
Forward Planning and the Cost of Collecting

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Collections and their preservation are at the very heart of museums and therefore at the very heart of forward planning for museums. This became particularly evident in a 1989 study we conducted for the Office of Arts and Libraries which revealed that the cost of collections accounts for 66% of museum running costs.

1. Defining the Costs of Collecting

Our study used a variety of qualitative and quantitative methodologies to identify the categories of costs which can be attributed to collections management. We found it useful to distinguish between the direct and indirect costs of collecting.

The direct costs of collecting amounted to 38% of operating costs. This figure breaks down as follows:

- security.....14%
- curatorial programs.....13%
- documentation.....4%
- conservation.....4%
- research.....2%
- stock taking.....1%

The indirect costs associated with the collection cover general maintenance and administration. Our study found that, on average, UK museums have 80% of their collections in storage and 20% on display. Combined, these collections occupy about 64% of museum space. Utilizing data from our surveys and other data sources, we were able to estimate that the indirect costs of collecting amount to about 28% of the museum running costs.

The study provides formulae which museum planning staff may use to calculate the particular costs of collecting in their own institutions in their own country.

2. Factors Influencing the Costs of Collecting

Forward planning is concerned with allocation of resources to achieve agreed goals and objectives. Failure to attend to factors that influence the costs of collecting can result in squandering scarce resources.

The two main factors identified in our study are the condition of the collection and the condition of the building which houses it. These are independent variables since poor environmental conditions necessitate repeated remedial conservation treatment. The implication for the majority of UK museums is the need to plan and implement a capital renewal programme with preventive conservation as its focus.

3. The Framework of Costs

Our study proposes a framework of costs which would be useful to the forward planner in projecting collection management related costs.

A. The initial costs of acquisition:

- purchase price (if any);
- curatorial costs;
- documentation cost;
- conservation cost;
- cost of providing storage.

B. The direct and indirect operating costs of collections management and care:

These have been listed in section 1, above, and in the study survey, averaged at about 120 pounds Sterling (\$240) per square metre of museum space.

C. The "capitalised cost of collecting":

This allows for the forward planner to evaluate the opportunity costs of acquisitions. For example, an object requiring one square metre of storage space requires a capital investment of the acquisition costs listed in A, above, plus an endowment of roughly 1,200 pounds Sterling (\$2,400) which (at an annual interest of 10%) would yield 120 pounds Sterling (\$240) per year to cover the annual running cost referred to in B, above.

4. Planning Strategies

It is becoming more widely understood that museums are underfunded relative to the real costs of collecting and the growing value of collections. A detailed knowledge of the cost of collecting in each specific museum can lead to practical forward plans that address future needs. These forward plans should: utilize capital improvement as a strategy to reduce long-term running costs; establish endowment funds to help meet the growing operational costs of collecting; develop new approaches to the solicitation of donations so that some of the real costs of collecting can be met at the point of acquisition; and make the case for realistic core funding for the museum's main function -- the preservation of collections for future generations.