



Research Division
Note # 64
May 1998

Museums, Arboreta, Botanical Gardens and Zoos Report 18% Growth, 1987-1992

The 1992 Census of Service Industries counted 3,553 taxable and tax-exempt museums, art galleries, arboreta, botanical and zoological gardens.¹ This number was up 18% from the 1987 count of 3,023 museum institutions and 36% from the 1982 count of 2,606 museum institutions. In the museum category, there are two break-outs: (1) museums and art galleries (2) and arboreta, botanical gardens and zoological gardens. In 1992 the numbers of museum institutions divided by the Census breakouts were:

Number of Museum Institutions: 1992

	Taxable	Tax -exempt
Museums, Art Galleries	356	2749
Arboreta, Botanical or Zoological Gardens	119	329
	-----	-----
	475	3,078

The total amount of receipts/revenues of all museum institutions was \$3,390,240. Appendix Table 1 gives the total number of museum organizations, their total receipts/revenues, and the average receipts/revenues (both in nominal and constant dollars)² for 1987 and 1992.

The nonprofit museum community (or industry, equivalent to the tax-exempt category in this report), is categorized by the Institute of Museum and Library Services (IMLS) description of museums eligible for federal funding. IMLS divides museums into categories that, when aggregated, approximate the government SIC classification as follows:

<u>IMLS Classification</u>	<u>Census/SIC Classification</u>	<u>IMLS Classification</u>	<u>Census/SIC Classification</u>
Art Museums, Galleries	Museums and Art Galleries	Arboreta	Arboreta, Botanical and
Children Museums		Botanical Gardens	Zoological Gardens
Natural History Museums		Zoos	
General Museums			
Specialized Museums		Historic Sites/Houses	Other Attractions or Exhibitors:
Science Museums		Aquariums	natural wonder, aquarium,
Planetariums			historic site (no data in this
History Museums			report)
		Nature Centers	(no data on this group)

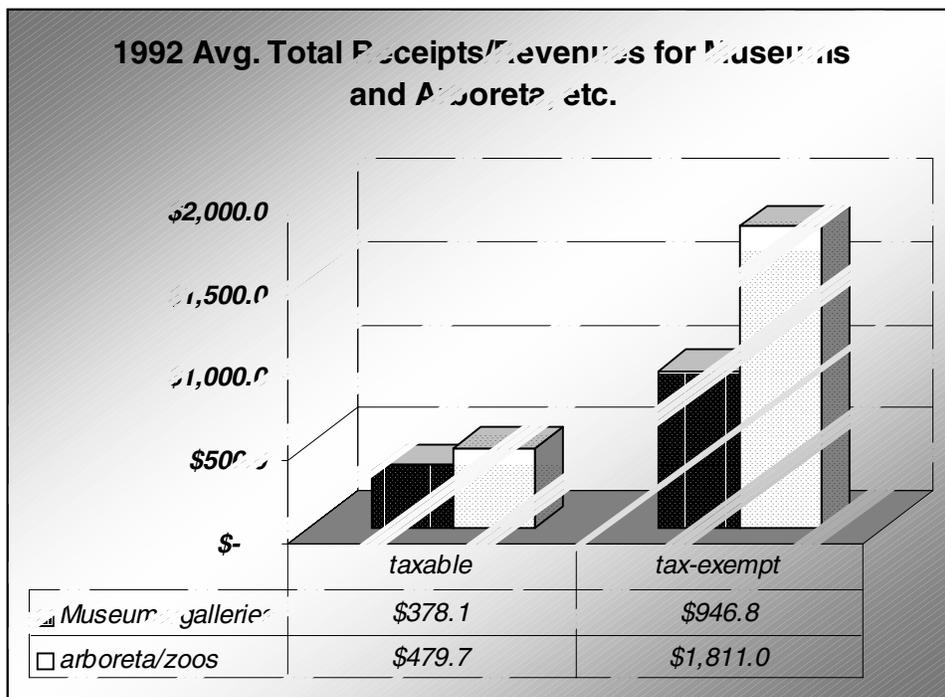
¹ See the discussion at the end of this note for methodology and other notes about the Census of Service Industries.

² See the notes on the calculations used to adjust for inflation.

The Census covers only those museums that are independent institutions. Other institutions within the IMLS universe include those that are a subsidiary part of a non-museum, not-for-profit institution such as a university, church or a social organization (e.g., the Daughters of the American Revolution) or are a part of a governmental entity (federal, state, regional, county, municipal). The notes at the end of this report include further discussion of the types of museums that would not be included in the census data. A comparative test of the 1987 census data using data from the 1989 National Museum Survey (sponsored by the American Association of Museums) found the census count to be within 3% of the AAM estimate of U.S. museums.³ For museum institutions, the number of institutions used was those “in business at any time during the year”. This figure is used because many museums and arboreta, etc. are seasonal organizations and would be closed at year-end (“in business at the end of the year”).

Figure A presents the average receipts/revenues for museum and art galleries and for arboreta, etc. The institutions included in Arboreta, etc. are larger on average than museums/art galleries; the tax-exempt institutions are larger than the taxable institutions. The average total revenues of tax-exempt museums and art galleries are over twice that of taxable museums and art galleries. For arboreta etc. (the bars on the right in each pair), the average total revenues of tax-exempt institutions is over three times that of taxable organizations.

Figure A



³ American Association of Museums, DATA REPORT from the 1989 National Museum Survey. Washington, DC, January 1992. (Special query performed by Monnie Peters, author of the data report)

Changes Since 1982

There has been steady growth in the number of taxable institutions since 1982. Figures were not available in 1982 for the breakout of museums/galleries and arboreta, etc.; the total number of taxable institutions was 220. In 1987 there were 238 taxable museums/galleries and 90 taxable arboreta, etc. for a total of 328 institutions. This increased again in 1992 to 356 taxable museums/galleries and 119 arboreta, etc. for a total of 475 institutions. So, in the ten year period between 1982 and 1992, the number of taxable institutions more than doubled.

Although the rate of growth for tax-exempt museum institutions did not match the rate for taxable institutions the growth was substantial. The 1982 census counted 2,368 tax-exempt institutions; this increased in 1987 to 2,695 (a 14% increase); in 1992 it increased again to 3,078 (14% again). Between 1987 and 1992, the growth was uneven between museums/galleries and arboreta, etc. The number of arboreta, botanical gardens and zoos increased by over 50%; the number of museums/galleries, by 14%.

Combined Taxable and Tax-exempt Categories of Museum Institutions: 1987 and 1992

	Number 1987	Number 1992	Percent Change 1987-1992
Museums/galleries	2,729	3,105	13.7%
Arboreta, etc.	288	448	55.5%
	Total Receipts/Revenues (\$1,000)		Percent Change
	1987	1992	1987-1992
Museums/galleries	\$ 2,278,031	\$ 2,737,337	20.2%
Arboreta, etc.	\$ 433,487	\$ 652,903	50.6%
	Inflation-adjusted Total Receipts/Revenues (\$1,000)		Percent Change
	1987	1992	1987-1992
Museums/galleries	\$ 2,741,313	\$ 2,737,337	0.1%
Arboreta, etc.	\$ 521,645	\$ 652,903	25.2%

Total revenues grew by about 50% for arboreta, etc. and by 20% for museums and art galleries. When adjusted for inflation, however, there was no growth for total museum receipts/revenues and only a 25% increase for arboreta, etc.

When average total receipts and revenues are examined (Appendix Table 1) for all four categories (taxable and tax-exempt museums and arboreta, etc.) and adjusted for inflation, it shows that no category grew in average total receipts/revenues.

Aggregate Financial Statistics of Tax-exempt Museum Institutions

Appendix Table 2 provides a breakout of financial data for tax-exempt (nonprofit) museum institutions. The top third of the table gives the total dollar amounts, the middle third gives the average amounts, and the bottom third provides the percent of each income source to the total revenues. Both

museums/galleries and arboreta, etc. reported an aggregate surplus of revenues over expenses. This surplus was greater than that reported by various categories of performing arts organizations. The average museum/art gallery had \$838,200 in revenues and \$759,700 in expenses. The average arboretum/etc. was much larger with \$1,330,000 in revenues and \$1,276,600 in expenses. (Among all types of museum institutions, zoos are the largest in terms of budgets.)⁴ As the table below (summarized from Appendix Table 2) shows, the sources of income for museums/art galleries differ considerably from arboreta/botanical and zoological gardens. Museums/art galleries reported 13% of their revenues from admissions; arboreta/etc. received 23% from admissions. Food, beverage and other (merchandise) sales combined accounted for 13% of the revenue of museums and galleries; in arboreta/etc. this accounted for 14%. Museums/art galleries received 40% of their income from government or private contributions, arboreta/etc. were almost the same at 39%.

Income Sources as a Percentage of Total Revenues for Museum Institutions (1987 and 1992)

	Museums/Art Galleries		Arboreta/Botanical Gardens/Zoos	
	1987	1992	1987	1992
Admission receipts	9.2%	12.6%	20.8%	22.6%
Membership revenues	5.3%	6.4%	7.1%	7.3%
Food, beverage, other sales	8.4%	12.9%	17.5%	13.9%
All other amounts from patrons customers, and contract fees	6.1%	8.7%	4.7%	6.3%
Government and private support	51.9%	40.2%	35.9%	38.8%
All other sources	19.1%	19.2%	14.1%	11.0%
TOTAL REVENUES	100.0%	100.0%	100.0%	100.0%

Both museums/art galleries and arboreta, etc. have increased their income from admissions since 1987.⁵ Museums/art galleries lost a substantial amount of government and private support, whereas arboreta, etc. gained more income in this area. This switch made the two types of institutions look much more similar than they had in 1987.

Geography of Museum Institutions

The regional picture for museum institutions differs when split into taxable and tax-exempt organizations (Appendix Table 3). The South has the greatest number of taxable establishments (34% of the museums/art galleries and 36% of the arboreta/etc.). This is similar to the distribution in 1987. Tax-exempt museums/art galleries are more evenly distributed throughout the country with no one region dominating the number of institutions. However, the distribution of tax-exempt commercial arboreta/etc. is uneven with the South having the most organizations. The uneven distribution in this category of arboreta/etc. is further seen when the total receipts/revenues are examined. The South has over 50% of the total receipts from taxable

⁴ *Ibid.* pp. 194, 253.

⁵ Research Note #48 presents data on 1987. See the notes at the end for citation.

institutions with Florida having the largest portion. This proportion is down from the over 60% the South had in 1987.

No one or two states dominate the museum field as they do in other artistic disciplines, particularly the performing arts. New York and California, however, still play a large role (percentages are of all U.S. establishments). These states stayed the same from the 1987 census with two exceptions in the taxable institutions: California replaced Florida as the state with the most taxable institutions, and Texas replaced Tennessee in the number five spot.

States with the Largest Number of Museum Institutions

		Taxable Establishments		Tax-exempt Establishments			
		#	%	#	%		
California:	Museums/Art Gal	37		New York:	Museums/Art Gal	283	
	Arboreta/etc.	16			Arboreta/etc.	34	
		----				----	
	All CA Estbs	53	11.2%		All NY Estbs.	317	10.3%
Florida:	Museums/Art Gal	27		California:	Museums/Art Gal	235	
	Arboreta/etc.	18			Arboreta/etc.	31	
		----				----	
	All FL Estbs	45	9.5%		All CA Estbs.	266	8.6%
New York:	Museums/Art Gal	18		Texas:	Museums/Art Gal	168	
	Arboreta/etc.	7			Arboreta/etc.	22	
		----				----	
	All NY Estbs	25	5.3%		All TX Estbs.	190	6.2%
Pennsylvania:	Museums/Art Gal	18		Ohio:	Museums/Art Gal	133	
	Arboreta/etc.	5			Arboreta/etc.	18	
		----				----	
	All PA Estbs	23	4.8%		All OH Estbs.	151	4.9%
Texas:	Museums/Art Gal	14		Massachusetts:	Museums/Art Gal	143	
	Arboreta/etc.	7			Arboreta/etc.	8	
		----				----	
	All TN Estbs	21	4.4%		All MA Estbs	151	4.9%

Most financial data including total receipts/revenues and total expenses are not disclosed in the state breakouts; therefore, no table is presented. For taxable museums and art galleries, California has the largest share of total receipts (12%) or \$16,678,000. Florida has the largest share of receipts for taxable arboreta, botanical and zoological gardens (39%) or \$22,159,000. These two states were the same as in 1987, although Florida's share of the Arboreta, etc. total receipts dropped from 45% of all U.S. institutions.

New York has the largest share of all tax-exempt institutions for both museums/art galleries and arboreta etc.). It has 19.3% of all museum and art gallery revenues (\$502,886,000) and 19.1% of all arboretum, botanical and zoological garden revenue (\$113,857,000).

Notes on the Census and about methodology: An Economic Census is conducted by the U.S. Bureau of the Census every five years. The reference years are the second and seventh year of the decade. The National Endowment for the Arts commissioned the Census Bureau to produce special tables of previously unpublished data collected in these censuses.

The universe of organizations that receive questionnaires is obtained from two sources: (1) filers of FICA reports (payroll tax report sent to the Social Security Administration) and (2) filers of IRS business income tax or informational reports (Form 990). The counts of numbers of organizations and their receipts/revenues in the tables and the analysis understate somewhat the actual levels of activity that occurred for three reasons. First, very small museum organizations are likely not to be included, because they have no personnel who are “employees” and do not file Form 990’s if their gross receipts are under \$25,000. Secondly, some museum organizations are operated as subsidiaries of organizations that are in a different industry (such as colleges and universities.). These subsidiary organizations would not be part of the Economic Census universe of museums, but may be counted as part of the universe of higher education, entertainment facilities, or government. A substantial portion of the museum institutions are government institutions or quasi government; these organizations would also not be included.

Because the Census Bureau releases only aggregated information, thus making it impossible to construct control groups of the same organizations from one census to the next, direct comparisons from one census to the next should be made with caution. It is the common experience of ongoing periodic surveys that the survey process, especially the development of the universe, improves with each survey. This probably results in more organizations being included each time. So an increase may be due in part to better coverage. Also, over time, more organizations may have become FICA report or Form 990 filers. It is not possible to sort out the relative importance of the various factors for increases in numbers; therefore, the characterizations of “growth” should be used cautiously.

Various terms are used interchangeably through this note. Although these terms have subtle differences in connotation, for this note, they can be thought of as synonyms. “Establishment” and “entity” are used for “organization”; “taxable” and “for profit” are interchangeable, as are “tax-exempt”, “not-for-profit” and “nonprofit”.

The difference between “receipts” (used for taxable establishments) and “revenues” (used for tax-exempt establishments) is that revenues include contributed (or unearned) income such as grants and contributions from individuals, corporations, and governments. These monies can be accounted for by the organization over a period of years, making comparisons with data from funders difficult.

To compare the real growth in revenues, receipts or expenses between censuses, the monetary figures in some of the analyses have been adjusted to account for inflation by using the Chain-type price index as published in *The Economic Report of the President 1997* (p. 304). The discussion uses the term “constant dollars” or “real growth” when figures have been adjusted for inflation. (“Nominal dollars” are figures not adjusted for inflation.) The year 1992 has been given the base of 100. The actual dollar figures for the years 1977, 1982 and 1987 can be inflated by dividing them as shown below.

year	inflater figure
1977	.475
1982	.702
1987	.831
1992	1.000

For more details on the economic censuses and discussion about other arts organizations,
see other notes

Note # 62: Count of Performing Arts Organizations Up by Over 30%, 1987-1992
Note # 63: The Performing Arts Spread Out: the Geography of performing Arts Organizations, 1992
Note # 65: Retail Art Galleries Continue Strong Growth in the Economic Census of 1992
Note # 66: Theaters Report 22% Growth in Economic Census: 1987-1992
Note # 67: Dance Organizations Report 43% Growth in Economic Census: 1987-1992
Note # 68: Classical Music Organizations Report 22% Growth in Economic Census: 1987-1992

These notes are available through the National Endowment for the Arts Web site at <http://arts.endow.gov>.

Or see the report from which these notes came:

Counting Arts Organizations Using The 1992 Census Of Service Industries.

The report will be available June 1998 from:

Research Division
National Endowment for the Arts
1100 Pennsylvania Avenue, NW
Washington, DC 20506
Phone: 202-682-5432
Fax: 202-682-5677
E-mail: Bradshaw@tmn.com

Reports and Notes on previous Censuses are:

Arts Organizations and the 1987 Census of Service Industries, ERIC # ED410185

Note # 43: Census Reports Number of Performing Arts Organizations Up 11% from 1982 - 1987
Note # 44: U.S. Performing Arts organizations Increase by 11% (State and regional analysis)
Note # 45: Census Reports 28% Increase in Number of Nonprofit Theaters: 1982 - 1987
Note # 46: Census Reports 18% Increase in Nonprofit Dance Groups: 1982 - 1987
Note # 47: Census Reports 30% Increase in Nonprofit Classical Music Groups: 1982 - 1987
Note # 48: Census Reports 6% Increase in Art Museums and Art Galleries: 1982 - 1987
Note # 49: Census Reports 91% Increase in Retail Art Dealers: 1982 -1987

Note # 19: 1,563 Retail Art Dealers Report 1982 Sales of Nearly \$700,000,000
Note # 21: 8,322 performing Arts Organizations Report 1982 Receipts/Revenues of \$4,399,200,000
Note # 23: Geography of U.S. Performing Arts Organizations in 1982 (Part 1)
Note # 24: Geography of U.S. Performing Arts Organizations in 1982 (Part 2)
Note # 25: Geography of U.S. Performing Arts Organizations in 1982 (Part 3)
Note # 26: Aggregate Financial measures of Nonprofit Theater, Dance, and Classical Music Organizations in 1982

APPENDIX TABLE 1: U.S. MUSEUMS, ART GALLERIES, BOTANICAL & ZOOLOGICAL GARDENS
AND THEIR RECEIPTS/REVENUES: 1992 and 1987

(Revenues for Tax-exempt and Receipts for Taxable Organizations in \$1,000)

	Tax-exempt	Taxable	Total
	-----	-----	-----
1992			

Museums and Art Galleries			
# establishments	2,749	356	3,105
Total receipts/revenues	\$ 2,602,725	\$ 134,612	\$ 2,737,337
Average receipts/revenues	\$ 946.8	\$ 378.1	\$ 881.6
Average receipts/revenues (constant 1992 \$)	\$ 946.8	\$ 378.1	\$ 881.6
Arboreta, Botanical or Zoological Gardens			
# establishments	329	119	448
Total receipts/revenues	\$ 595,818	\$ 57,085	\$ 652,903
Average receipts/revenues	\$ 1,811.0	\$ 479.7	\$ 1,457.4
Average receipts/revenues (constant 1992 \$)	\$ 1,811.0	\$ 479.7	\$ 1,457.4
1987			

Museums and Art Galleries			
# establishments	2,491	238	2,729
Total receipts/revenues	\$ 2,210,306	\$ 76,725	\$ 2,287,031
Average receipts/revenues	\$ 887.3	\$ 322.4	\$ 838.0
Average receipts/revenues (constant 1992 \$)	\$ 1,067.7	\$ 388.0	\$ 1,008.4
Arboreta, Botanical or Zoological Gardens			
# establishments	198	90	288
Total receipts/revenues	\$ 386,852	\$ 46,635	\$ 433,487
Average receipts/revenues	\$ 1,953.8	\$ 518.2	\$ 1,505.2
Average receipts/revenues (constant 1992 \$)	\$ 2,351.1	\$ 623.6	\$ 1,811.3

APPENDIX TABLE 2: AGGREGATE FINANCIAL STATISTICS OF TAX-EXEMPT MUSEUMS, ART GALLERIES, ARBORETA, BOTANICAL AND ZOOLOGICAL GARDENS: 1992 (\$1,000)

<----- TOTAL AMOUNTS ----->			
Type of Receipt/Revenue	Museums or Art Galleries	Arboreta, Bot. or Zoo. Gardens	All Museums and Arboreta, etc
Admission receipts	\$328,418	\$134,537	\$462,955
Membership receipts	\$165,350	\$43,717	\$209,067
Food and Beverages	\$50,408	\$34,838	\$85,246
Sales of other merchandise	\$285,531	\$48,477	\$334,008
All other amounts from patrons, customers, and contract fees	\$227,468	\$37,563	\$265,031
Government or private contributions	\$1,045,272	\$230,997	\$1,276,269
All other sources	\$500,278	\$65,689	\$565,967
TOTAL REVENUES: all establishments	\$2,602,725	\$595,818	\$3,198,543
TOTAL EXPENSES	\$2,358,810	\$571,910	\$2,930,720
Revenues/Expenses (%)	110.3%	104.2%	109.1%
Contributions & Grants/Revenues (%)	40.2%	38.8%	39.9%
Number of Establishments	3,105	448	3,553
<----- AVERAGE AMOUNTS ----->			
Type of Receipt/Revenue	Museums or Art Galleries	Arboreta, Bot. or Zoo. Gardens	All Museums and Arboreta, etc
Admission receipts	\$105.8	\$300.3	\$130.3
Membership receipts	\$653.3	\$97.6	\$58.8
Food and Beverages	\$16.2	\$77.8	\$24.0
Sales of other merchandise	\$92.0	\$108.2	\$94.0
All other amounts from patrons, customers, and contract fees	\$73.3	\$83.8	\$74.6
Government or private contributions	\$336.6	\$515.6	\$359.2
All other sources	\$161.1	\$146.6	\$159.3
TOTAL REVENUES: all establishments	\$838.2	\$1,330.0	\$900.2
TOTAL EXPENSES	\$759.7	\$1,276.6	\$824.9
<----- INCOME SOURCES AS PERCENT OF TOTAL REVENUES ----->			
Type of Receipt/Revenue	Museums or Art Galleries	Arboreta, Bot. or Zoo. Gardens	All Museums and Arboreta, etc
Admission receipts	12.6%	22.6%	14.5%
Membership receipts	6.4%	7.3%	6.5%
Food and Beverages	1.9%	5.8%	2.7%
Sales of other merchandise	11.0%	8.1%	10.4%
All other amounts from patrons, customers, and contract fees	8.7%	6.3%	8.3%
Government or private contributions	40.2%	38.8%	39.9%
All other sources	19.2%	11.0%	17.7%
TOTAL REVENUES	100.0%	100.0%	100.0%
	(\$)	\$2,602,725	\$3,198,543

APPENDIX TABLE 3: U.S. MUSEUMS, ART GALLERIES, BOTANICAL GARDENS, ZOOS AND THEIR RECEIPTS BY REGION: 1992 and 1987

<----- 1992 TAXABLE ESTABLISHMENTS (For Profit)----->									<----- 1987 TAXABLE ESTABLISHMENTS (For Profit)----->							
Museums or Art Galleries					Arboreta, Botanical Gardens, Zoos				Museums or Art Galleries				Arboreta, Botanical Gardens, Zoos			
REGION	Organizations		Revenues/Receipts		#	%	\$ (1,000)	%	#	%	\$ (1,000)	%	#	%	\$ (1,000)	%
	#	%	\$ (1,000)	%												
Northeast	72	20.2%	\$17,639	13.1%	28	23.5%	\$14,164	24.8%	43	20.0%	\$7,833	10.2%	21	25.9%	\$10,890	23.4%
Midwest	73	20.5%	\$13,832	10.3%	19	16.0%	\$5,501	9.6%	47	21.9%	\$4,861	6.3%	16	19.8%	\$4,778	10.2%
South	120	33.7%	\$72,008	53.5%	43	36.1%	\$30,732	53.8%	81	37.7%	\$48,174	62.8%	28	34.6%	\$28,901	62.0%
West	91	25.6%	\$31,133	23.1%	29	24.4%	\$6,688	11.7%	44	20.5%	\$15,857	20.7%	16	19.8%	\$2,066	4.4%
Total U.S.	356	100.0%	\$134,612	100.0%	119	100.0%	\$57,085	100.0%	215	100.0%	\$76,725	100.0%	81	100.0%	\$46,635	100.0%

<----- 1992 TAX-EXEMPT ESTABLISHMENTS (Nonprofit) ----->									<----- 1987 TAX-EXEMPT ESTABLISHMENTS (Nonprofit) ----->							
Museums or Art Galleries					Arboreta, Botanical Gardens, Zoos				Museums or Art Galleries				Arboreta, Botanical Gardens, Zoos			
REGION	Organizations		Revenues/Receipts		#	%	\$ (1,000)	%	#	%	\$ (1,000)	%	#	%	\$ (1,000)	%
	#	%	\$ (1,000)	%												
Northeast	767	27.9%	\$875,245	33.6%	81	24.6%	\$189,143	32%	732	29.4%	(D)	(D)	54	26.5%	114,139	29.5%
Midwest	680	24.7%	\$677,129	26.0%	68	20.7%	\$159,279	26.7%	620	24.9%	484,866	21.9%	46	22.5%	107,338	27.7%
South	756	27.5%	\$623,228	23.9%	107	32.5%	\$133,294	22.4%	679	27.3%	450,053	20.4%	64	31.4%	64,406	16.6%
West	546	19.9%	\$427,123	16.4%	73	22.2%	\$114,102	19%	460	18.5%	(D)	(D)	40	19.6%	100,969	26.1%
Total U.S.	2,749	100.0%	\$2,602,725	100.0%	329	100.0%	\$595,818	100.0%	2,491	100.0%	\$2,210,306	42.3%	204	100.0%	\$386,852	100.0%

(D): Data has been withheld to avoid disclosure for individual arts organizations. The data is included in the column total for Total U.S.