

How Are Foundations Investing in Children's Museums?

September 16, 2019

Children's museums rely heavily on philanthropic funding to support a wide range of activities and operations. In Trends Report #1.11, we showed that 39% of total funding for ACM member museums came from private funding in 2016. In a new analysis of data from 2007 to 2016, we found that foundations contributed about \$284 million to children's museums in that period.

In this Trends Report, we explore how a special dataset provided by Candid's Foundation Directory Online (FDO) illuminates philanthropic foundations' engagement with children's museums. This data captures a representative sample of foundations' involvement with children's museums, including grants and giving from family, community, private, nonprofit, and corporate foundations. With this information in hand, leaders in the children's museum field can think strategically about how they work with philanthropic foundations. We look specifically at how foundations have targeted different types of support for children's museums, and how museum size – based on ACM Trends Reports #1.1 and #1.7 – plays a role.

ACM TRENDS

#3.1

ACM Trends #3.1

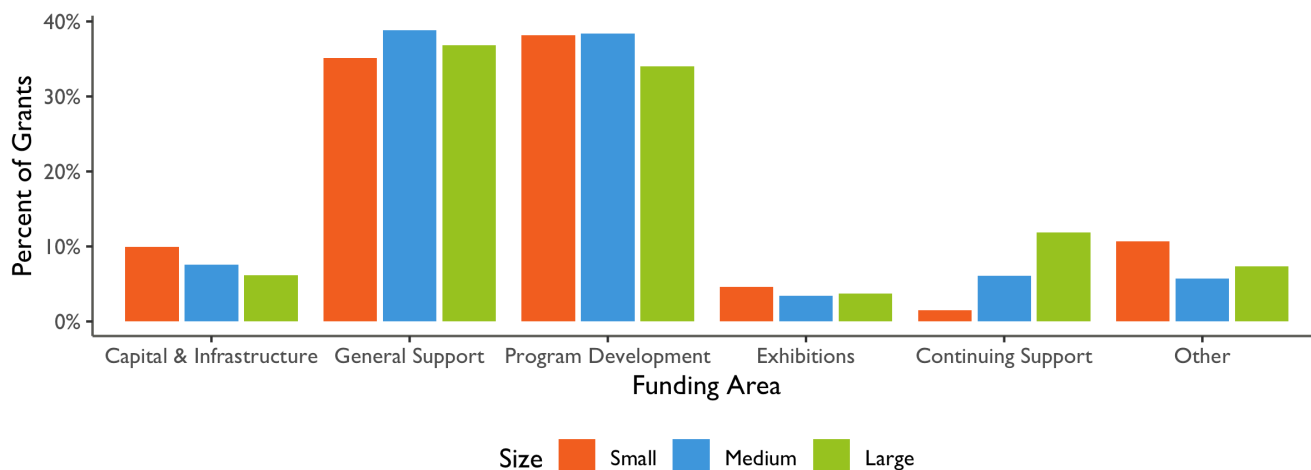


Figure 1. Distribution of number of grants by museum size, in foundation funding categories from 2007 to 2016. These 8,917 grants yielded about \$284 million in support in this period.

From 2007 to 2016, a special data set shows foundations contributed a reported 8,917 grants to children’s museums, resulting in about \$284 million in support. This representative sample offers insight into foundations’ engagement with children’s museums.

Foundation Funding Categories

In this data set, there are five primary support categories for philanthropic funding for children’s museums: General Support, Program Development, Capital & Infrastructure, Continued Support, and Exhibitions. The Other category captures a range of other types of grants from philanthropies.

General Support is funding for the day-to-day costs of operating a children’s museum and furthering its general purpose, including everything from staff salaries, to toilet paper, to paying the electricity bills, and more.

Program Development includes support for curriculum development, pilot programs, as well as program creation, expansion, and replication.

Capital & Infrastructure is funding for building renovations, collections acquisition and management, rent, equipment, capital campaigns, and facilities maintenance.

Continuing Support classifies funding provided for the same purpose as previous years, consistently renewed each year, or for a multi-year project. This type of support can cover any other category.

Exhibitions funding goes towards exhibit development, installation, and exhibit updates. It may also include funds allocated for conferences and other presentations, but consists primarily of exhibit support.

Other Funding includes many additional categories, such as grants for capacity-building, financial sustainability, research and evaluation, and more. In our data set, children’s museums had few such grants.

ACM Trends Reports

The Association of Children’s Museums (ACM) is the world’s foremost professional member service organization for the children’s museum field. We leverage the collective knowledge of children’s museums through convening, sharing, and dissemination. ACM has partnered with Knology to create the ACM Trends Reports. Knology is a nonprofit that produces practical social science for a better world.

ACM Trends Reports are commissioned on behalf of our membership to help advance the work of this community. They seek to draw attention to emerging issues and opportunities for elevating the field, and help our members use data to become more accountable to their mission and fiscal responsibilities. A product of collaborative efforts to collect data, the Trends Reports are an effort to support ongoing, accessible dialogue. Our objective is for this approach to be an equitable and inclusive way for museum professionals to contextualize our work and use data to produce effective outcomes.

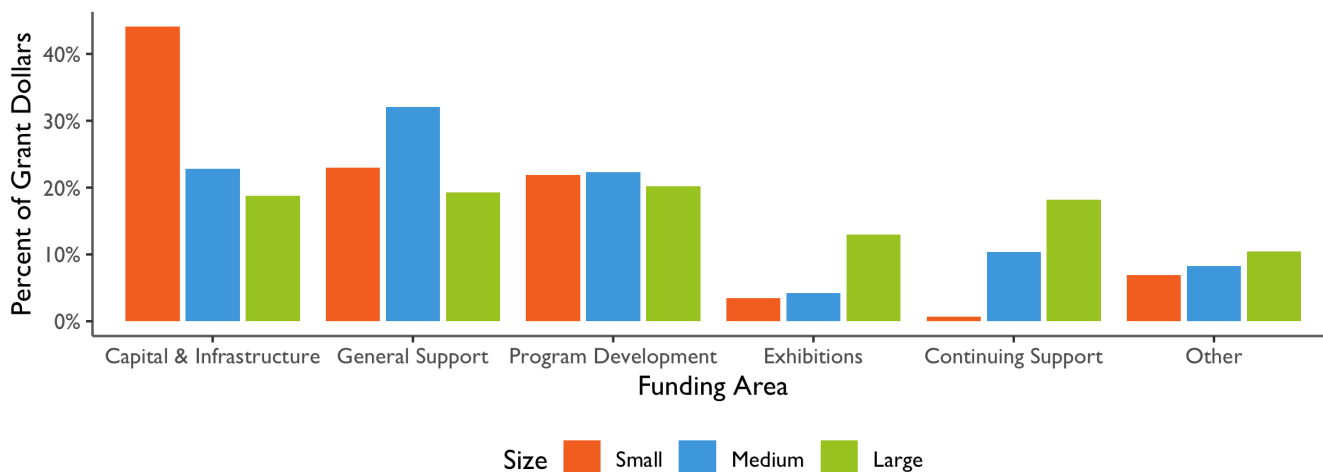


Figure 2. Distribution of total philanthropy dollars by museum size, in philanthropy funding categories from 2007 to 2016.

Foundation Support across Categories

Figure 1 shows that children’s museums received the most grants in the funding categories of General Support and Program Development from 2007 to 2016. This pattern happened across all children’s museums, regardless of size. Like most museums, children’s museums spend a lot of funds on overhead costs in order to operate their institutions. On the other hand, children’s museums generally invest a great deal in programming, more so than many other museum types. In comparison, regardless of museum size, museums received a low proportion of funding specifically allocated for Exhibitions.

Across museum sizes, one way funding categories differed was that Large and Medium children’s museums received a substantial number of grants for Continued Support, while foundations provided a negligible amount of this type of funding for Small museums.

Comparing Total Grants vs Total Dollars

Comparing Figure 1 and Figure 2 makes the picture clearer. The greatest total number of grants in a funding category does not guarantee the greatest number of total dollars in that same category. For example, Figure 1 shows only about 10% of the total grants received by Small museums fell into the funding category of Capital &

Infrastructure. However, Figure 2 exposes about 45% of total dollars received by Small museums went to Capital & Infrastructure. Together, Figure 1 and Figure 2 suggest grants in this category tend to be larger yet more competitive for Small museums.

Meanwhile, Figure 1 shows that all sizes of children’s museums get roughly the same proportion of grants for Program Development from philanthropies. Figure 2 explains that all children’s museums get around 20% of philanthropy dollars for the same category. This pattern indicates that, on average, grants in Program Development are moderately sized.

The Philanthropy Picture for Your Institution

Leaders of children’s museums can use this information to determine how they measure up to other children’s museums with a comparable institution size, in terms of philanthropic funding. In the same vein, the data also points to the frequency and sizes of grants foundations typically offer to children’s museums. In cases where a children’s museum falls short of others in their size class, leaders may consider how to re-strategize fundraising efforts.

This information may also help children’s museum fundraisers adjust expectations for the types of funding they seek. In some cases, the relative availability of

moderately or even small sized grants may encourage children’s museums to invest more time in seeking more medium-sized grants from foundations. The data also suggest that, when pursuing capital campaigns, children’s museums – particularly Small institutions – should not be afraid of making big asks.

About This Research

Here, we describe details that shaped the research for this Trends Report.

The Base Data Set – As a base for this research, we used data from a total of 599 children’s museums that are categorized by size (see Trends #1.1 and #1.7). This set includes 283 ACM member children’s museums represented in the 2016 Membership Survey and ACM’s Museum Member database. The data set includes an additional 316 children’s museums that are not ACM members. Data for both members and non-members were also pulled from forms submitted to the Internal Revenue Service and reported by Candid.

The Foundation & Giving Data Set – We compared the base data to data provided by Candid’s FDO on November 13, 2018. Candid – a new partnership of GuideStar and the Foundation Center – is a national nonprofit focused on advancing knowledge about philanthropic giving around the country. The FDO database includes 990 data from family, community, and private, not-for-profit foundations, as well as corporate foundations that are organized separately from the for-profit company. It also captures additional self-reported information from children’s museums themselves. Because the FDO system consists of data from several sources, the categories used to describe funding areas may not match those used by other organizations.

This data does not include grants from federal government funders, nor does it capture gifts made through Donor Advised Funds, corporate marketing sponsorships, individual giving, bequests, or in-kind gifts.

In Candid’s FDO, we found 8,917 grants that we could match to individual children’s museums in our data set. We were able to match 157 individual children’s museums to philanthropy grants in the FDO data. There are 65 different funding categories. From the most prevalent categories, our research team selected five overarching categories relevant for the US children’s museum field, in addition to a miscellaneous category called “Other.”

Within the FDO system, 8% of grants were labeled with multiple funding categories. For example, Program Development may show up on a grant as the only tag, or as one among many. Regardless, we counted that particular grant toward Program Development’s total number of grants and grant dollars, and included it in any other category labels. Each recorded grant in this data set consisted of at least \$1,000. The largest grant was a \$10 million-dollar grant in 2015.

FDO gathers data from publicly accessible sources, such as forms 990 and 990EZ submitted to the Internal Revenue Service. As a result, much of the data is subject to delays as well as updates. In this Trends Report, we include 2016 data because it is comparable with major trends, but we note that it is still considered preliminary data by FDO as of the publication of this report. As more children’s museums participate in future ACM member studies, we will be able to capture a clearer picture of philanthropy trends in this field.

Started in 1962, the Association of Children’s Museums (ACM) is the world’s foremost professional member service organization for the children’s museum field. With more than 460 members in 50 states and 19 countries, we leverage the collective knowledge of children’s museums through convening, sharing, and dissemination.

Knology is a nonprofit that produces practical social science for a better world. Since 2012, the collective of scientists, writers, and educators has been dedicated to studying and untangling complex social issues.

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