

### **Is participation financially viable?**

I came to our museum in May of 2011,  
we're on a fiscal year that runs  
from July until the next June.

So the year that I came,  
we were kind of hitting rock bottom.

That year we had 17,000 visitors  
and we ended the year in the hole, with no money.

Like, really no money, no secret money  
on the side in a bank account  
just no money at all.

But this crisis created an opportunity  
for us to really change everything  
that we did very dramatically.

And so we took this approach:

Participation, social bridging, experimentation.

Here's what it looked like one year later.

We'd more than doubled our attendance  
and we built up a year in the black  
for the first time in 10 years.

Unless you think we had one big year  
of excitement and then people cooled off  
this was the next year.

The year that's now ending this month  
we're on track to have about 50,000 visitors  
and we have about \$1 million in the bank  
that we didn't have before.

So really for us, this is not a strategy  
that's just about programming  
it's a strategy about changing our whole museum.

And before I go to lessons,  
you know, the numbers are great  
but what's even more impactful really,  
are these stories that we're hearing from people.

I don't know how close the screen is for you  
so I'll just read out this comment from downstairs.

It says, "Just a comment, tonight I am amazed.

I'm really enjoying the vibe here you all have created.

Your vision, energy and community building  
has really added a lot to Santa Cruz.

Every time I come to one of these events,

I'm like 'wow'. Thank you."

For us, it's this kind of energy  
and enthusiasm, the fact that this experience  
is not just happening behind the scenes  
but in and with our community,  
that really moves us forward.

I'm just going to take the opportunity to ask one question...

Sure.

...to give them the space.

Can I concentrate on, what to some people  
may be a fairly boring aspect  
and that's the income generation  
that you talked about at the beginning.

Now, you didn't make clear

what the financial basis of your organisation is.

Are you a charging museum?

For example, do you charge for people to come in?

Yeah, so, we're a private non-profit

and we do charge a very small amount,

we charge \$5, but we have 70% of our attendance

comes free in a variety of different ways.

We've struggled a lot with whether

we should be free or not

and the struggle has come down to

the specialness of free days

and the energy that that generates

and also the fact that we do this programme

we call Spontaneous Free.

This was inspired by...

a librarian once said to me,

"The best way to make somebody

who's gonna love the library for life is to waive their fines."

"When they come back with a book that's late,

if you can say to them, don't worry about it

the sense of relief and complicity

there is really positive."

And so, we have this approach

we call Spontaneous Free,

where when you walk into the museum

if you walk up and open your wallet

and say, "Here's my \$5", we take it  
If you're looking around, if it's pretty clear  
that this is your first time visiting,  
and again, we're small, it's pretty easy  
it's not like there's volumes of people coming in.

We always just say,

"Oh, have you been here before?"

"Oh no, come in on us, it's free for you today

we'd love to, be our guest."

And we really struggle with the question

of whether we should be free

or whether being able to give

that gift is more powerful emotionally.

I will say, so financially,

our basis is about...

charging is a very small part of it.

Our event charging, maybe generates...

we're about a million dollar organisation.

About \$100,000 of that comes

from charging in a variety of ways.

Another... we have about \$350,000

that comes from public sources in different ways

and then the rest is grants

and individual donations and that's about split.

The grants we get are typically grants that are on the side

that are really focusing on innovation

and community inclusiveness.

Sort of like what you guys are all involved with,  
this type of grant from a foundation  
that cares about this kind of work.  
Our individual donations, curiously, have really shifted.

They used to be people who love art,  
love history, love learning.

Now many more of them are people  
who are giving us cheques and saying  
"I love what you're doing for the community", or  
"I love how this is really improving Santa Cruz."

So it's being treated more like  
a community development organisation, which was intentional.

Before we go on to other people's questions  
can I just probe you a little bit more?

Yeah, sure. Please do.

I know that some of the organisations in this country,  
we're going through financial difficulty,  
museums are facing lots of cuts  
and a lot of organisations see it,  
or feel a tension between  
on the one hand; income generation,  
and on the other hand;  
this sort of deeper community engagement and participation.

Now at the beginning of your talk  
you showed this extraordinary graph.

The attendance was low and then you were in deficit  
and then within a year, attendance shot up...

Right.

...and you were making profit.

Is there a direct link between

participation and income generation

in Santa Cruz, and if so, what was it?

Yes, but let me say two things.

First of all, what's hidden in that graph

is the fact that ending up at the end of the year in the black

is not just about raising money, it's also about cuts.

So, about half of that \$300,000

that we ended up, up that first year

was cuts that we had made. So it is on both sides.

It absolutely is related to income generation

although very little of that income

generation happens from people walking in and giving us \$5.

In fact, that has stayed completely flat,

our admission has not increased.

Instead though, what has happened

is it's really changed the culture of philanthropy

around the museum and I know that works very differently

in the UK than it does here.

But again, when I came, this museum

was not being sustained

but it was still a functionally similar

model of being donor focused

but the donors who were here were donors who

cared about the art, they wanted to see

great art, that's what they cared about  
and now we have donors who care  
about who's involved, who's engaged  
what's happening for them, how is it changing your community.

So, I would argue that we've opened ourselves up  
to a greater philanthropic pool locally  
because there are many more people  
who care about making our community better  
than there are who care prescriptively about a museum.

I will say the one place where  
income generation has gone up,  
which unfortunately I think most museums  
have already monetised very well, is facility rental.

I actually have completely changed  
my perspective on facility rental.

I used to think of it strictly as a business unit.

When I worked in a big museum,  
it absolutely worked that way  
it had no touch with programming  
but what we're finding here in a small  
museum in a small community  
is people are not renting the museum  
for corporate events or private parties  
they're usually renting them  
for community or non-profit fundraisers  
or mixers, or things like that,  
and they almost always want the museum

to programme something as part of it.

They see it as part of the way

they experience the museum as a community place.

And I've been very surprised by that

and it's really changed my perspective

on the value that facility rental brings.

So much so that when we talk about

whether should we expand our evening hours,

we really think it's an open question

whether it serves the community better

to be open later or to be accessible for,

say the Rotary Club to have an event.

We see that as having

a real community value as well.