

Report shows overspending on cultural institutions in boom years

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Civic leaders, arts organizations, donors and government officials can better plan new or expanded arts facilities by first focusing on the arts organizations' missions and assessing demand for the projects, according to a new study from the Cultural Policy Center at the University of Chicago.

The study, "Set in Stone," looks at a major building boom of museums, performing arts centers and theaters in the United States from 1994 to 2008. It is the first scientifically prepared study of its kind and was requested both by cultural leaders and major [foundations](#) that had, in many cases, provided support for these building projects.

"Set in Stone", released on June 28 by the Cultural Policy Center, a joint project of the University of Chicago Harris School of Public Policy Studies, and the [social science research](#) organization NORC at the University of Chicago. The study looks at the lessons that can be learned from the cultural expansion.

The work was based on interviews with people in more than 500 organizations and drew data from more than 700 building projects, including both new facilities and major renovations. The costs of the projects ranged from \$4 million to \$335 million. It relied on rare, behind-the-scenes access to the discussions surrounding the buildings.

Unexpected challenges amid building boom

The building boom in cultural facilities from 1994-2008 outpaced building in other sectors, such as health care, said Joanna Woronkowitz, an associate at the Cultural Policy Center and one of the authors of the report.

"Expansive new venues, signature architectural statements, vital new centers of artistic and cultural activity, and objects of civic pride—all these could appear to be positive indicators," said Carroll Joynes, co-founder and senior fellow at the Cultural Policy Center. Joynes joined Woronkowitz in authoring the report, in addition to center colleagues Norman Bradburn, Robert Gertner, Peter Frumkin, Anastasia Kolenda and Bruce Seaman.

"At least in the beginning, each of these projects was based on the assumption that a new facility would help increase audience size, increase earned and donated income, and at least indirectly, help realize the institution's mission," said Joynes. In some cases, this worked. But in many instances, the experiences in these new and expanded facilities were much more difficult and challenging than predicted, and put enormous strain on institutions.

The study looked at great variations in cultural building projects in the United States. Among the key findings:

- Cities in the South had the greatest increase in cultural buildings. The region had lagged behind the rest of the country prior to the building boom — the Northeast and West had twice the number of cultural facilities per capita in 1990 than did the South.
- Increases in building were most common in communities with increases in personal income and in education among their residents; this was another reason why the South led in building expansions.

- Spending was also strong across the rest of the country from 1994 to 2008. The New York area led the country in cultural building (\$1.6 billion), while the Los Angeles area saw an expansion of \$950 million and the Chicago area saw spending of \$870 million on arts-related projects.
- Smaller cities with fewer than 500,000 people were building as well, and many of these cities were building for the first time. On a per capita basis, nine of the top ten spenders on cultural projects were in smaller cities. Pittsfield, Mass., for example, with a population of 44,700, led the list with a per capita expenditure of \$605 for six projects at a total cost of more than \$81 million.
- More performing arts centers were built than any other kind of arts facility.

No assurances that 'if you build it, they will come'

Interviews with leaders of the project, as well as the data gathered from public sources about the expansions, helped the authors assemble advice for people contemplating projects that will comprise the next generation of expansion, the report pointed out.

Before formulating a final plan, institutional leaders and donors need to take time to adequately understand the precise reasons for launching a major building project, determine if there is actual need, and if there is adequate support in the community both for attendance, and for financial support. Skeptics need an opportunity to voice their concerns as part of this process — and often this seems to be discouraged, Joynes said.

"Based on our observations of the projects, we identified important characteristics that were common among successful projects," Woronkowicz said.

"When it came to motivation for the work, we found the most successful projects were driven by both the organization's artistic mission and by clear and definable need.

"We also found that projects were successful when leadership was clear and consistent throughout the process. It helped enormously when there was one project manager, answerable to the board, in charge of the details and accountable for progress," she added. Success also depended upon the flexibility of the organization in generating income after project completion, and on how effective the organization was in controlling expenses as the building took place, she pointed out.

The recommendations are based on observations made by people interviewed in the study, who said they may have made different recommendations had they had the chance to understand fully the scope and cost of the project from the beginning, the report points out.

"Also, a big problem is estimating the actual demand for cultural projects," said Joynes. Although increased education and income are usual predictors of demand for music, performance and museums, actual vs. predicted attendance does not follow a scientific formula," Joynes said.

"It's not an automatic, 'you build it, and they will come,'" he said. In some cases, building projects suffered because they were not in sync with the mission of the organization, or were built more because of the individual aspirations of donors or local community leaders than because of an actual need for a facility.

The researchers also found that some projects stumbled when they became signature pieces for leading architects who ended up designing a significantly more expensive building than the organization could afford to build or maintain.

The initial cost projections for some of these structures were frequently extremely (and unrealistically) low, making the final tab much more expensive than originally forecast. Additionally, because it could take up to ten years to plan and complete a project, the actual needs of the communities served by the project could end up being very different from those originally envisioned.

As a result of these miscalculations, sometimes very substantial, some cultural arts facilities ended up being forced had to reduce access, rethink performance and exhibition schedules, and lay off staff in order to meet their budgeting targets.

Resources for further discussion

In order to make its research available to people around the country, particularly those who conceive, plan and pay for new facilities, the Cultural Policy Center has developed resources on its website to share the results of the study:

- An electronic bookshelf with other suggested readings.
- Videos which explain the project and provide guidance to cultural leaders about the study and its findings.
- Case studies which can be used by students studying cultural expansion as part of arts administration or public policy courses, and also be available to local civic leaders thinking about a new facility.
- Executive education material to be available for classroom use. In addition to the web-based resources, the research team will also be speaking at gatherings of leading cultural institutions to provide insights from the study.

The data from the study are the basis for two books forthcoming in 2013 at the University of Chicago Press:

- *Constructing Culture*, by Woronkowicz, Joynes and Bradburn, will look in greater detail at the landscape of the building boom and the decision-making process behind it.
- *Building for the Arts: Toward Strategic Design*, by Frumkin and Kolendo, looks at the complex process of building major cultural facilities and proposes a conceptual framework and theory of successful cultural infrastructure construction.

Provided by University of Chicago

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