Bradburne 2001:80). Regrettably, no matter how many different sources a museum or organization has, they do not “usually provide a steady stream of income for the ‘average museum’ ” (Ekelund 2009:492). Additionally, Carroll points out that income streams like donations can be highly unpredictable (2008:959), not only in amount but also timing.

Unfortunately, many financial challenges impact museums and nonprofits alike. One of the most significant is the “lack of control” over certain sources of income (Lindqvist 2012:6). As previously discussed, museum funding can be incredibly competitive, and as the number of museums increase so does the competition (Lindqvist 2012:10). The race to be financed, especially by the public sector or grants, creates unease in the control a museum has over its funding. Funding can also be controlled by outside sources to a certain degree, such as if earned income, like admission prices, increases. As Johnson, an economics scholar in the United Kingdom, expresses, public funding may be cut, and private donors may be less inclined to

donate because they see increased income (1998:79). Finally, as Carroll points out, “Compared to the influences of organizational size, prior experience with revenue in stability, and growth potential, a nonprofit’s location and principal funding source also exhibit notable influences over its revenue volatility.” (2008:959). In terms of revenue, a museum’s location influences the amount of funding based on local foundations or donors.

Sustainability and Diversification in Museums

In focusing on the financial sustainability of museums, it is important to evaluate an organization’s economics and environment, both social and ecological (Pop and Borza 2016:3). As one of the interviewees in Pop and Borza’s article “Factors Influencing Museum Sustainability and Indicators for Museum Sustainability Measurement” said,

“The size of a museum and its sustainability are interdependent, [...] the bigger and more diverse a museum, with the more human resources and more heritage, the better its possibilities of addressing the public, and the higher the chances of it being sustainable which impacts on its development. At the same time, such a museum has bigger difficulties in maintaining its sustainability since it requires bigger financial and human resources” (2016:9).

This leads to an important question: how can location influence the size and outreach of a museum? For a museum to achieve long-term financial sustainability and consequently growth and independence (Bradburne 2001:83), it is important for the institution to increase engagement with its audience and supporting population (Bradburne 2001:83). This ultimately leads back to the notion from Pop and Borza that a museum must be in tune with its social environment to succeed in achieving sustainability.

Generally, financial health and financial sustainability go hand in hand. Both of these can be achieved via efforts to diversify an organization's revenue streams. By diversifying revenue, a museum can begin to establish economic development (Pop and Borza 2016:2) for future investments. While diversification may be hard for some museums to achieve because it can create a gray area in the expectations of revenue streams (Ekelund 2009:492), it can be important to attempt. A museum has the potential to stabilize its finances by "broadening the income bases" (Lindqvist 2012:9) and become financially sustainable. Without diversifying, however, an organization may become too dependent on its major funding source (Carroll 2008:950). Ultimately, by broadening a museum or other arts and culture organization's funding sources, the organization has the opportunity to become more financially stable which can allow better service to its stakeholders (Carroll 2008:963).

Stakeholders & Location

Attendance and stakeholders are a vital part of museum finance. Arts and culture organizations, like museums, are dependent on their visitors and attendees not only for revenue, but also for engagement and feedback (Lindqvist 2012:2). Financials and therefore sustainability for a museum depends on its visitors because they increase the earned income (Lindqvist 2012:4), and if a museum can sustain long-term stakeholders it can ultimately become "less vulnerable in times of economic crisis" (Lindqvist 2012:11). This minimization of vulnerability, Lindqvist argues, is completed via stakeholder and attendance management, which in turn impacts both long-term and short-term funding (2012:11). The overall goal when examining the intersection of attendance and financials is to raise the quality of experience at a museum, which in turn may require increasing price (Johnson 1998:79). Unfortunately, there can also be a downside to increasing attendance to increase funding. As Ekelund expresses, the "attendance

disease” explains the possibly negative correlation between government and foundation funding declining as visitor numbers incline because of the assumption that the museum is improving financially (2009:493).

Finally, location can play a major role in the financial side of a museum’s administration. Urban areas have more resources, which creates a higher rate of the formation of arts and culture organizations. In more rural areas, infrastructure, economic resources, and social support systems are scarcer and therefore dissuade organizations from establishing in these places, known as “locational advantage” (Lai 2009:164). According to one of Pop and Borza’s interviewees, “a bigger museum can exert a bigger social impact [which can lead to higher earned income] than a smaller museum [...], which allows it to develop a more consistent and relevant relationship with its public” (2016:9). Location must be considered as a critical factor in determining the size of a museum, and ultimately its social impact. Overall, if a museum has a greater social impact, it will translate into higher numbers or dollar amounts of private donations (Lai 2009:161) for programs and operations.

Location is also important because it can be symbolic to prospective visitors. The location of an organization enhances or detracts from the legitimacy of said organization (Lai 2016:164) which may or may not have an effect on earned revenue. Unfortunately, though, “location in a smaller city can also create an environment where it is difficult to obtain and maintain an audience” (Lai 2009:178). This can also impact both the legitimacy and therefore the financials of a museum or arts and culture organization. Ultimately, financial access and geographical access to a museum determines whether or not a visitor will attend, and if those factors are not within a person’s reach, they will not seek out a museum. As Brida expresses quite clearly, “individual motivations to visit museums matter” (2016:278).

Methodologies

The focus of this research is on geographical location and attendance and their impact on the financial sustainability of museums, particularly in Illinois.

The museum I analyzed for this research project is The Field Museum of Natural History located in Chicago, Illinois. This organization was selected because of its immense capacity and geographical situation in one of the largest cities in the United States of America. The fact that it holds close proximity to Northern Illinois University was also an important factor.

Field Museum of Natural History - Background

The mission of the Field Museum of Natural History states: “The Field Museum fuels a journey of discovery across time to enable solutions for a brighter future rich in nature and culture”. While the institution officially began in 1894, the collection and artifacts stored at the Field Museum evolved from objects displayed during the 1893 World’s Fair, or World’s Columbian Exposition. The building which now houses the museum and its collection was opened to the public in 1921 and the museum holds almost 40 million artifacts and specimens.

During initial research for this project, I discovered the Field has multiple sources of income with an incredible amount of revenue. My initial reaction was that this is primarily due to its location and reputation. Income sources include, but are not limited to: general admission tickets and special ticketed experiences; the gift shop, which can be browsed both in-store and online; memberships; and giving such as corporate, planned, one-time gifts, and other options. When it comes to one-time gifts, the institution also provides the option of employer matching funds. Finally, as of 2020, the Field Museum’s gross income from fundraising was \$1,843,354.

According to GuideStar, the museum had over 600 employees in 2020, and its website advertises that it employs more than 150 scientists and researchers. In addition, the museum also

has approximately 50 board members as of August 8, 2022. The Field Museum's website states "science is for everyone" and much of its work is done by volunteers.

The Field operates many different outreach and educational programs, including but not limited to: summer camps and community programming, special events, field trips, the N.W. Harris Learning Collection, and a blog entitled Brain Scoop. Each of these programs helps further its mission and establish that science is for everyone.

Data Collection & Analysis

The research for this project was completed using both qualitative and quantitative data, and primary and secondary sources of data. These forms of data include a questionnaire sent to upper-level employees at the Field Museum, annual reports from the museum, and financial reports and other publicly available documents.

The primary form of data collection was a 13-question questionnaire (see Appendix A) which was then turned into a 24-question survey. While interviews allow for firsthand opinions, reactions, and experiences to be collected, they are not always a realistic format for data collection when a project has a restricted timeline. In contrast, the questionnaire and survey route still provide primary accounts of what the museum is going through and firsthand, written opinions that formal documents cannot provide. By obtaining responses from administration, outreach staff, and other leaders of organizations I was able to gain valuable, up to date information straight from the source. Secondary sources of data, such as financial and annual reports, provide an intricate look into past data and impact of a museum and allowed me to compare and contrast the highs and lows of the organization's past.

The original goal of this project was to conduct a total of two to three interviews from people who work in the following departments at the Field Museum: administration, fundraising

or finance, and programming or outreach. By interviewing people from each of these departments, the research would allow a holistic analysis as to how geography and attendance play a role in the museum's financials and fundraising. Unfortunately, this did not work. I initially reached out 5 people who worked in the following areas: budget operations for the Science and Education Department, a special events manager, a communications manager, a grant writer, Budget & Treasury, and Institutional Advancement. While these areas seem to fit into the broader categories stated above, not everyone thought they were the correct fit. Only two of the five people who I initially emailed responded to the request, and in the end only one person was able to participate in the questionnaire/survey.

The initial timeframe for research collection was October 10 through October 31, 2022. This nearly four week period provided a sufficient amount time to create interview/questionnaire questions and a survey, reach out (including multiple follow-ups), and allow for potential participants to respond to the questionnaire while also leaving time to review and analyze data. It also allowed for an extension of time which was needed. Ultimately, the data collection period was extended to November 4, 2022, to increase accessibility for potential responders. Unfortunately, this new timeframe did not grant me enough time to reach out with follow up questions that I would have liked to include after the initial questionnaire/survey response.

The secondary data used in this research process, annual and financial reports, were drawn from open access documents on the Field Museum's website. I reviewed all reports available, from 2010-2021. The Field Museum's fiscal year (FY) matches the calendar year and runs from January 1 through December 31. For the annual reports, I used qualitative analysis and examined similarities and differences over the past 11 years. For the financial reports, I applied the basics of financial analysis and looked at total revenue and expenses, trends over time, and

any outliers that popped up over the decade. I used Excel to calculate average total revenue, average total expenses, and average total assets and liabilities. I also used Excel to create graphs and tables to aid in the visual presentation of these outcomes.

The data analysis falls into three categories: geographic location, attendance and stakeholders, and financial health. Grouping the data retrieved from the survey, annual reports, and financial reports in this way enabled me to easily compare similarities and differences.

Results, Implications, & Recommendations

To gather well rounded, holistic results for the question “To what extent does geography and attendance impact the Field Museum’s financial health and sustainability?” I thought it prudent to analyze many different forms of data, as outlined in the methodology section. This section will be divided into three parts. The first two parts discuss the secondary data I collected via annual reports and yearly financial audits, and the third will address the primary data through the questionnaire.

2010-2021 Annual Reports

When reading and analyzing the Field Museum’s annual reports, I looked for any kind of data that correlated with the primary aspects of my research question: location, attendance, and finances. I also identified any outliers in the reports.

One of the most interesting things I found regarding location is community engagement, especially in education. Like presented in the literature review... As mentioned previously, the Field Museum is located in Chicago, Illinois, United States of America. According to the US Census Bureau, as of July 2021 the city of Chicago’s population was just shy of 3 million people. Just over 20 percent of the population is under the age of 18, which means a majority of this subset is school aged (U.S. Census Bureau 2021). After analyzing the Field Museum’s

annual reports, it is easy to say that one of the biggest advantages to its geographic location is the wide reach to schools, summer camps, and other academic and related institutions. In the most recent annual report (2021), over 6,000 children were engaged in the Youth Conservation Action (YCA) and other education programs; 586 nature kits were distributed to schools; 355 teenagers participated in the museum's Teen Volunteer Program; and 65 teachers were served by school-based programs (Field Museum 2021:18). These activities do not include the school aged children from around the city, state, country, and world who attend the museum with their families, friends, or on field trips.

In 2012, the Field adjusted its education model and programming which led to the dramatic increase in numbers over the years. Beth Crownover, Director of Education (as of 2012), stated "Focusing on Pre-K to grade 12 and family audiences, we have created initiatives that help children explore science and develop critical thinking skills" (Field Museums 2012). The museum sought to focus on three primary Chicago needs over the following five years: build children's awareness of science, enhance science in the classroom, and engage teenagers in science. Another form of educational outreach that was successful due to the museum's location was an innovative partnership with area schools. In 2014, the Field embarked on a four-year partnership to transform the pre-K through third grade science programs in ten Chicago archdiocesan schools (Field Museum 2014:19).

The Field found other ways to enhance its outreach via geographical location, and it was not always in Chicago. In 2013, more than 1 million people in North America had the opportunity to visit and experience traveling exhibits created by the Field Museum (Field Museums 2013:3). Not only does this increase awareness and knowledge about what the Museum does, it also increases the impact the Field has on people. In terms of museum

financing, the museum gains revenue because traveling exhibits generate increased attendance and the museums which host the traveling exhibits often pay a fee for the exhibits to be there.

In 2015, the Field began what it called *Virtual Visits* (Field Museum 2015). These visits enabled scientists to visit students across the country virtually. This new programming meant scientists and educators were able to connect with anyone, anywhere, which ultimately enhanced outreach. This program also encourages sustainability on an organization's financials. By not incurring travel and accommodations expenses, the museum instead has the opportunity to put that money towards other operating costs.

Finally, the Field Museum's location in Chicago enabled them to take part in leading the world's largest March for Science in April 2017. This rally drew a total of 40,000 people, including 700 staff, donors, and families from the museum. The geography of the Field provided a centralized location for the march to occur, not only in the city of Chicago, but also in the country. This centralization also made it possible for more people to attend, ultimately heightening awareness of the museum and its programs and bringing in more people and revenue.

Attendance was also a significant factor throughout the decade of annual reports I examined. In the 2010 annual report, the Museum stated, "Throughout the year, 663,000 visitors participated in more than 2,400 workshops, lectures, festivals, training programs, field trips, demonstrations and community programs" (Field Museum 2010: 3). Later in the same annual report it noted "In 2011, 1.2 million visitors experienced the Museum's 37 permanent exhibitions" (Field Museum 2010: 6), and in 2016 the museum campus had over four million annual visitors. Ultimately, attendance is a major source of the Field Museum's financial

sustainability because it makes up almost a quarter of the museum's total operating revenue per year.

The way the Field Museum addressed the state of its financials in its annual report was interesting. In the first two years of reports I looked at, 2010 and 2011, there was an entire section dedicated to outlining the year's financial stability and how factors such as museum attendance and grants have an impact. However, as the annual reports got more graphically oriented and newer, the financial statistics diminished.

In the 2010 annual report, the museum noted it would be implementing a "Plan for Financial Stability". Its purpose was to "refine the dual scientific and educational missions of the institution and start to strengthen its financial position for long-term stability" (Field Museum 2010: 9). Throughout fiscal years 2010 and 2011, the Field was successful in implementing portions of the plan as a trial run as well as a cost reduction strategy to prepare for official implementation in FY 2012. The financial stability plan was designed to last five years, and one can assume it was successful based on the museum's reduction in expenditures and increased revenue over the decade. Unfortunately, there is no further acknowledgement of this sustainability plan in future annual reports.

Other highlights of financial stability and sustainability in the Field Museum's annual reports include an update in 2013 about donation support and an update from 2019 about grant recipients. According to the 2013 annual report to donors, \$8.4 million was received in unrestricted support which was, at the time, the highest amount in the museum's history. That same year there were also 3,400 donors, a 15 percent increase from the year prior (Field Museum 2013). The 2019 annual report to donors noted over \$1 million in new federal grants was awarded for research. While this may not seem applicable to the organization as a whole because

it is generally for research, grants like these often include budget items for overhead and operating costs, which supports the museum's overall financial stability and sustainability.

I also identified outliers in the decade's annual reports. In both the annual and financial reports, the primary outlier was 2020 and the Covid-19 pandemic. Fortunately, the *Virtual Visits* the Field began in 2015 established the basic knowledge and technology about how to facilitate online programming and education. Throughout the year alone, almost 300,000 students were served by online programs, and more than 600 children participated in virtual summer camps (Field Museum 2020). The museum was also awarded \$3.8 million in federal and state research grants which helped support a variety of research efforts throughout the challenges of the pandemic. Lastly, in 2020 more than 100 events were held virtually for members and donors of the museum, which aided in sustaining the museum's financial strength during the year and the rebound in following years.

2010-2021 Financial Report

In addition to the annual reports, I used all publicly available financial audits to complete my research and analysis. This includes 11 years, spanning from 2010 to 2021. Because this study spanned a full decade, I used the average of each major category to simplify the data. Over the previous 11 years, the Field Museum's average total revenue, including other support, was \$67,105,507. Using this average calculation and the museum's average total expenses for the decade, which equals \$63,365,141, I was able to determine the average net income for the Field Museum: \$4,839,244. Overall, this is a net gain rather than loss which, on a surface level, demonstrates that the Field is consistently financially stable.

Net assets are also a vital part of a financial analysis, including fund balance. The average total net assets for the fiscal years of 2010 through 2021 was \$487,149,599 and the average total

liabilities and net assets combined for that same time frame was \$687,410,852. By dividing the total net assets by the total liabilities, and ignoring the combined liabilities and net assets, I was able to find the fund balance for each year and calculate the average. The average fund balance for fiscal years 2010-2021 for the Field Museum is \$476,154,013. These net assets come from analyzing the average unrestricted, temporarily restricted, and permanently restricted assets of the museum. Between FY 2010 and FY 2017 the museum divided its financial report into these three categories. However, beginning in FY 2018, the financial audits used only two categories: “with donor restrictions” and “without donor restrictions”. The average unrestricted assets for FY 2010-2017 were \$232,739,255, the average temporarily restricted assets for FY 2010-2017 were \$83,808,427, and the average permanently restricted assets for the same set of years were \$109,420,299. After the category change in Fiscal Year 2018, the average assets with donor restrictions totaled \$326,325,370 and the average assets without donor restrictions totaled \$261,470,708.

Two specific and important lines in the financial audit reports from the Field fall under the Revenue and Support section. These lines include “Memberships” and “Admissions”. Although these items are specific to arts and culture nonprofits, they are highly significant when in determining the revenue generated for the organizations, especially outside of fundraising and donations. Prior to the pandemic (FY 2010-2019), memberships made up just shy of 4 percent (3.90%) of the Field Museum’s Total Operating Revenue, with the highest year being 2012, where memberships reached 4.70 percent of the year’s TOR. However, in 2020, membership revenue dropped significantly, landing at 1.89 percent of the Museum’s TOR for that year. While this decrease may not be critical to the financial survival and sustainability of the Field Museum, attendance is vital. Prior to the pandemic (FY 2010-2019), admissions alone constituted an

average of 21 percent of the Field's Total Operating Revenue, with the highest amount occurring in 2016 at 28.43 percent of the year's total operating revenue. However, in 2020, admission revenue dropped to only 5.31 percent of the museum's total revenue for the year.

Like with the annual reports, there were a few outliers in the financial audits I analyzed. This included the Covid-19 pandemic throughout the fiscal year of 2020, but also a few miscellaneous line items only applicable to single years. While it is not surprising to note that the entirety of 2020 was consistently below average, it is important because it aligns with a lack of attendance for the museum. Total revenue for the year was \$48,872,903, and total expenses were \$54,671,120. Admissions revenue, which normally makes up anywhere between 20 to 30 percent of the Field's total operating revenue, dropped by almost 15 percent over the year. This rapid and drastic decline could have been detrimental to the museum if not for its extensively diversified financials. Even still, the museum has not regained the total revenue, including memberships and admissions, it had prior to the pandemic.

The two other outliers included a line in 2011 called "Proceeds from sales of collection items", and a line in 2017 called "Strategic science initiatives". While not uncommon, it is interesting to note the Field Museum sold collection items in only one year over the past decade. This sale generated \$3,825,000 in revenue for the museum, which is not insignificant. Many museums around the world participate in the selling of collection items to generate revenue, so it is interesting to me that this process has not occurred more often for the Field and therefore generated more revenue than what was stated. The line item from 2017, "strategic science initiatives" is interesting because there is not context for what the program might mean or be. While it brought in \$39,194 over the year, that money is not included with other line items like

“Science and Innovation” or “Public Programs”. It makes me question why this line item was differentiated and what it was for.

Primary Data: Survey Conclusions (see Appendix A for full questions)

Like the annual reports and financial audits, I categorized the survey data into four groups: attendance, financials, geographical location support, and outliers. As noted throughout the decade of annual reports, an average of 1.2-1.3 million people attend the Field Museum annually. While analyzing the response I received from the survey, I found the answer to question 13, “How is your organization’s financial health and sustainability impacted by the number of people who attend your museum, special events, or programs?” vital. The museum’s response expressed that without earned revenue, if attendance were to decline significantly without expectancy and with no anticipated return, it would be detrimental to the museum’s finances and contingency plans would have to be implemented to “offset the overall impact”. Another key response to the survey was regarding question 19: “Does attendance to your museum (under any circumstance, frequent or not) impact your annual donations? If so, how dependent is your organization on attendance as a funding source?”. While it might not seem like it based on what is expressed in the financial analysis, attendance critically impacts the Field’s membership program because many visitors elect to purchase a membership rather than tickets, presumably because it is more cost effective than purchasing multiple \$25 tickets.

The Field Museum also receives financial support from many different sources, illustrated in the yearly financial audits, which illustrates the diversification a museum of this caliber possesses. While most of the questions in this survey were formatted as long answer, I made sure to include some sliding scale and multiple selection questions. Two of these sliding scale questions asked how diversified and sustainable the Field’s financials were. For both

questions, the respondent gave their organization a 7 out of 10 score, 1 being lowest and 10 being highest. With little to no explanation, I see this score as a positive rating. It is considerably above average, while still leaving room for improvement. In response to question 9, “What steps does your organization take to stabilize its financial health?”, all of the museum’s budgets, including an estimated net profit, are approved by the Board of Trustees. The respondent also stated that all new projects are required to secure funding prior to starting. These safeguards help to ensure a much lower risk of something unexpected occurring. This lack of risk means the Field is consistently funded and therefore can operate sustainably with its financial position. Finally, when asked about what might be most detrimental to the organization’s financial health (outside of something like another pandemic), the respondent said that philanthropy was another risk for the museum, especially if the Field’s donor pool is impacted negatively by economic uncertainty.

Like with the other two sources of data, the survey response confirms that location is a meaningful factor to explore. While location obviously aids outreach based on the data in annual reports, my survey data illustrated that location impacts who attends the museum and who donates to the museum. While the Field gets visitors from all over the world, the majority of both visitors and donors are from the local Chicago area and the Midwest region of the United States.

Finally, outliers were also expressed in the survey response. The survey respondent identified 2020 and 2021 as outliers due to Covid-19, consistent with both the annual reports and yearly financial audits, but also considered the reputation of the Field Museum as a significant factor that influences attendance and therefore financial sustainability. Since the museum was closed to visitors for more than seven months over the course of 2020 and 2021, revenue for the museum dropped by approximately 16.5 percent. Thankfully, attendance has been mostly back to

what it was prior to the pandemic throughout 2022, which means the Field is expected to finish the year ahead of its estimated totals. In terms of reputation, according to the respondent, the Field is the fourth largest natural history museum in the world. Its reputation for stellar collections and exhibits and its presence via research and international educational and internship programs draw in visitors who might not otherwise attend the museum. This ultimately increases attendance and therefore increase earned revenue and impact the Field's financial sustainability.

Conclusion

While on paper it might seem like attendance and location have little to do with the financial health and sustainability of a museum like the Field, when it came to analyzing the Field Museum's annual reports, yearly financial audit, and the employee survey response, it is clear how intertwined these factors are.

One of the most impactful aspects of the Field Museum's location is being in a major U.S. city, which provides significant opportunities for outreach, community building, education, and many other things. A salient quote from the 2018 annual report states "The combination of capacity building with empowering youth programs is helping the Museum cultivate conservation leaders in the future" (Field Museum 2018: 21). The ability of the museum to garner attention and attendance ultimately builds a larger community and establishes a foundation for the future. In turn this community will become members, donors, supporters, and patrons of the museum which, including financial diversification, establishes financial sustainability for the museum itself and the programs and research in which it participates.

Ultimately, based on both the analysis from the financial audits and the response from the survey, diversification is one of the primary ways that the Field Museum stays operational and therefore sustainable. Without the multiple forms of funding that this museum receives, it would

be at a significant loss and therefore at risk of losing revenue rather than gaining it. Pop and Borza (2016:9) note that the larger and more diverse a museum is, the more likely that organization is to be sustainable and therefore have a higher impact with their audience. This is the same argument that Bradburne (2001) establishes, and it is clearly illustrated at the Field. Due not only to its many efforts but also to its geographical location, the Field Museum has a high attendance rate and a high outreach and programming frequency. These factors significantly contribute to the museum's ability to sustain a large and diverse funding strategy, and ultimately a financially healthy organization.

The stakeholders, including visitors, members, donors, and others, and location, also play a major role in the financial health and sustainability of the Field. As discussed in the literature review and expressed by Lindqvist (2012), a museum is financially dependent on its long-term stakeholders, both donors and regular attendees, to lower its risk of failure during crisis. As referenced in the analysis of the primary data, the primary stakeholders of the Field Museum are located in and around the geographic location of the museum (i.e., the city of Chicago and the region of the Midwest). Ultimately, this location in a large urban area not only allows access to a vast donor base and group of stakeholders, but also provides more resources in general for the museum.

Overall, this project demonstrates the critical role attendance plays on the museum's earned revenue and therefore financials. For a museum similar in size to the Field Museum, attendance makes up almost a quarter of its annual total operating revenue. This is not only due to its location, but also its reputation, both of which enhance the organization's outreach and therefore the people who know about and ultimately attend the museum. It is a continuous cycle

of outreach, attendance, earnings, and diversification that make financial sustainability possible for the Field Museum.

There were a few limitations of my study of the Field Museum and its financial sustainability. As stated previously, this project was limited by the constricted timeframe. With more time, my hope would have been to persist with long-format interviews, either online or in person. With only three months to conduct research, matching schedules and finding time for longer interviews is difficult, especially when attempting to conduct those interviews with people who work full time and have other obligations. Another limitation to this research is that while I utilized the financial audits publicly available on the Field Museum's website, the data in these audit reports does not necessarily align with what is reported on GuideStar. Another limitation to this study is the fact that a number of the questions asked in the survey were based on opinion. While I was told that the response I received was a collaborative effort, I still only received one response on the survey therefore gained a limited view of opinions of the organizational members at the Field. The final limitation to this study is that this was only completed on one, large, urban organization. I would be intrigued to know if similar results arise when looking at a smaller, more rural museum.

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Appendix A

Attendance, Geography, and Financial Sustainability Survey - Qualtrics:

Clara Barbier, NIU NNGO Studies 495 Capstone (Fall 2022)

1. --
2. What is your organization's average attendance? (per month?, per year?)
3. What are the demographics of those attending? (Gender identity, race/ethnicity, age, socio-economic status, etc.)
4. What are the trends in your demographics? (most common vs least common, etc)
5. Where do your finances come from?
 - a. Special events
 - b. Earned income – gift shop, tickets, etc.
 - c. Fundraising + donations
 - d. Grants
 - e. Other
6. On a scale from 1-10 (1 being lowest, 10 being highest), how diversified would you say your organization's finances are?
7. Does your organization have a unique way of gaining funds?
8. On a scale from 1-10, how would you rate your organization's financial sustainability?
9. What steps does your organization take to stabilize its financial health?
10. Do you think your organization's financial health or sustainability could be improved? If yes, how?
11. What might be most detrimental to your organization's financial health and sustainability?
12. How does geography impact the people who attend your museum?
13. How is your organization's financial health and sustainability impacted by the number of people who attend your museum, special events, or programs?
14. --
15. How does financial accessibility impact the people who attend your museum? Is your entrance fee reasonable for people who are low-income or need financial aid?
16. What does your organization do to make your museum more financially accessible?
17. What could your organization improve upon that would allow more people to attend your museum or its special events who could not previously because of financial restrictions?
18. What are your donation demographics? What are the trends in these demographics?
19. Does attendance to your museum (under any circumstance, frequent or not) impact your annual donations? If so, how dependent is your organization on attendance as a funding source?
20. How does geography impact your donations? Do people who are located close to your organization donate more or less (in amount/frequency)?
21. Does your organization gain donations from around the country or world? Is the amount that these donations are for comparable to donations that come from locations geographically closer to your organization?
22. How does the reputation of your organization play a role in your attendance (numbers or demographics)?
23. How does your organization's geographic location play a role in your reputation?
24. How does your organization's reputation impact its financial health and sustainability?

Appendix B

