

The Association of Independent Museums (AIM) commissioned DC Research to estimate the Economic Value of the Independent Museum Sector in January 2010. The purpose of the study was to **carry out research into the economic value that can be attributed to the independent museum sector**, with the research being used for advocacy work by AIM at a national level on behalf of the sector, and by individual and small groups of independent museums at the local and regional levels.

The research was commissioned to **demonstrate to national, regional and local partners how important independent museums are to a thriving economy**. It comprised a survey of 100 AIM members, a number of follow up case studies used to refine the approach, and the construction of an analytical model to estimate the impact of the entire sector. Based on visitor numbers and type, employment and purchasing patterns, facilities, and information on the locality in which museums were situated, the model was applied to the AIM member museums (of which there are nearly 700).

The findings were first presented to the AIM Annual Conference at the Heritage Motor Museum in June 2010, where the model was further refined following workshop feedback from a range of AIM members.

The study was supported with a valued contribution from the Museums, Libraries and Archives Council.

Key findings from the research:

- Across the independent museum section, visitors (estimated to be over 9 million) represented around £364 million of gross visitor impacts.
- At least £124 million of direct, indirect and induced impacts as a result of spending on goods and services by independent museums (although impact might be as high as £349 million).
- At least 5,800 full time equivalent direct, indirect and induced jobs supported by the sector, equivalent to a further £122 million (although impact might be as high as 10,500 jobs, equivalent to £219 million).

Taken together, the **total impact of the independent museum sector is estimated to be at least in the order of £610 million** (although this could be as high as £930 million).

In addition to providing data to underpin the sector wide economic value analysis, the survey highlighted the **importance of the volunteer workforce to independent museums**. The museums responding to the survey reported volunteer numbers totalling 4,724, with 15% of these volunteers volunteering for two or more days per week on average, and 3.5% volunteering for four days a week or more. Just under half of responding museums reported that between 91% and 100% of these volunteers were local to the museum.

Further to this, responding museums reported 'in kind' contributions of goods and services of £621,000, and 'in kind' capital works (such as building work, repairs, development, refurbishment) of £11.5m.

The importance of economic value

The commissioning of this study highlights AIM's appreciation of the **need to clearly articulate and demonstrate the contribution of independent museums** in a tourism/economic context. This need is well recognised across the sector, and particularly in the current economic climate, there are concerns that there will be ever increasing pressure on museums to provide clear evidence of their contribution.

In headline terms it is clear that museums make a highly significant contribution to UK tourism, with **eight of the top 10 UK visitor attractions in 2008 being museums and galleries**. 'The Economic impact of the UK heritage tourism economy', (Oxford Economics, commissioned by the Heritage Lottery Fund) represents both a recent and a significant step in quantifying the impact of the 'heritage' sector to the UK economy. It found that **heritage tourism is a £12.4 billion per annum industry**, and that heritage is a major motivation behind the tourism expenditure of both overseas and domestic visitors.

At a time of austerity and a culture of funding cuts, the independent museum sector needs to make its case, and provide clear, robust evidence of the economic value that independent museums provide to tourism and the wider economy. Importantly, this needs to be articulated in such a way that key audiences outside the sector (including central government, national and regional tourism organisations, regional development agencies and other potential funders) appreciate and are convinced by the evidence and the related advocacy based upon the evidence.

The **diversity of museums contained in the independent sector is well understood by stakeholders** in economic development and tourism, and the sector is recognised as being entrepreneurial, and perhaps being able to understand more about its visitors than public sector run museums. Larger independent museums are very well networked with local and regional tourism agendas, although engagement becomes much more varied in terms of small and medium sized museums.

There are a number of case study examples where this joined up approach is already in place, with **museums benefitting from strong and mutually beneficial relationships with neighbouring attractions**. It is clear that museums could benefit from **further engagement and collaboration**, either at a thematic or locality level, **to provide a 'joined up' offer that tourism organisations can effectively market**.

A number of the case study museums had **ongoing relationships with local authorities and other public bodies that affect their ongoing operations**. Examples ranged from agreements about grant funding, service provision (including discussions around moving from grant based approaches to commissioning of specific activities and outcomes through a social enterprise model), to issues around security of tenure.

All the case study museums recognise the **need to diversify income streams away from grant income and admissions**, with none being solely dependent upon income derived from visitors. Examples of diversification include catering, workshops and showing normally 'unseen' aspects of a collection, events, taking on specialist contract work for other museums, retail diversification (including online), as well as aforementioned commissioning based and social enterprise activity.

The Economic Value Toolkit

Finally, it is clear from the research that many **independent museums are able to accurately and quickly generate the data** that is needed to estimate economic impacts. This information can be used by **AIM member museums to estimate their own impacts by using the toolkit** that has been developed to accompany this research, with the toolkit having different levels to cater for all museum types and sizes. The toolkit is included as an Annex to the full report.