



American  
Alliance of  
Museums

2024

# Museum Board Leadership: A National Report

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Research conducted by





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# FOREWORD

Dear Friends:

At Northern Trust, we understand the value of partnership and shared history. Like the American Alliance of Museums, we believe that a community of like-minded individuals and organizations can meaningfully change lives. That is why we have chosen to be the sole sponsor for our second *Museum Board Leadership Report*. The information gathered from this important study helps us better our work with cultural institutions, be stronger members of our communities, and lead conversations with stakeholders to create lasting benefit.

The Foundation & Institutional Advisors practice at Northern Trust is committed to supporting philanthropy and nonprofits, who are ultimately our valued clients. Fundamental to our community involvement strategy is the belief that cultural institutions play a key role in the development of vibrant and healthy communities. These institutions bring learning to the public, preserving and commemorating the events, places, and cultures that created and continue to shape the nation. They are passionate about their missions and work hard to build engagement with donors, constituents, board, and staff. Being part of a report like this allows us to understand our clients' needs and challenges so we're more equipped to serve them.

I hope you find the *Museum Board Leadership Report* as informative as we did.

Regards,



Darius A. Gill, CFA  
National Practice Leader  
Northern Trust's Foundational & Institutional Advisors



# INTRODUCTION

AAM staff have an expression we like to use to convey the breadth of our diverse sector: “We serve museums from A to Z—art museums to zoos.” This helps us remember that museums are far from monolithic. From massive multi-campus institutions in big cities to volunteer-run centers in rural communities, museums and their needs are all unique. But there is one thing that unites most of them: the importance of their boards to their success. As a recent museum director myself, I know well how critical museum boards are to the sustainability and impact of their institutions.

Knowing the essential role board members play in the vitality of our field, AAM issued the first iteration of this report in 2017 to measure the performance of museum boards on a field-wide scale, taking a close look at diversity, culture, and finances. Among other findings, the report revealed that though the majority of directors and board chairs agreed on the importance of diversifying their ranks, nearly half of boards lacked even a single person of color, and only 10 percent had developed a plan of action to become more inclusive. This data helped to spark AAM’s landmark initiative [Facing Change: Advancing Museum Board Diversity & Inclusion](#), designed to support them in this challenge.

Five years since that initiative began, and a renewed racial reckoning spread across the field and country, this new edition of the report finds noteworthy progress, as well as significant room for continued improvement. It also provides further evidence, for those who may still need some convincing, that the diversity of a museum’s board corresponds with the impact it has on its institution.

One encouraging finding is that boards and directors are largely in alignment on areas for improvement, which in addition to DEAI include fundraising, advocacy, and engagement. This consensus presents great opportunity to strengthen performance, bolster museums’ financial wellness, and enhance standing in communities.

The report also sheds light on the major board responsibility of financial sustainability. On a hopeful note, it finds that fewer museums are dipping into their reserves to cover operating expenses than in 2017, despite the impacts of the COVID-19 pandemic in between the two studies. However, the data reveal ongoing difficulties on the path to full recovery from that crisis, with half of museums indicating at least one sign of financial distress.

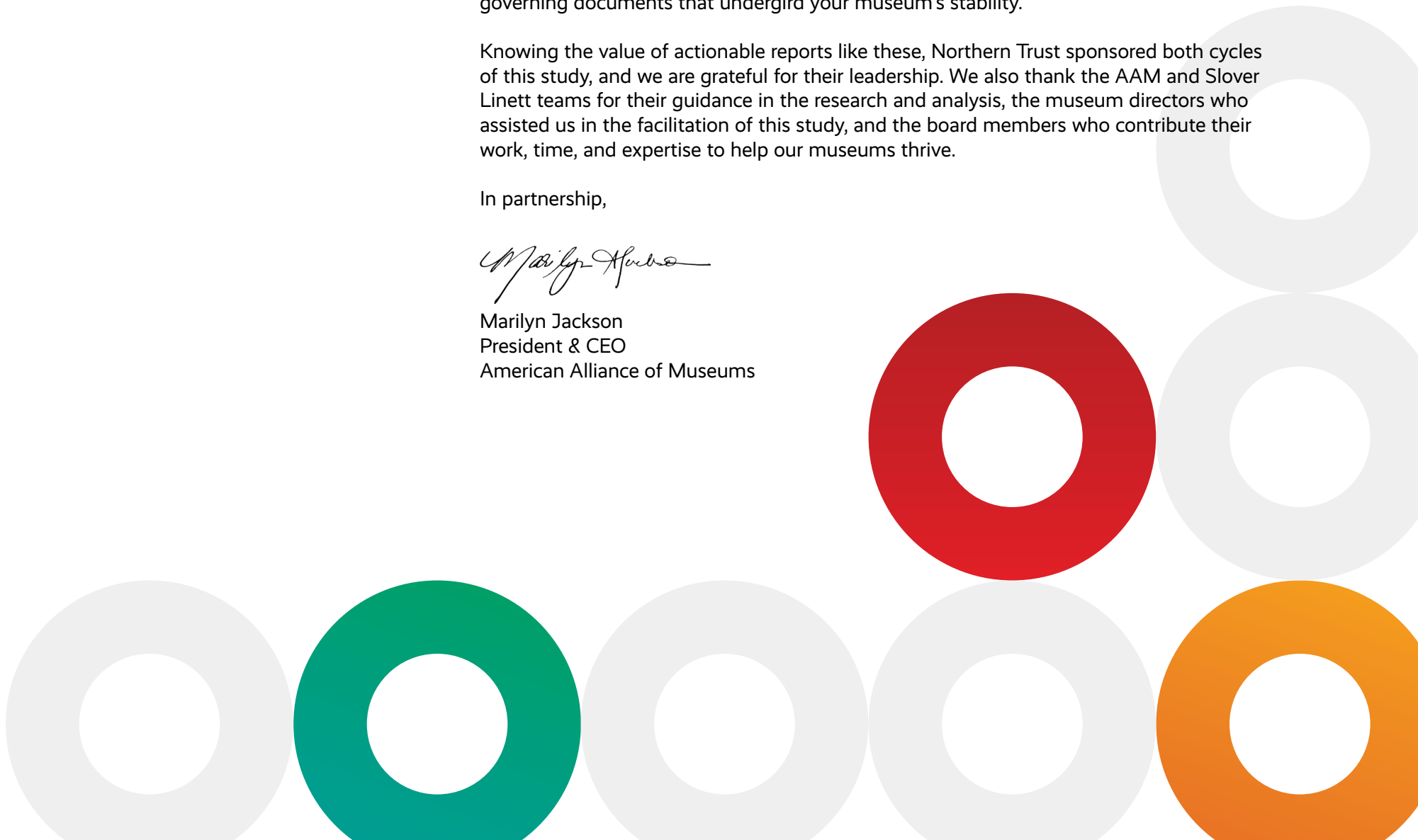
As with any AAM research initiative, this report aims to help address these challenges by spurring dialogue and supporting change. To that end, you'll find resources within these pages to guide your progress on tasks from diversifying your board to creating the core governing documents that undergird your museum's stability.

Knowing the value of actionable reports like these, Northern Trust sponsored both cycles of this study, and we are grateful for their leadership. We also thank the AAM and Slover Linett teams for their guidance in the research and analysis, the museum directors who assisted us in the facilitation of this study, and the board members who contribute their work, time, and expertise to help our museums thrive.

In partnership,



Marilyn Jackson  
President & CEO  
American Alliance of Museums



# HOW TO USE THIS REPORT

The American Alliance of Museums is proud to present the findings of *Museum Board Leadership 2024*, a national report that serves as the second iteration of [Museum Board Leadership 2017](#).

This report is structured into three sections: The People, The Work, and The Finances. It highlights the critical strides museum boards have taken with diversity and inclusion in recent years, as well as the many challenges and opportunities to further equity in the highest ranks of museum leadership and improve overall efficacy. To help museum leaders and boards address these challenges, each section includes actionable findings and resources. Sections or pages may be extracted to share key findings and spur dialogue.

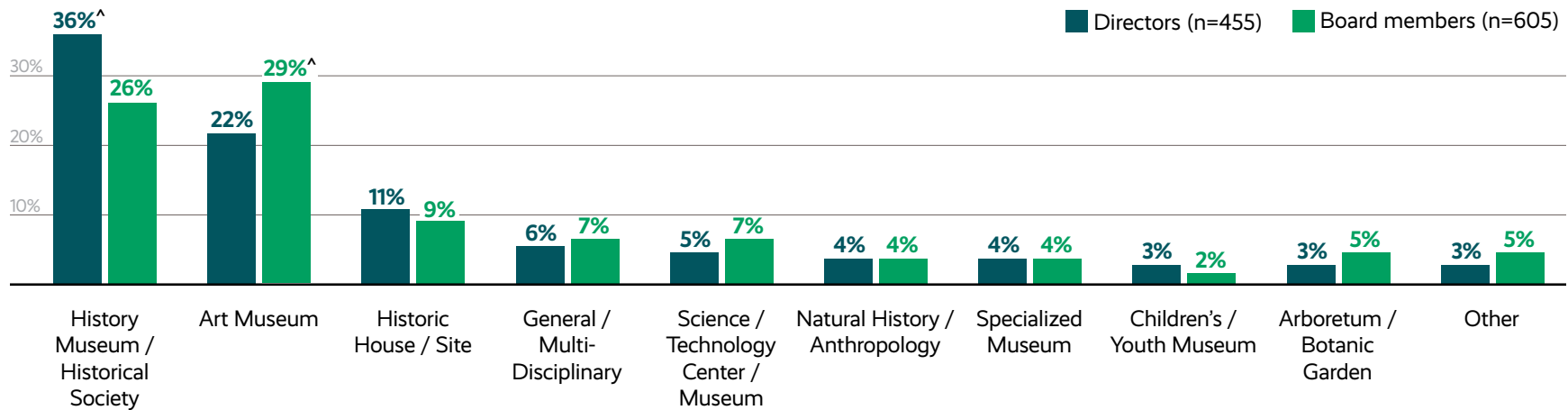
This research would not be possible without the more than one thousand directors and board members who responded to this survey. We hope you will consider participating in future surveys to help move the field forward.



# METHODOLOGY

The survey was open from September 20, 2023, through November 5, 2023, and distributed to museum directors and CEOs with the request to share a distinct survey with their museum’s board. 456 directors and 606 board members representing a broad cross-section of the museum field responded to the survey. AAM partnered with Slover Linett at NORC to perform data collection and analysis including comparison to the 2017 iteration of this survey. These comparisons can be imperfect, as, in some cases, question or response option wording changed slightly (these changes are noted when necessary) and the survey was offered to all board members in 2023, as opposed to board chairs only in 2017. Throughout the report, the letter “n” indicates the sample size for each question and any statistical significance between side-by-side data are indicated by the caret symbol (^).

## MUSEUM TYPE



^Statistically higher than the other group

\*Aquariums, zoos, and nature museums were 1% or less

# SUMMARY OF KEY FINDINGS

- 1. Boards have made meaningful progress in diversifying their ranks, and still have significant room for improvement.** In 2017, nearly half (46%) of museum directors reported that their boards were entirely white (i.e., no people of color). With this iteration of the survey, 27% of directors report their boards as entirely white.
- 2. Boards and directors widely agree that diversity and inclusion is important to board performance. This sentiment has grown since the 2017 study.** Directors' assessments of board impact on organization performance corresponds with an increase in diversity across many demographic characteristics (race/ethnicity, gender, LGBTQ+ identity, age, and socioeconomic status).
- 3. Most boards have engaged in conversations about diversity and inclusion, but many museums have not followed up on these discussions with concrete actions to promote diversity.** Only 39% of boards have modified recruitment efforts to reach potential members from diverse backgrounds, and 33% of boards have modified organizational policies and procedures to be more inclusive and equitable.
- 4. There is relative parity** in representation between men and women on boards, and a majority of directors are women. However, **women are much more likely to direct smaller museums than men** – about three-quarters of museums with revenues under \$1 million are led by women directors.
- 5. Boards widely can improve their performance regarding fundraising, outreach, advocacy, and government relations.** Average director 'grades' for their board's performance in these areas range from C to D+, and board members agree that these are the greatest areas in need of improvement.
- 6. The museum field continues to face financial strain, with half of museums indicating at least one sign of financial distress.** In the six months prior to completing the survey, half of museums either lost revenue or had to make difficult decisions on personnel, programs, or other expenditures (or all of the above). One-quarter of museums have dipped into their reserves or endowment to cover operating expenses.





# THE PEOPLE

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# OVERVIEW

## METHODOLOGY INSIGHT

In 2017, demographic survey question response options reflected the United States Census' wording, which asked about ethnicity (specifically Hispanic or Latinx) as separate from race. The 2024 study utilized a single question to examine race and ethnicity. Directors selected one category for each voting board member. This methodology change could result in fewer board members being counted as white compared to 2017 (i.e., some people categorized as Latinx in the 2024 study may have been categorized as white in 2017 data). However, even if all Latinx or Hispanic respondents in the 2024 study would have been categorized as white in 2017, we still find fewer entirely white boards than in the 2017 study (31%).

Museums boards are critical to museums' missions and their ability to serve their communities. They set the tone for the entire institution and are defined by the individuals who comprise them. Who is serving on museum boards, how are they recruited, and what is the state of museum board diversity?

Compared to the last iteration of this survey, fewer directors cite their boards as entirely white: 46% in 2017 and 27% in 2023. While this is a meaningful difference, 71% of directors report that three-quarters or more of their board members are white, indicating that many board members of color may be one of only a few people of color, or the only person of color, on their board.

Boards appear to have relative gender parity, and while two-thirds of directors are women, women are more likely to lead museums with revenues of under \$1 million. Overall, directors are more likely to identify as LGBTQ+ than board members.

When it comes to age, the majority of board members and directors are age 50 and older, and almost half of directors are between the ages of 50 and 64. Directors are more likely to report living with a disability than board members.

There is wide agreement that board diversity and inclusivity are important for board effectiveness. However, most directors are dissatisfied with the racial and ethnic diversity on their board, and many directors feel their boards could also be more diverse regarding persons with disabilities, LGTBQ+ identities, and age. Greater diversity across multiple dimensions of identity corresponded with directors' assessments of board impact on organizational performance, and when recruiting, directors cite a statistically significant increase in the importance placed on demographic characteristics as compared to 2017.

The majority of boards have engaged in conversations about diversity and inclusion, and there are encouraging increases in DEAI-focused actions and discussion since 2017, with plenty of room for continued growth. For example, the majority of board members are recruited through personal networks, either through directors or other board members, causing a possible echo effect.

# BOARDS & RACE AND ETHNICITY

RESOURCE

▶ Video: [Increasing Racial and Ethnic Diversity on Museum Boards](#)

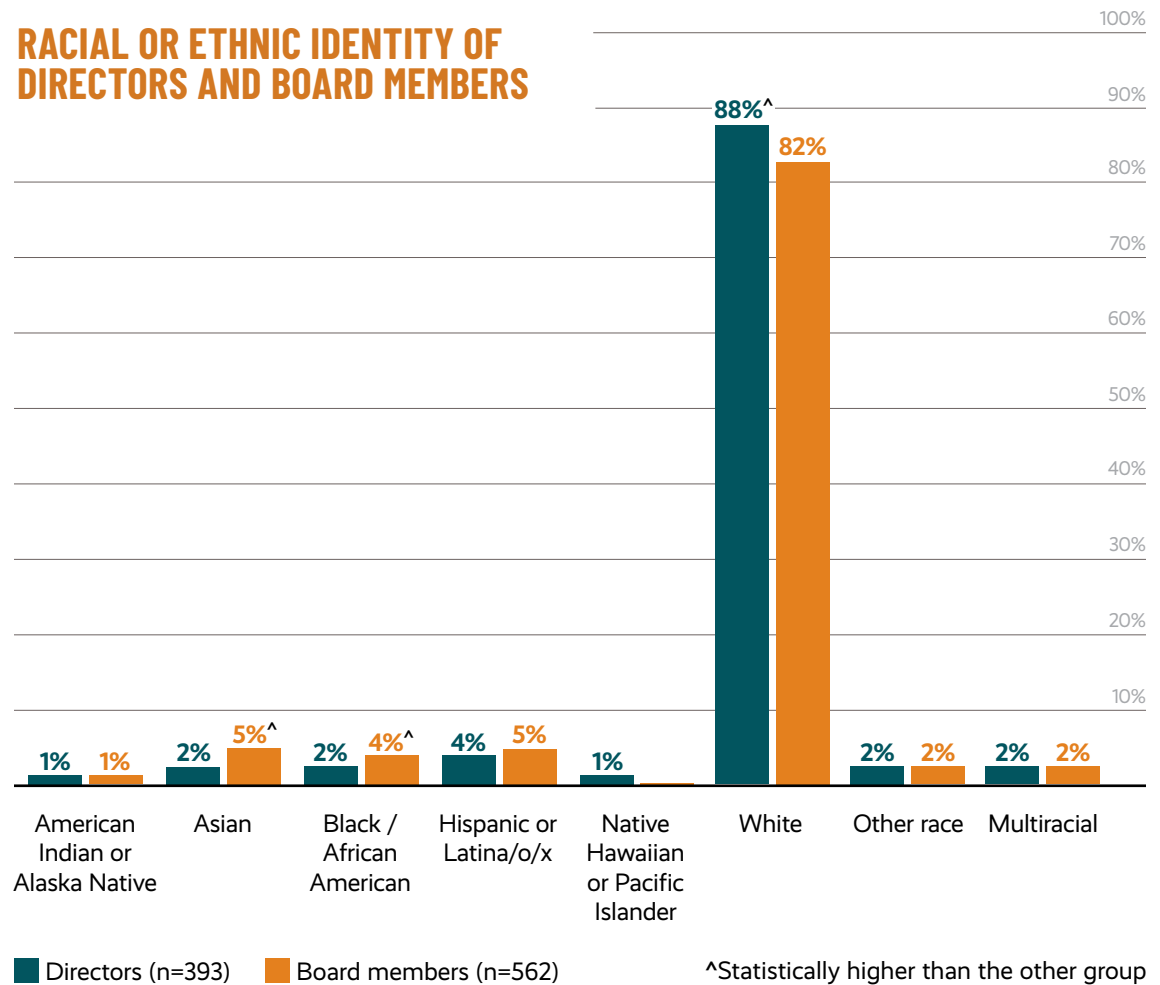
## METHODOLOGY INSIGHT

In addition to surveying board members and directors on their own demographic characteristics, we also asked directors to report the racial/ethnic identities of their full boards to the best of their knowledge. These full-board racial/ethnic identity estimates closely correspond to the self-reported demographics we collected from board members, as all items were within 4%. This lends further credibility to both measurements.

According to [U.S. Census data](#), approximately 76% of the U.S. population is white and 59% is white and not Hispanic or Latino. These statistics are not directly comparable due to differences in methodology.

In recent years, there have been strides to increase diversity in board rooms. However, there is significant room for improvement in further diversifying museum boards. The vast majority of board members today are white. This homogeneity persists despite a majority of board members and directors recognizing the importance of diversity and inclusion to their museums' missions.

## RACIAL OR ETHNIC IDENTITY OF DIRECTORS AND BOARD MEMBERS



# BOARDS, MUSEUM DIRECTORS, & GENDER

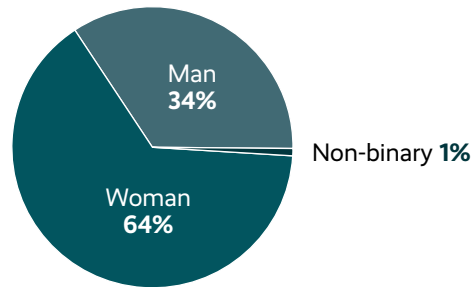
Boards show relative gender parity. While two-thirds of directors are women, women are more likely to lead smaller museums with revenues of under \$1 million. Most directors are satisfied with their board's gender distribution. Only 16% of directors report that fewer than 1/3 of their board members are women and only 13% report that fewer than 1/3 of their board members are men. 1% of directors are non-binary and less than 1% of board members are non-binary.

## METHODOLOGY INSIGHT

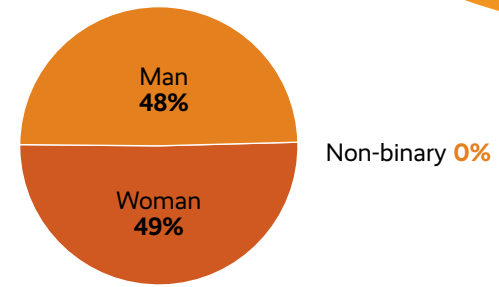
In addition to surveying board members and directors on their own demographic characteristics, we also asked directors to report the gender identities of their full boards to the best of their knowledge.

These full-board gender identity estimates closely correspond to the self-reported demographics we collected from board members, as all items were within 2%. This lends further credibility to both measurements.

## GENDER

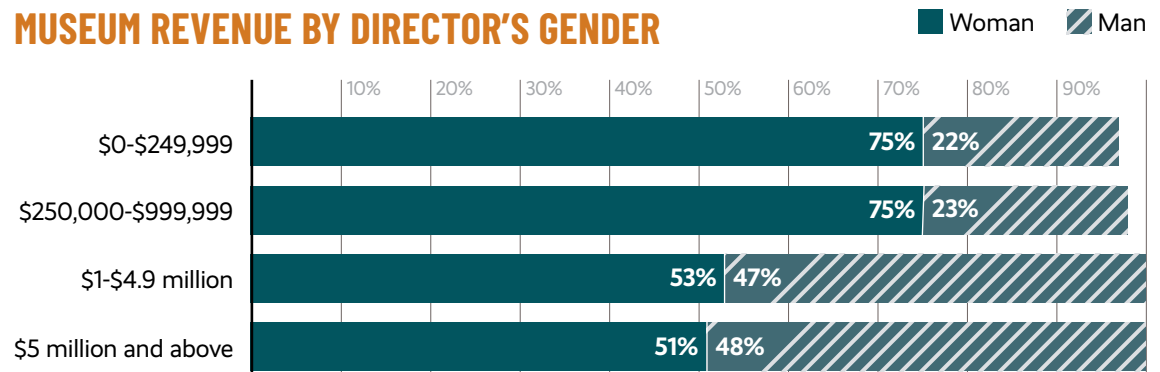


Directors (n=403)



Board members (n=590)

## MUSEUM REVENUE BY DIRECTOR'S GENDER



# BOARDS, MUSEUM DIRECTORS, & AGE, LGBTQ+ IDENTITIES, AND DISABILITY

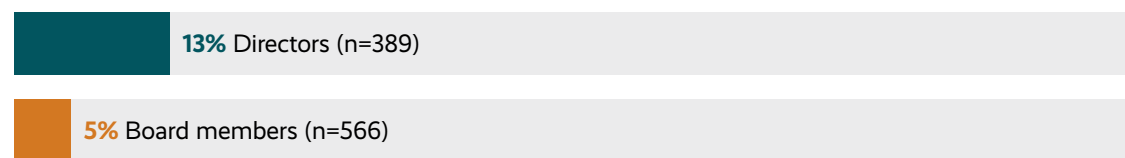
**20%** of directors who are men identify as a member of the LGBTQ+ community.

Five percent of board members identify as LGBTQ+, while comparatively more directors do (13%). Approximately 7% of U.S. adults identify as lesbian, gay, bisexual, transgender, or something other than heterosexual, according to data from [Gallup](#).

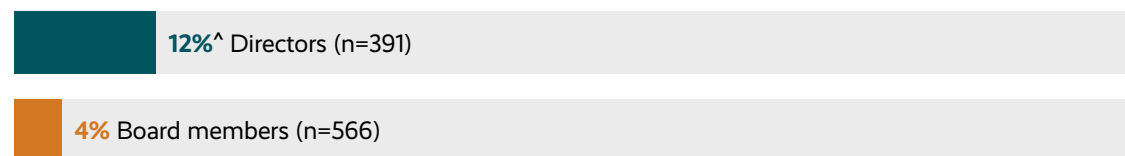
Approximately 13% of the of the civilian noninstitutionalized population has a disability, according to [U.S. Census Bureau data from 2021](#). At 12%, directors report close to this national statistic. However, board members are much less likely to report living with a disability, at 4%.

37% of directors report that there is no one under the age of 40 on their board and 82% of directors indicate that there is no one under the age of 30 on their board.

## LGBTQ+ IDENTITY



## LIVING WITH A DISABILITY



^Statistically higher than the other group

## RESOURCES

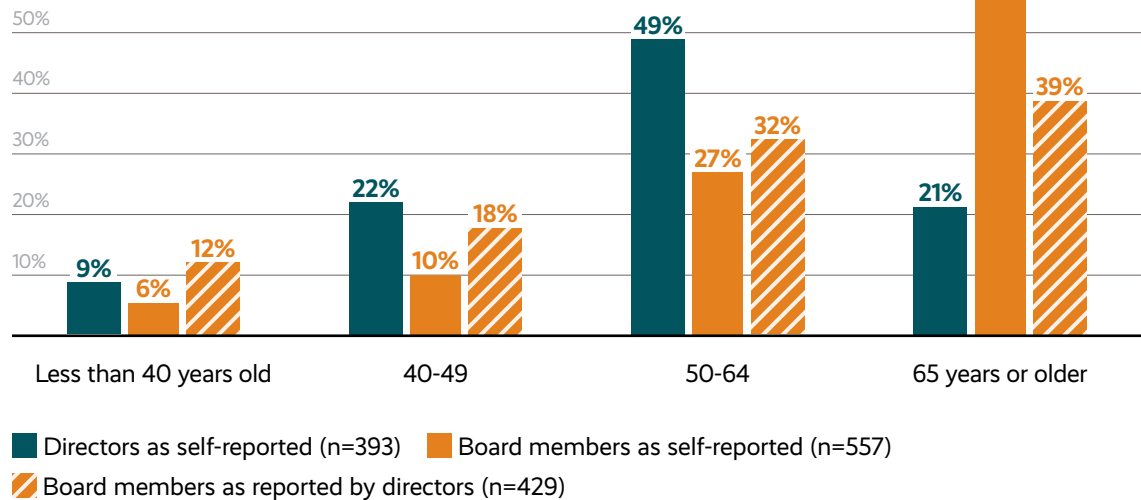
**Article:**  
[Welcoming the Next Generation of Board Leadership](#)

**Video:**  
[Building Relationships and Engaging Young Leaders](#)

**Guidance:**  
[LGBTQ+ Welcoming Guidelines](#)

**Guidance:**  
[Transgender Inclusion Guides](#)

## AGE



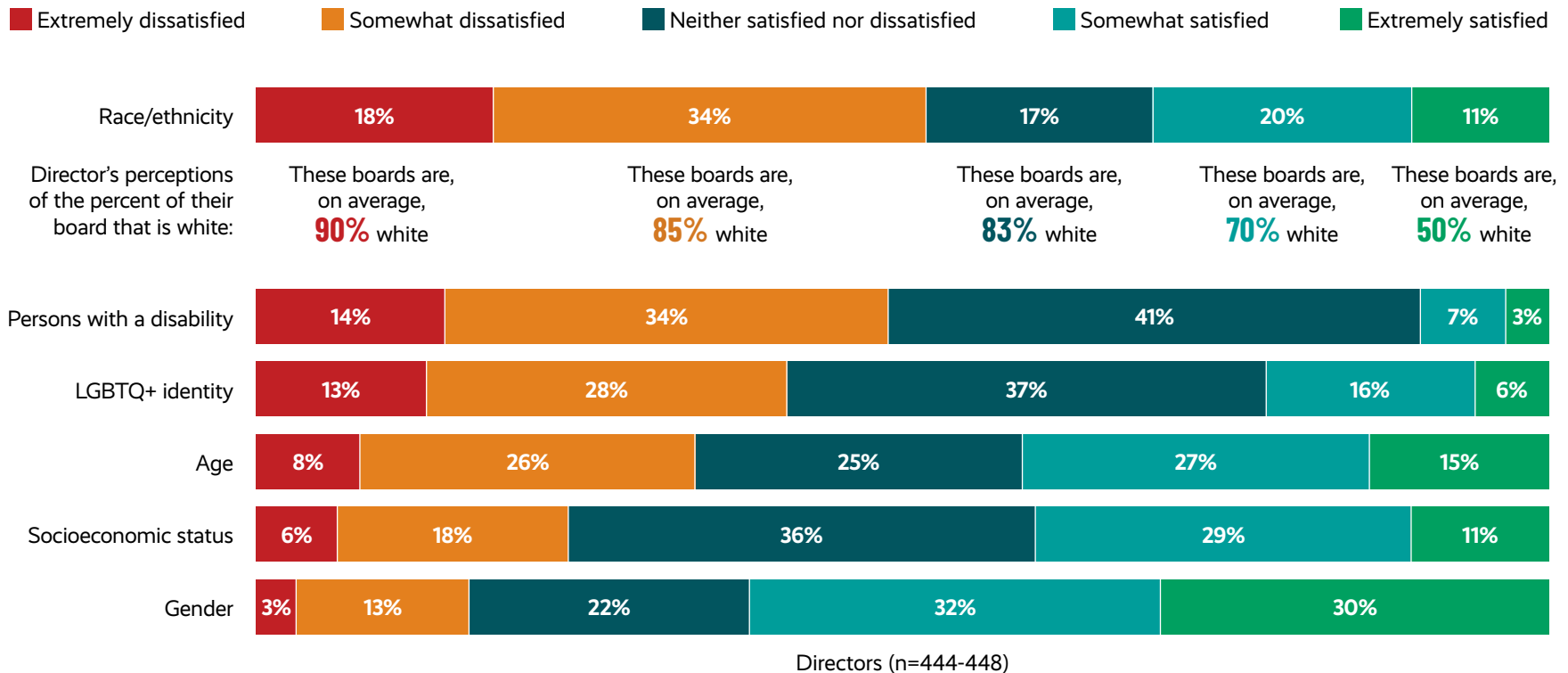
## METHODOLOGY INSIGHT

In addition to surveying board members and directors on their own demographic characteristics, we also asked directors to report the ages of their full boards to the best of their knowledge. While both datasets indicate that the majority of board members are age 50 or older, the self-reported dataset indicates a higher percentage of responding board members in the 65 years or older category.

# DIRECTOR SATISFACTION WITH BOARD DIVERSITY

Most directors are not satisfied with the racial and ethnic diversity on their board, and many directors feel their boards could also be more diverse regarding persons with disabilities, LGBTQ+ identities, and age. Directors with more racially or ethnically diverse boards are more likely to be satisfied with their board's racial or ethnic diversity.




## HOW SATISFIED ARE YOU WITH YOUR BOARD'S CURRENT LEVEL OF DIVERSITY IN TERMS OF:



# BOARD DIVERSITY AND EFFECTIVENESS

There is wide agreement that board diversity and inclusivity are important for board effectiveness, and this perception has increased in recent years. The majority of directors and board members agree that board diversity and inclusivity are important for advancing the organization’s mission, enhancing the organization’s standing with the public, understanding the populations that the organization serves, and other important goals. These widely held views regarding board diversity and inclusivity provide a strong foundation for furthering organizational DEAI work.

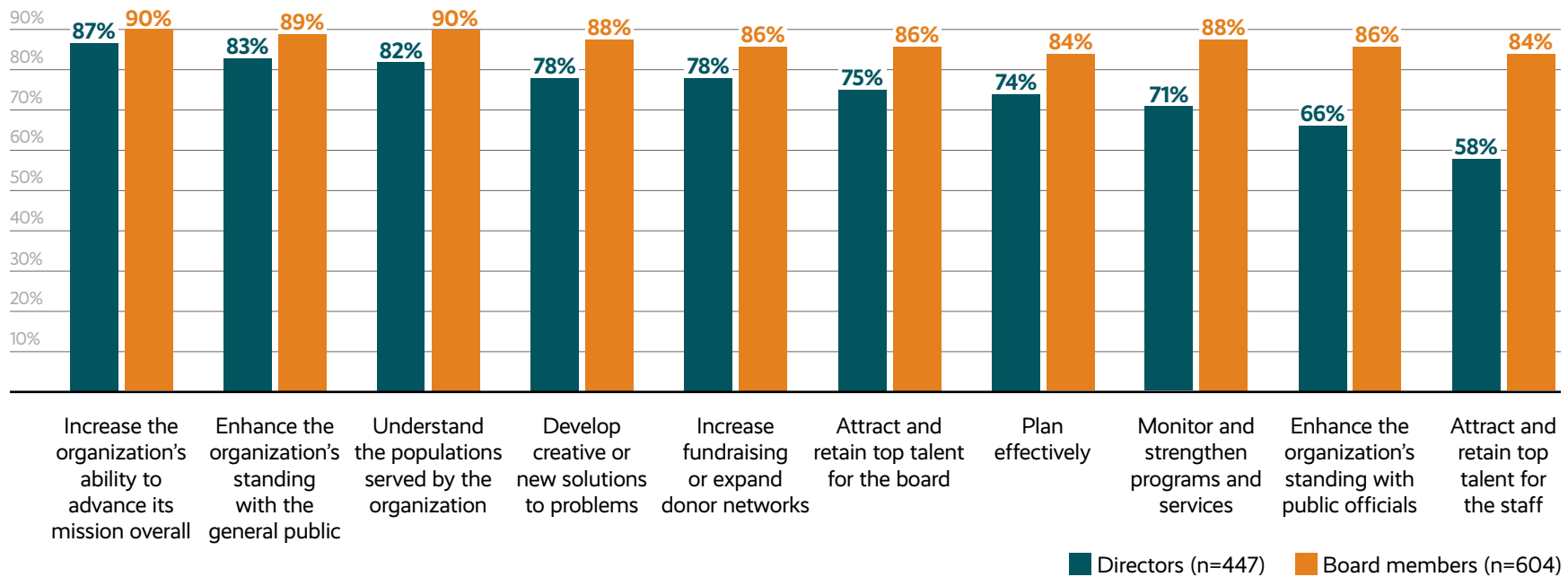
## RESOURCES

-  **Video:** [Diversity & Good Governance](#)
-  **AAM Resource Library:** [Diversity, Equity, Accessibility, Inclusion & Anti-racism](#)
-  **Report:** [Excellence in DEAI](#)

## HOW IMPORTANT?

**How important is board diversity and inclusivity for increasing your organization’s ability to advance on the following issues?**

*% who select “very important” or “important”*





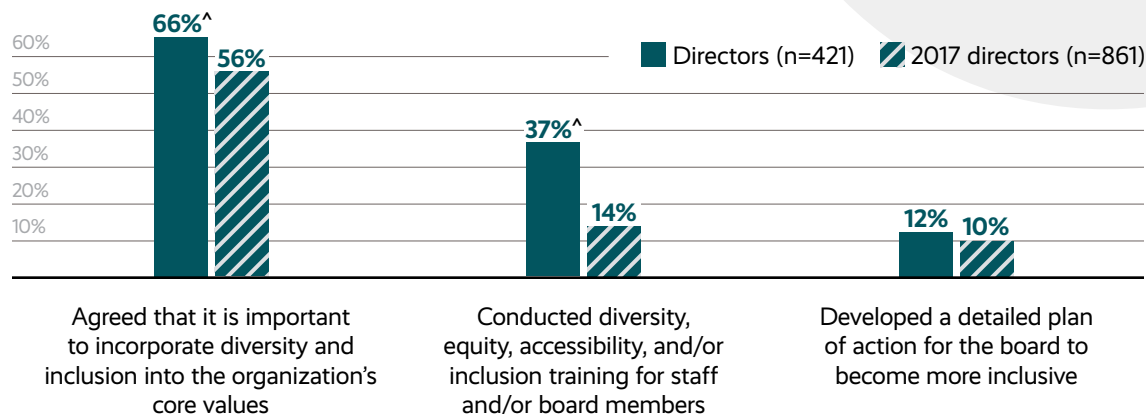
# BOARD DEAI ACTIONS

There are encouraging increases in DEAI-focused actions and discussions since 2017. More than twice as many directors report that their boards have conducted a DEAI training for staff and/or board members than in 2017. However, boards still are unlikely to have detailed plans to become more inclusive. Board members, and often directors, are more likely to consider board diversity and inclusivity to be very important for accomplishing certain goals than they were in 2017.

RESOURCE

**Guidance:**  
[Racial Equity & Inclusion Plan Primer](#)

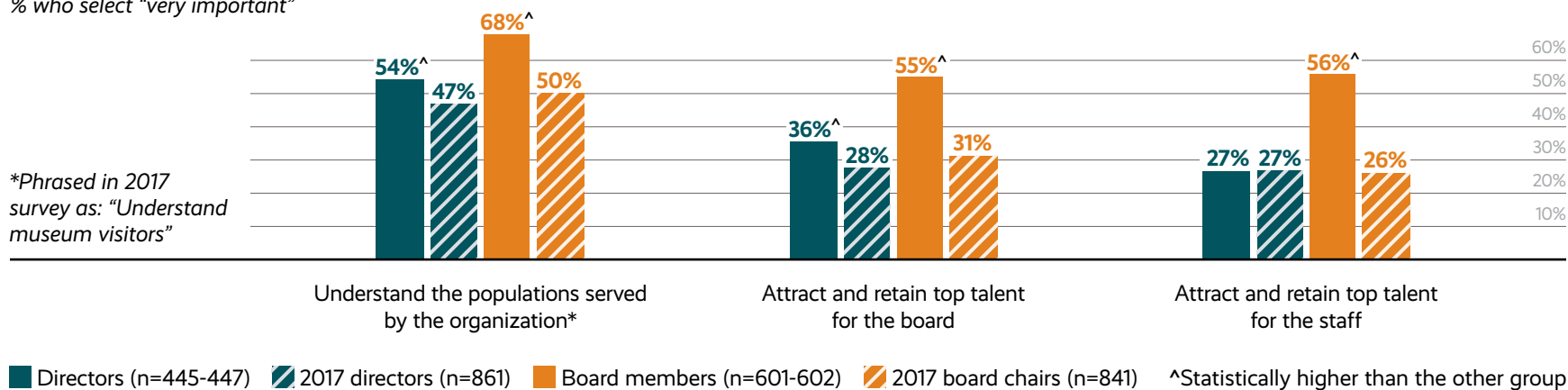
## HAS YOUR BOARD DONE ANY OF THE FOLLOWING?



## HOW IMPORTANT?

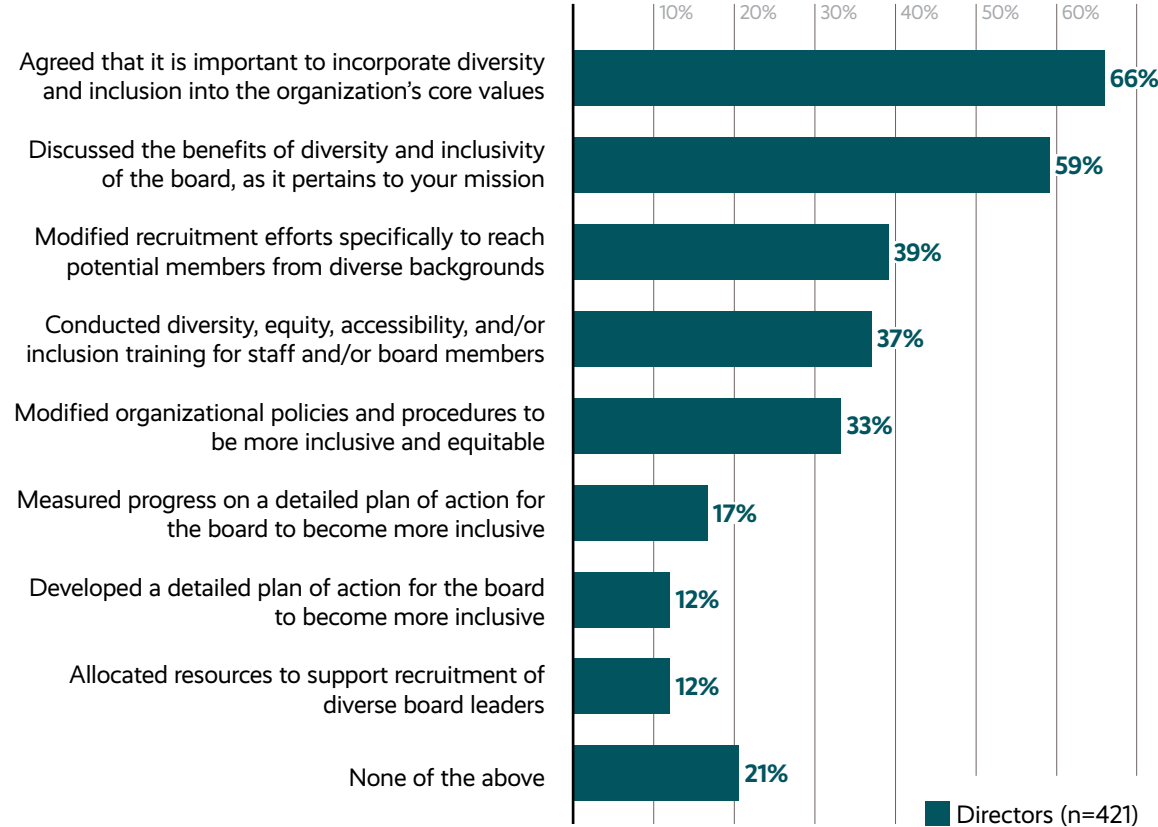
How important is board diversity and inclusivity for increasing your organization's ability to advance on the following issues?

% who select "very important"



Directors report that two-thirds of boards (66%) have agreed that it is important to incorporate diversity and inclusion into their organization’s core values. Fewer directors report specific and direct board actions related to diversity and inclusion, such as modifying recruitment efforts to reach people from diverse backgrounds (39%), conducting DEAI training (37%), modifying policies and procedures to be more inclusive and equitable (33%), or developing a detailed plan for the board to become more inclusive (12%). This gap between discussion and concrete actions is an area of opportunity—it is important that the field continues to translate these values into specific measures to drive DEAI at museums.

### HAS YOUR BOARD DONE ANY OF THE FOLLOWING?



### RESOURCES

**Guidance:**  
[Race Equity and Inclusion Action Guide](#)

**Website:**  
[Talking About Race](#)

# BOARD RECRUITMENT

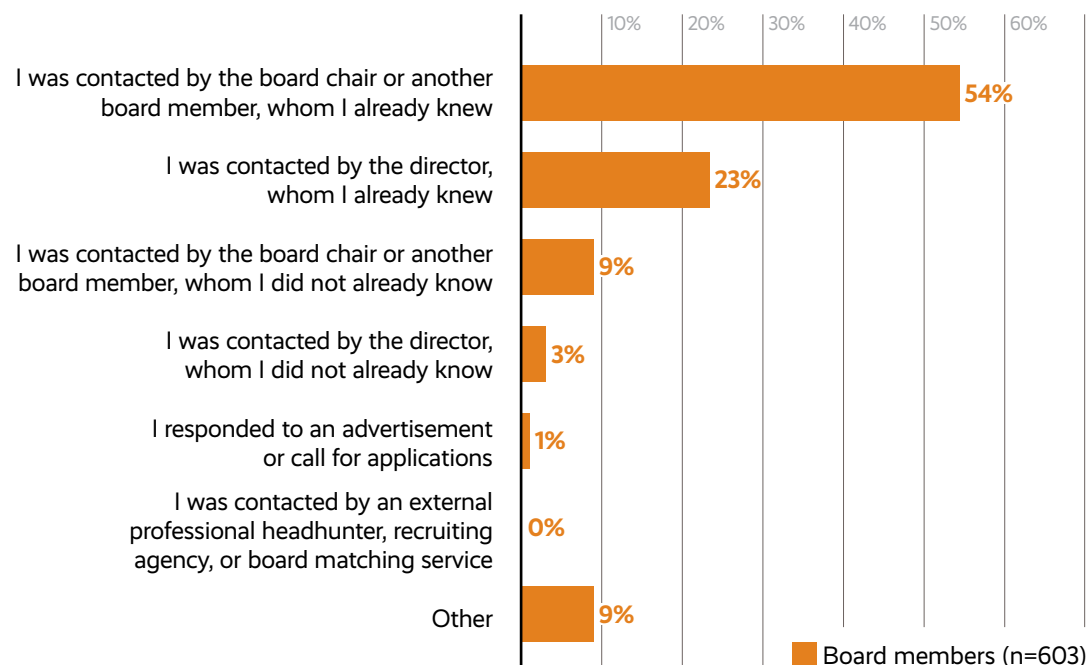
RESOURCE

[▶ Video Series: Tools and Strategies to Attract, Recruit, Onboard, Support, and Retain Racially and Ethnically Diverse Museum Board Trustees](#)

The majority of board members were recruited through personal networks, either of directors or other board members: three-quarters of board members (77%) were recruited by someone they already knew. Primary use of this method, in many cases, can serve as a [barrier to increasing diversity](#) among the board. Expanding the use of other recruiting methods can help organizations and boards reach potential members whom they might not have otherwise considered and who can bring skills, perspectives, and talents that the organization might otherwise lack.

Board members who selected “other” most often stated that they were recruited through a preexisting connection to the organization, they directly expressed interested in becoming a board member, or they were contacted by someone other than a board member or director (such as museum staff).

## HOW WERE YOU RECRUITED TO JOIN THIS BOARD?



RESOURCES

**Video:**  
[Recruiting for Museum Board Diversity](#)

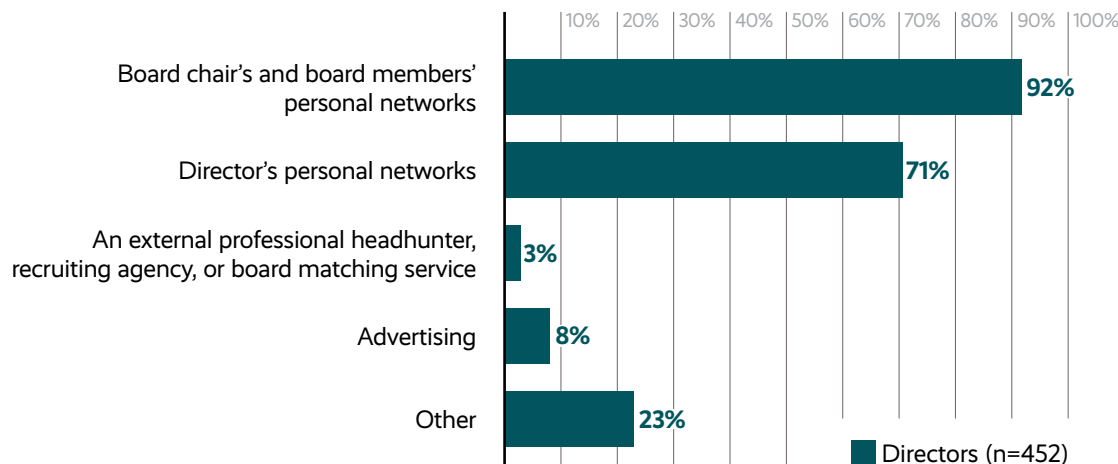
**Guidance:**  
[Board Composition and Recruitment](#)

Board recruitment can be challenging for directors: 42% find it difficult or very difficult to recruit new board members, and few use methods outside of cultivating personal networks to recruit new members.

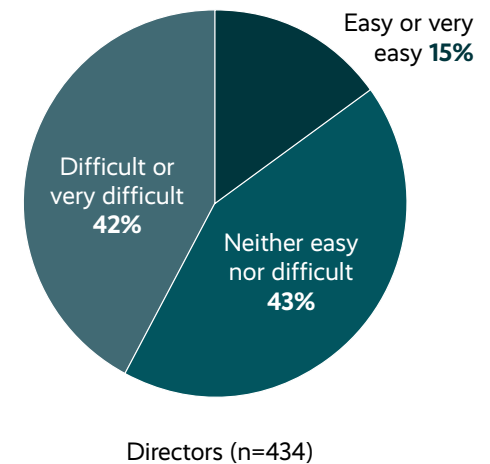
Directors who selected “other” methods for identifying potential new members shared that they:

- Use the personal networks of non-directors and non-board members (such as staff personal networks)
- Consider individuals already involved with the organization (such as volunteers, members, and donors)
- Conduct research on community members who might be a good fit
- Have certain forms of governance in which board members may be politically appointed or elected

### WHICH OF THE FOLLOWING METHODS DO YOU USE TO IDENTIFY POTENTIAL NEW BOARD MEMBERS?



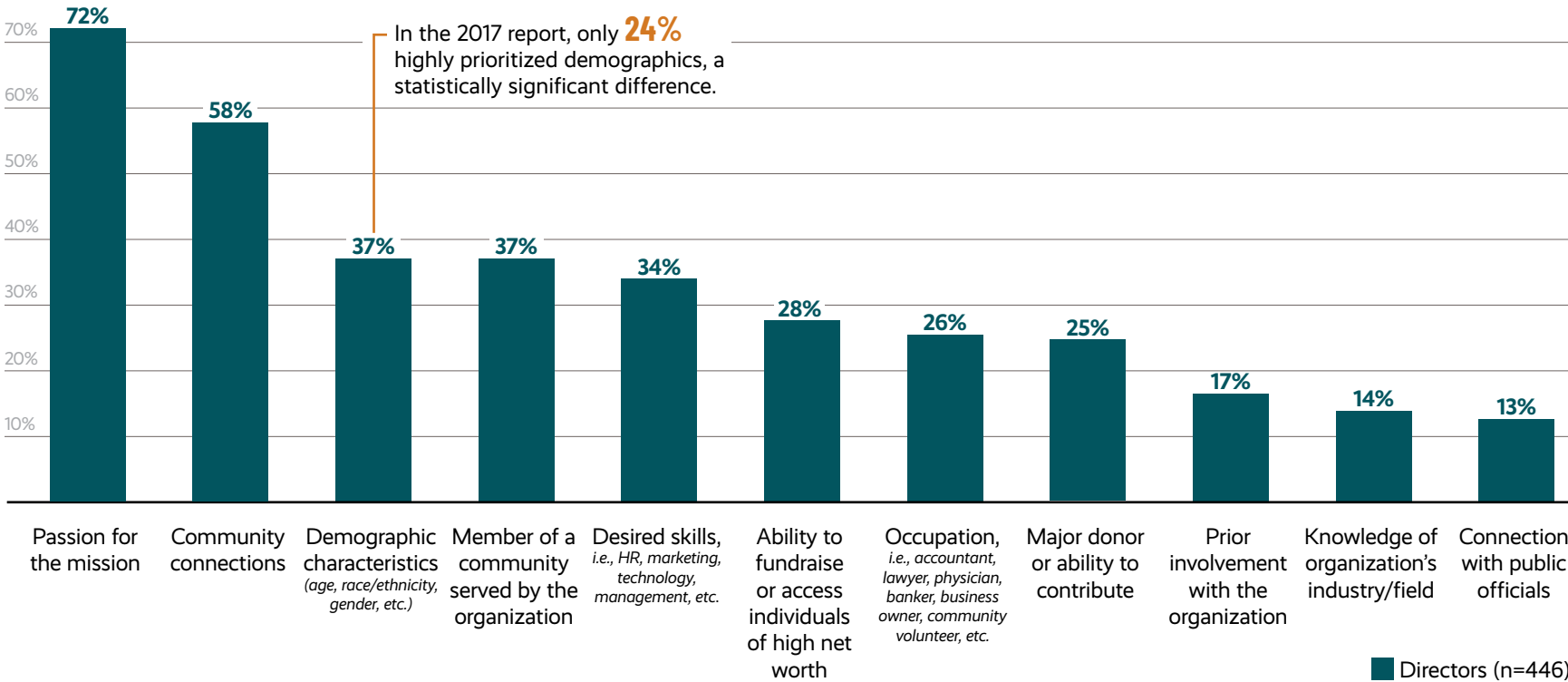
### HOW EASY OR DIFFICULT IS IT TO FIND PEOPLE TO SERVE ON YOUR BOARD?



When recruiting, passion for the mission and community connections are considered most important, followed by a wide variety of other qualities. Just over one-third of directors feel that demographic characteristics are a high priority (37%) and a similar proportion feel that being a member of a community served by the organization is a high priority (37%). Few directors recruit board members based on prior involvement, knowledge of the field, or connections with public officials.

### WHAT IMPORTANCE DOES THE BOARD ASSIGN TO THE FOLLOWING ITEMS WHEN RECRUITING BOARD MEMBERS?

% who select "high priority"



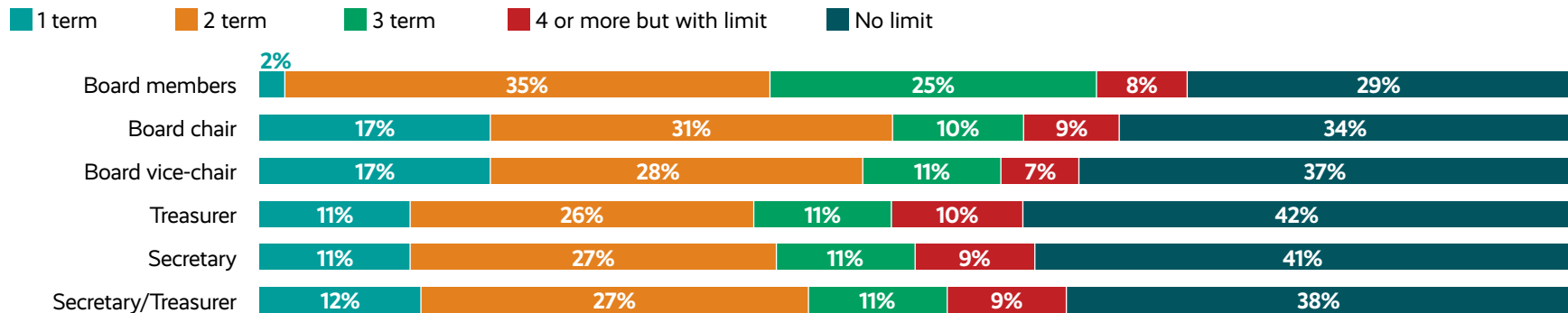
# TERM LIMITS

For all board positions, most directors reported that members can serve two or more consecutive terms, and 29% of directors report that there is no limit on the number of terms that can be served by board members. It is [best practice](#) for all board positions to have term limits, as this ensures that a variety of perspectives are represented on the board over time.

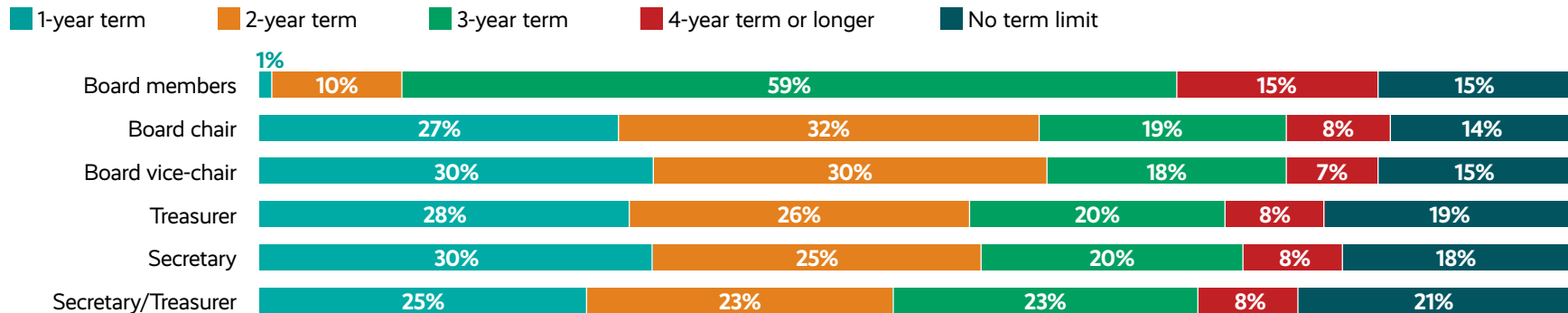
RESOURCE

 **Guidance:**  
[Succession Planning](#)

## HOW MANY CONSECUTIVE TERMS CAN BE SERVED BY THE FOLLOWING POSITIONS?



## HOW LONG ARE THE TERMS OF OFFICE FOR THE FOLLOWING POSITIONS?



Directors (n=253-429)



# THE WORK

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# OVERVIEW

Boards perform a wide variety of critical functions to ensure their museums are thriving. What does board culture look like, how are meetings run, and what areas are in greatest need of improvement?

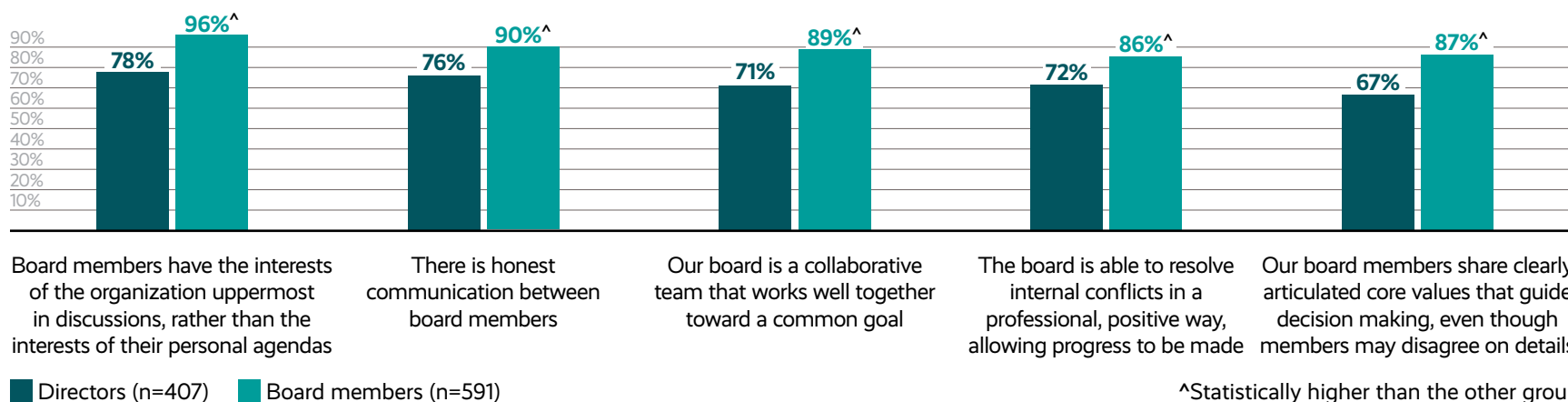
Most board members and directors express that their board has a positive impact on their organization's performance. Board members are particularly effective at financial oversight and understanding their organizations' missions, and there is agreement between directors and board members that boards can improve in fundraising, outreach, advocacy, and government relations. While directors feel that boards should improve their fundraising performance, this is at odds with the way directors report their board's priorities when selecting future members (only 28% of directors reported that their board prioritizes fundraising abilities when recruiting new members).

Directors spend a substantial amount of time on board activities, and board members described meetings as well planned and well run, but reported that their fellow board members could be better prepared individually. Higher board attendance and greater board member preparation for meetings are both related to greater board impact on organizational performance. Almost all boards document their meetings and actions, but other steps that can promote accountability and transparency are less widely performed.

## AGREE OR DISAGREE?

How strongly do you agree or disagree with the following statements related to your board's culture?

% who select "strongly agree" or "agree"





# BOARD ENGAGEMENT & CULTURE

Only 58% of directors feel that most board members are actively engaged in governing the organization, indicating an opportunity for many board members to engage more deeply with their museum.


It's common for boards to rate their own performance more highly than directors rate board performance. However, larger gaps between director and board ratings are notable.

## AGREE OR DISAGREE?

**How strongly do you agree or disagree with the following statements related to your board's culture?**

*% who select "strongly agree" or "agree"*

### RESOURCE

 **Guidance:**  
[Candid Conversations about Board Governance](#)

**29%** of directors "Disagree" or "Strongly disagree" with each of these statements.

Board members have the interests of the organization uppermost in discussions, rather than the interests of their personal agendas.

There is honest communication between board members.

Our board is a collaborative team that works well together toward a common goal.

The board is able to resolve internal conflicts in a professional, positive way, allowing progress to be made.

Our board members share clearly articulated core values that guide decision making, even though members may disagree on details.

The board is adaptable in the face of changes in the environment, funding levels, etc., in order to sustain the mission and organization.

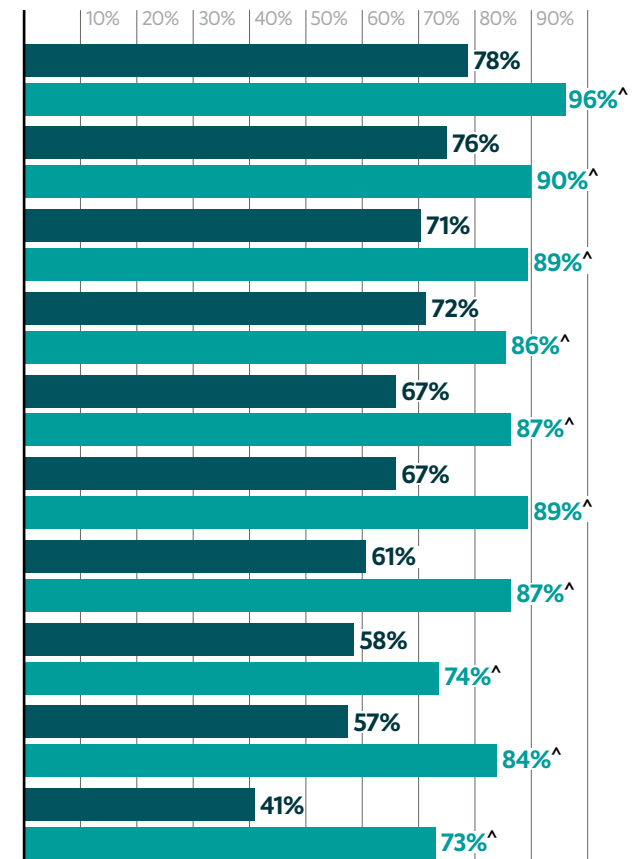
I see a clear linkage between board priorities and organizational goals.

The majority of board members are actively engaged in overseeing and governing the organization.

Board members appropriately balance short-term and long-term needs.

Board members share accountability and take collective responsibility for failures and mistakes.

■ Directors (n=407) ■ Board members (n=591)



^Statistically higher than the other group

# BOARD & DIRECTOR JOB SATISFACTION

People take real joy in leading their museums—most directors, and almost all board members, find their roles highly satisfying. Most board members and directors expressed that their board has a positive impact on their organization’s performance, and 89% of board members also report that they feel their perspective is valued.

Directors who felt their board had a negative impact on their organization’s performance were also more likely to be dissatisfied with their board’s current level of diversity regarding race/ethnicity, gender, LGBTQ+ identity, age, and socioeconomic status.

## OVERALL, HOW WOULD YOU RATE YOUR PERSONAL JOB SATISFACTION ON THE FOLLOWING SCALE?

■ Moderately or extremely dissatisfied (selected 1 or 2 of 7)
 ■ Somewhere in between
 ■ Moderately or extremely satisfied (selected 6 or 7 of 7)



## OVERALL, HOW WOULD YOU RATE YOUR SATISFACTION WITH YOUR EXPERIENCE AS A BOARD MEMBER ON THE FOLLOWING SCALE?

■ Moderately or extremely dissatisfied (selected 1 or 2 of 7)
 ■ Somewhere in between
 ■ Moderately or extremely satisfied (selected 6 or 7 of 7)



## WHAT IMPACT DOES YOUR BOARD HAVE ON THE OVERALL EFFECTIVENESS OF YOUR ORGANIZATION’S PERFORMANCE?

■ Very negative impact
 ■ Somewhat negative impact
 ■ No impact either way
 ■ Somewhat positive impact
 ■ Very positive impact




^Statistically higher than the other group

# BOARD SCORE CARD

Directors and board members agree that their board performs well regarding financial oversight and understanding the organization’s mission, and there is room for improvement in key areas: fundraising, diversifying the board, monitoring legislation, and advocacy. It’s common for boards to rate their own performance more highly than directors rate board performance.

**RESOURCE**

 **AAM Resource Library:**  
[Governance and Leadership](#)

## HOW WOULD YOU “GRADE” YOUR BOARD’S PERFORMANCE IN THE FOLLOWING AREAS?

**A** Excellent    **B** Above average    **C** Average    **D** Below average    **F** Failing

	Directors	Board members
Financial oversight	<b>B</b>	<b>B+</b>
Understanding your organization’s mission	<b>B</b>	<b>B+</b>
Providing guidance and support to the chief executive	<b>C+</b>	<b>B+</b>
Legal and ethical oversight	<b>C+</b>	<b>B</b>
Level of commitment and involvement	<b>C+</b>	<b>B</b>
Adopting and following a strategic plan	<b>C+</b>	<b>B</b>
Knowledge of your organization’s programs	<b>C+</b>	<b>B</b>
Understanding the board’s roles and responsibilities	<b>C+</b>	<b>B</b>
Evaluating the chief executive	<b>C+</b>	<b>B</b>
Thinking strategically as a board	<b>C+</b>	<b>B</b>
Monitoring organizational performance and impact against strategic plan goals or objectives	<b>C</b>	<b>B</b>
Community-building and outreach	<b>C</b>	<b>B</b>
Fundraising	<b>C-</b>	<b>B-</b>
Increasing the diversity of the board	<b>C-</b>	<b>B-</b>
Monitoring legislative and regulatory issues that have the potential to impact the organization	<b>D+</b>	<b>C+</b>
Educating policy makers about the issues that have an impact on the organization	<b>D+</b>	<b>C+</b>

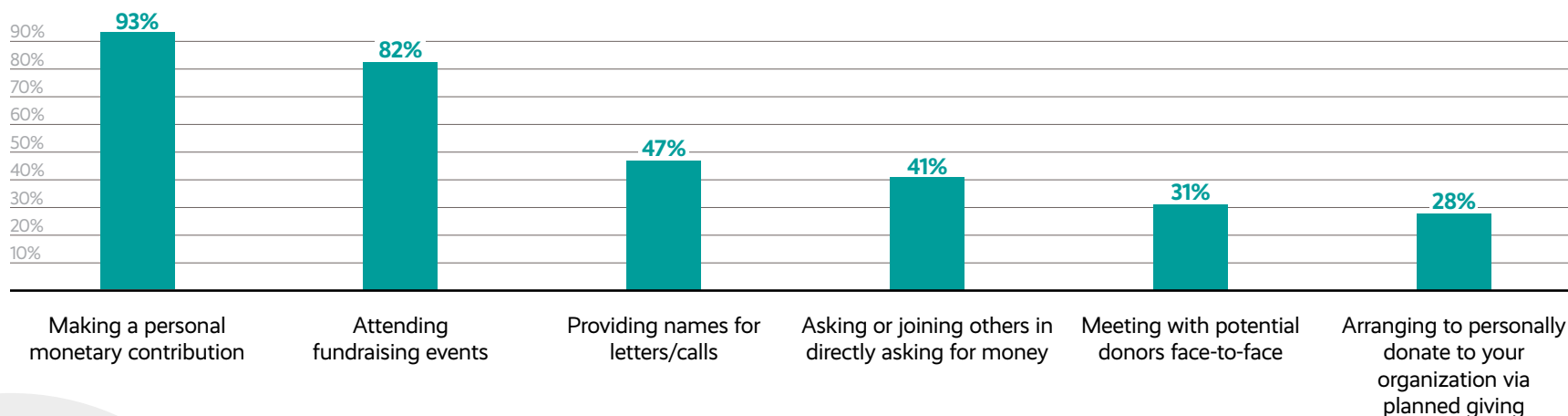
# BOARDS & FUNDRAISING

Board members and directors are aligned in the greatest areas for board improvement. Directors in particular cited fundraising as a key area for improvement by a wide margin.


While almost all board members are engaged in some component of fundraising, 84% of directors indicate that their boards rely largely on staff for fundraising.

However, only 67% of board members felt that expectations for fundraising were clearly explained during recruitment, indicating a need for clarity around this important responsibility.

## WHICH OF THESE FUNDRAISING ACTIVITIES HAVE YOU TAKEN PART IN DURING THE PAST YEAR?



Board members (n=582)

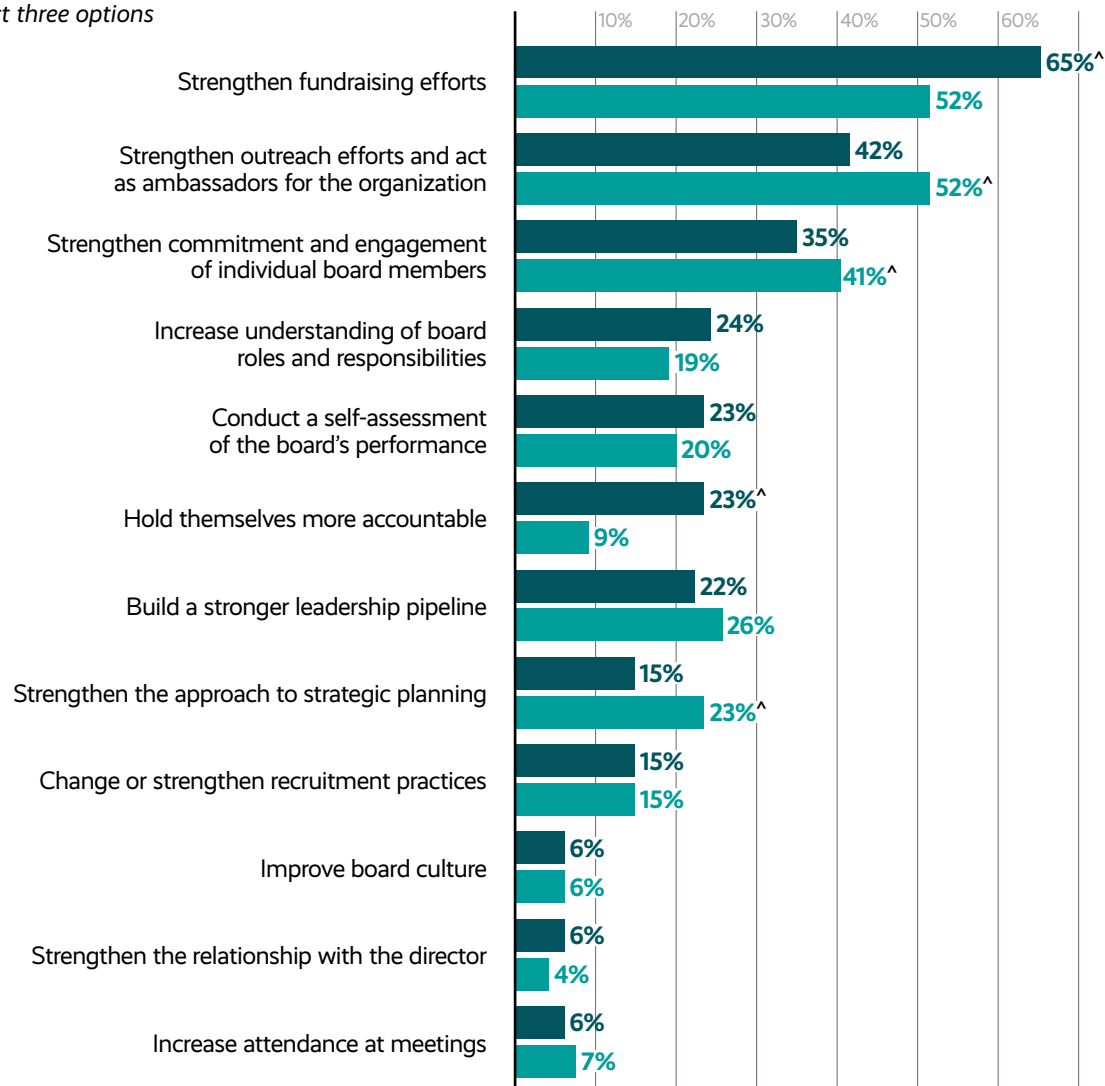
 **Article:**  
[Fundraising Fundamentals: Ways Museum CEOs and Board Chairs Can Work Together](#)

 **Video:**  
[Experiential Fundraising](#)

RESOURCES

## IN YOUR OPINION, WHAT ARE THE THREE MOST IMPORTANT AREAS THE BOARD SHOULD ADDRESS TO IMPROVE ITS OWN PERFORMANCE?\*

Select three options



\*Improve meeting practices, Improve financial oversight, and Other were selected by 5% or fewer of directors and board members.

■ Directors (n=417) ■ Board members (n=593)

^Statistically higher than the other group

# BOARD ADVOCACY ACTIVITIES

Changes in government policy can have a tremendous impact on an organization’s operations, yet many boards (43%) do **not** monitor the impact of government policy on their organization’s mission and resources. On average, nearly a quarter (24%) of museums’ budgets come from local, state, or federal government, and board participation in advocacy can be a powerful driver to support the organization’s mission and the museum field writ large. However, few board members are greatly engaged in advocacy activities on behalf of their institutions. One-quarter of boards (24%) do **not** have relationships with their elected officials, and many boards (38%) do **not** educate policymakers on behalf of their organization, its mission, or the nonprofit sector.

## TO WHAT EXTENT DOES THE BOARD ENGAGE IN THE FOLLOWING PUBLIC POLICY OR ADVOCACY ACTIVITIES?

■ Not at all   ■ To some extent   ■ To a great extent

Monitor the impact of local, state, and federal policy on the organization’s mission delivery and resources



Receive information and resources on effective and appropriate advocacy activities on behalf of the organization



Work in concert with the chief executive and leadership team to educate policymakers on behalf of the organization, its mission, and/or the nonprofit sector



Cultivate and/or maintain ongoing relationships with local, state, and/or federal elected officials



Directors (n=420-422)

**AAM**  
Resource Library:  
Advocacy

**Guidance:**  
Stand for Your Mission

**Guidance:**  
Alliance Policy Issues

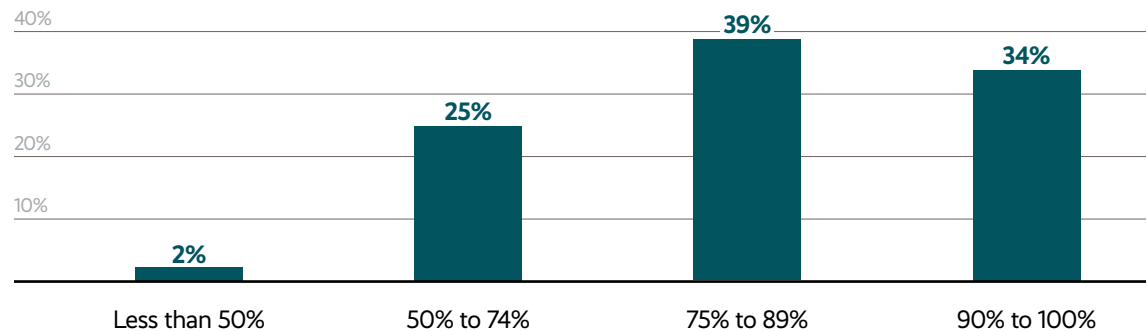
RESOURCES

# BOARD MEETINGS

Board meeting attendance corresponds with positive organizational effectiveness. While approximately one-third of directors report strong average attendance by voting members (90% to 100% attendance), many directors report far lower attendance: approximately one-quarter of directors report that fewer than 75% of their voting members are in attendance for any given board meeting. Directors who report average board attendance of 75% or higher are more likely to rate their board as having a very positive impact on the organization's effectiveness (37%) than those who report attendance below 75% (19%).

Routine reporting takes up almost half (45%) of time for these meetings. Strategic, future-focused, and generative work is the focus of almost one-third (30%) of meeting time, with fiduciary issues taking up the remaining quarter of meeting time. Directors who state their board has a very positive impact on the effectiveness of their organization's performance are also more likely to report that their board spends comparatively more time on future-focused, strategic, or generative work, as compared to boards that have a neutral or negative impact on their organization's performance.

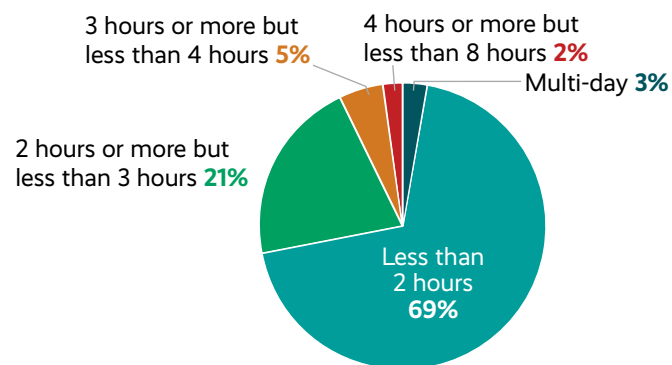
## WHAT IS THE AVERAGE ATTENDANCE BY THE VOTING MEMBERS OF THE BOARD AT BOARD MEETINGS?



Directors (n=436)

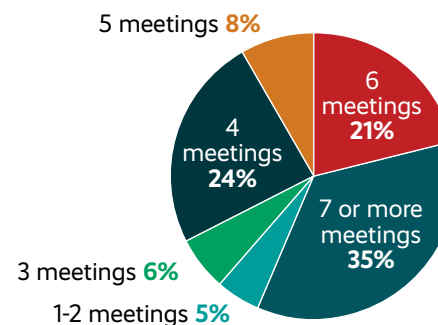
## HOW LONG WAS THE TYPICAL BOARD MEETING IN THE PAST YEAR?

Directors (n=436)



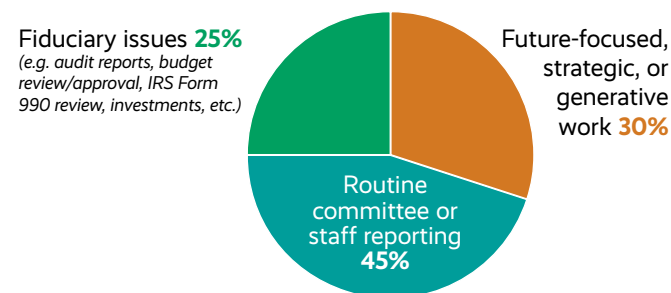
## HOW MANY TIMES DID YOUR FULL BOARD MEET DURING THE PAST 12 MONTHS?

Directors (n=437)



## IN YOUR ESTIMATION, WHAT PERCENTAGE OF AN AVERAGE FULL BOARD MEETING IS GIVEN TO EACH OF THE FOLLOWING?

Directors (n=437)





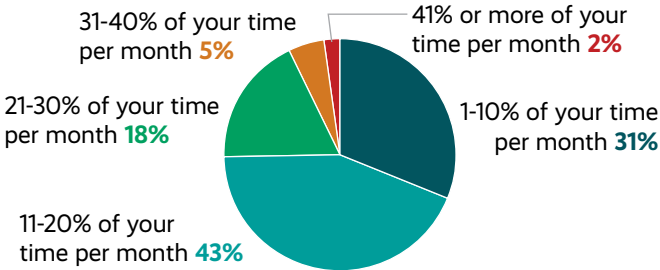
Many directors spend a substantial amount of time on board-related activities, and one-quarter of directors spend 20% or more of their time on board-related issues. Directors and board members can celebrate that board members widely agree that meetings are well run.

Greater preparation for meetings allows meeting time to be spent more effectively. Board members that reported their fellow board members were prepared for meetings to a “great extent” were also more likely to report their board as having a very positive impact on their organization’s performance, as compared to those who felt their fellow board members were prepared to “some extent” or a “small extent.”

### ON A MONTHLY BASIS, WHAT PERCENTAGE OF YOUR WORKING TIME DO YOU TYPICALLY SPEND ON BOARD-RELATED ISSUES?

*This includes time spent at, and preparing for, board and committee meetings, informal discussions, recruitment activities, phone consultations about board business, public hearings, and other governance activities.*

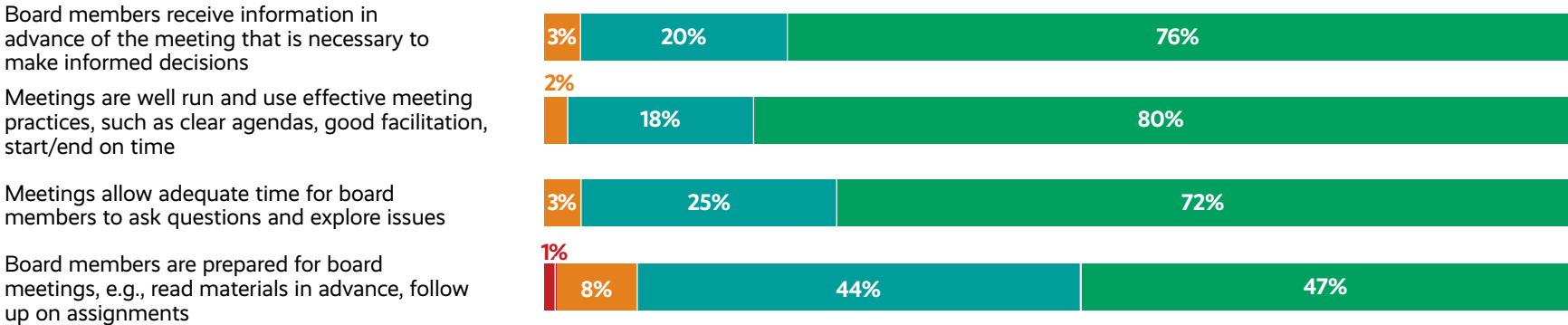
Directors (n=437)



### TO WHAT EXTENT DO THE FOLLOWING OCCUR?

■ Not done   
 ■ Small extent   
 ■ Some extent   
 ■ Great extent

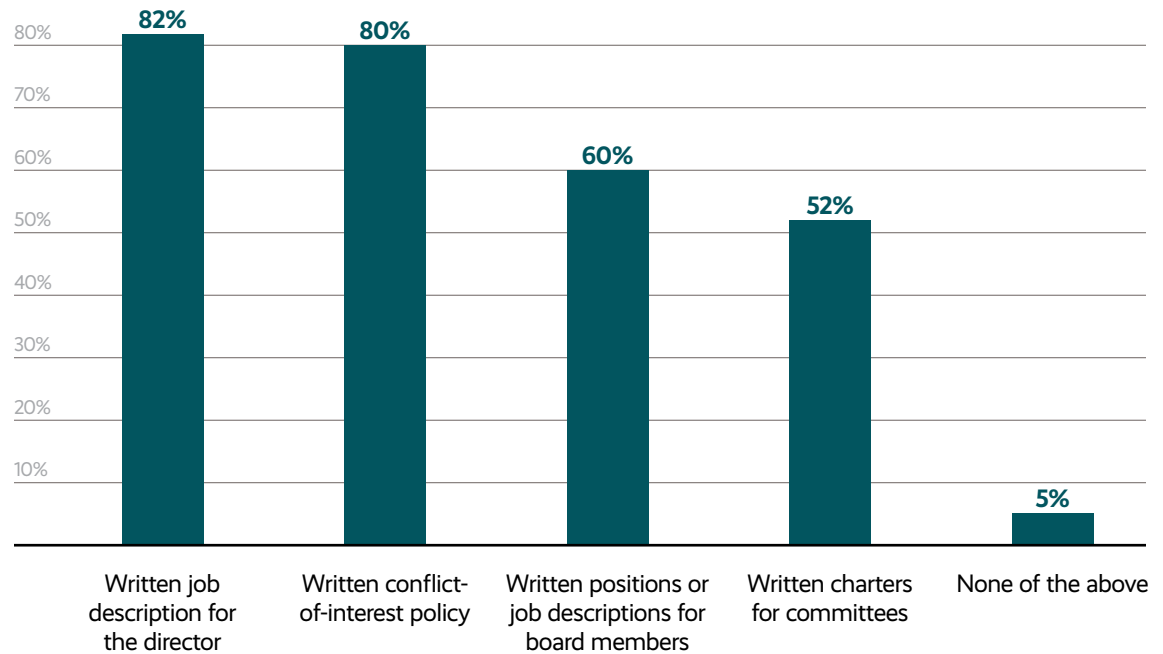
Board members (n=599-603)



# BOARD COMMITTEES

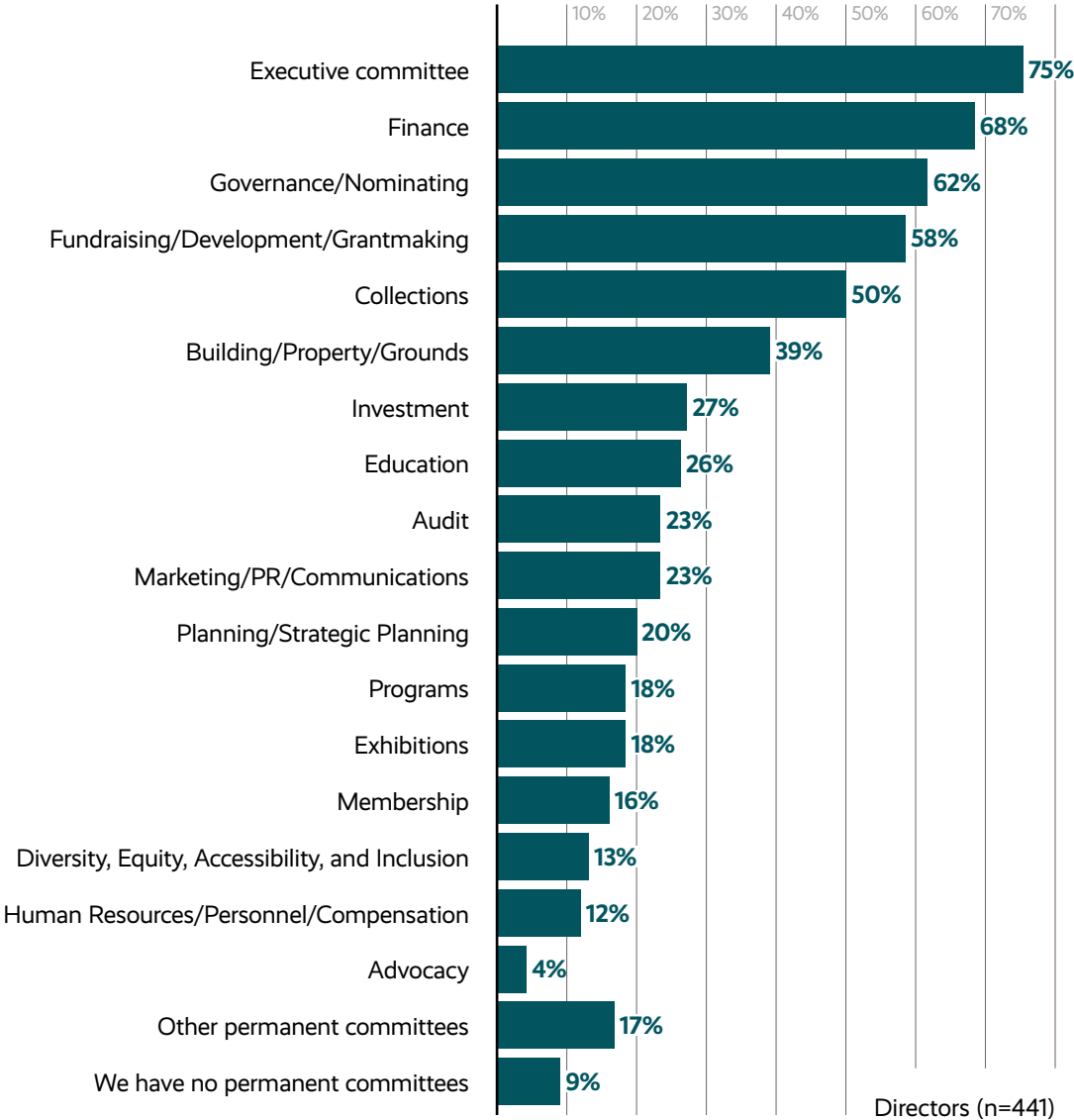
A wide variety of permanent/standing committees were reported by directors. The majority of boards have an executive committee and committees for finance, governance/nominating, and fundraising/development/grantmaking. Few boards have a committee devoted to DEAI (13%). Nine percent of directors report that their board has no committees. The vast majority of boards have a written job description for their museum's director and more than half (60%) have written position descriptions for board members.

## DOES YOUR BOARD HAVE THE FOLLOWING?



Directors (n=433)

## WHICH OF THE FOLLOWING TYPES OF PERMANENT/STANDING COMMITTEES DOES YOUR BOARD PRESENTLY HAVE?



# MUSEUM DOCUMENTATION & POLICIES

## RESOURCES

**Toolkit:**  
[Mastering Your Museum's Core Documents](#)

**AAM Resource Library:** [Disaster Planning & Risk Management](#)

**Guidance:**  
[Whistleblower Protections](#)

**Guidance:**  
[Museum Core Documents](#)

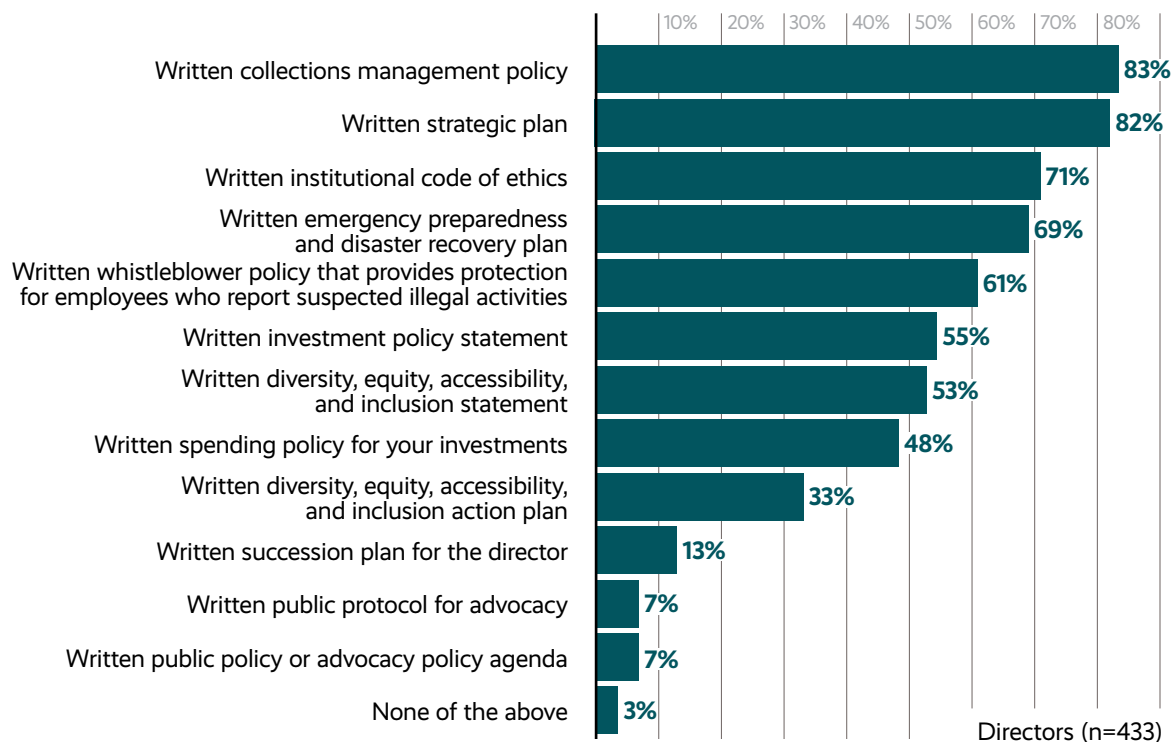
**Guidance:**  
[AAM Sample Documents](#)

Museums hold a wide variety of important documents, but certain policies and plans could be more widely utilized. Over two-thirds of directors report that their organizations have the four most common document types in place.

Directors and boards generally agree on the importance of DEAI to their institutions, and since 2017, more than twice as many directors report that their board has conducted DEAI training. However, only one-third of directors indicate their organization has a written DEAI action plan, providing a clear next step for many museums in progressing their DEAI work.

Considering that roughly one-quarter (24%) of museums' budgets comes from local, state, or federal funding, very few directors indicated that their organization has a written public policy agenda or advocacy policy (7%).

## DOES YOUR ORGANIZATION HAVE THE FOLLOWING?



# MUSEUM BOARD ACCOUNTABILITY ACTIONS

RESOURCE

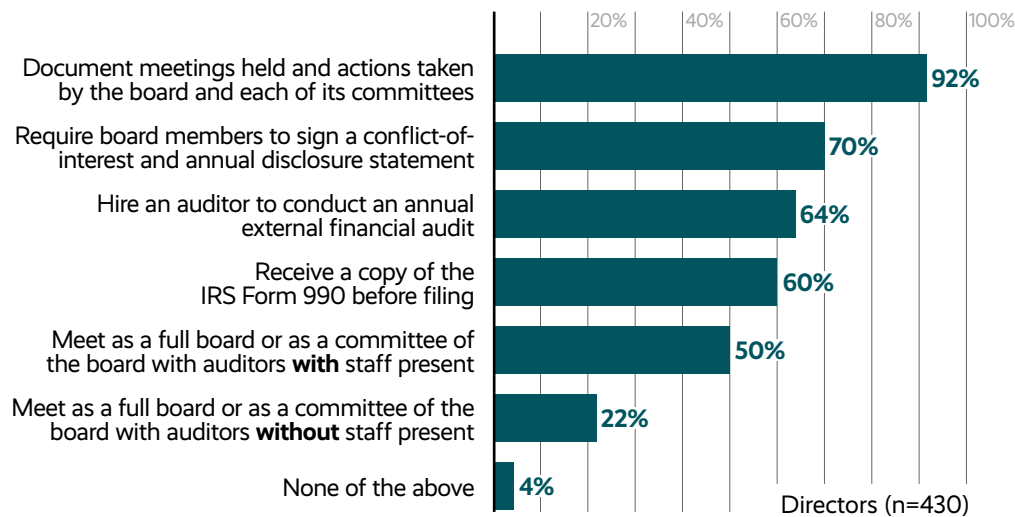
Website: [Self-Assessments for Nonprofit Boards](#)

There is a significant gap between the perception of board members and directors in the need for the board to hold themselves more accountable—23% of directors cited “holding themselves more accountable” as a key area for board improvement, while only 9% of board members cited the same.

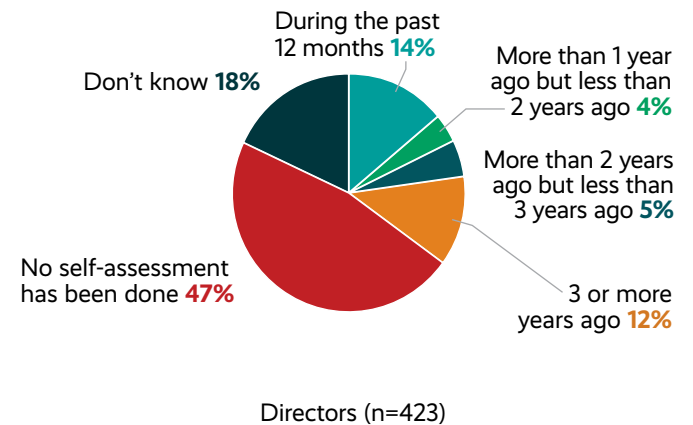
Almost all boards document their meetings and actions, but other steps that can promote accountability and transparency are less widely performed. Only 60% of boards receive a copy of the IRS Form 990 before filing and only 70% of boards require members to sign a conflict-of-interest and annual disclosure statement. These are valuable accountability and risk management actions that protect the museum and builds in operations and finances.

Board self-assessments are also a valuable tool to ensure that evolving best practices are being followed, policies are appropriate and effective, and the board is adapting to external changes. BoardSource recommends these types of self-assessments are conducted every two to three years. However, almost half of boards have never conducted a written self-assessment, and only one-quarter (23%) of boards have conducted a self-assessment within the past three years.

## DOES YOUR BOARD DO THE FOLLOWING?



## HOW RECENTLY HAS YOUR BOARD CONDUCTED A FORMAL WRITTEN SELF-ASSESSMENT TO EVALUATE ITS OWN PERFORMANCE?





# THE FINANCES

○○○

# OVERVIEW

**RESOURCES**

- AAM Resource Library:** [Funding & Business Models](#)
- Guidance:** [ICOM Standards on Fundraising](#)
- Guidance:** [Developing and Managing Business and Individual Donor Support](#)

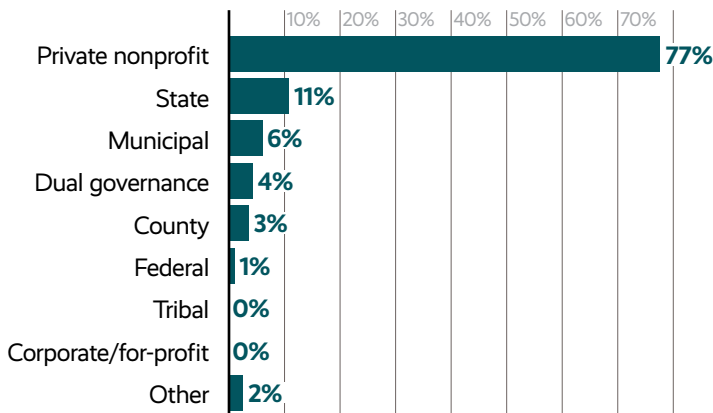
Ensuring fiscal health is one of the most important roles board members play. What are the revenues and investable assets of museums, where does revenue come from, and what indicators of financial challenge are present in the field?

The majority of museums participating in this survey are private nonprofits (77%). Just over a quarter of directors (27%) indicate that their institution has a parent organization, often a college/university or a museum. Half (50%) of museums report annual revenues of less than \$1 million, and the vast majority (79%) of museums report annual revenues under \$5 million. Earned income and contributions/donations each make up approximately one-third of revenues for museums, while government funding (local, state, and federal) makes up one-quarter of museum revenue.

The museum field has long faced financial challenges, demonstrated in this report by half of responding museums indicating at least one sign of financial distress. Despite the COVID-19 pandemic exacerbating many of these financial challenges for the field, encouragingly, we see a slight decrease from 2017 in the number of museums who have used their reserves or endowment to cover operating costs (from 29% to 25%) in the prior six months. The findings from this survey make clear that there is significant room for improvement for many museums to achieve financial sustainability.

## WHICH CATEGORY BEST DESCRIBES YOUR ORGANIZATION'S GOVERNANCE?

Select all that apply. If your organization has a parent organization, please indicate the nature of that organization's governance.



## DOES YOUR INSTITUTION HAVE A PARENT ORGANIZATION? IF YES, WHICH OF THE FOLLOWING BEST DESCRIBES YOUR INSTITUTION'S PARENT ORGANIZATION?

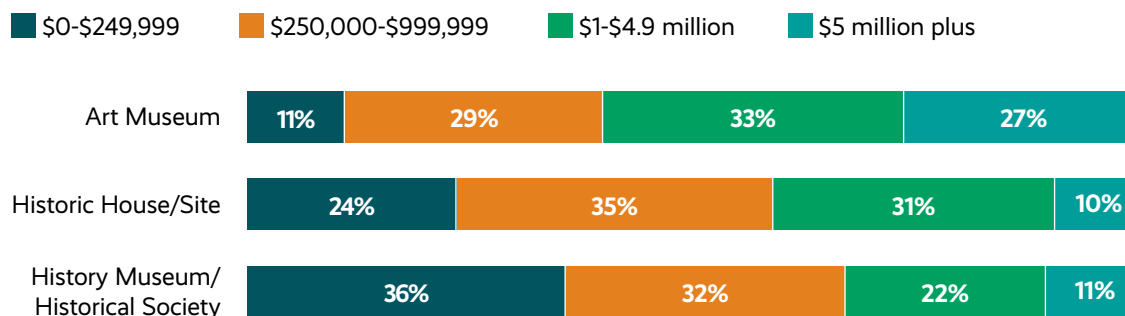


# MUSEUM REVENUE

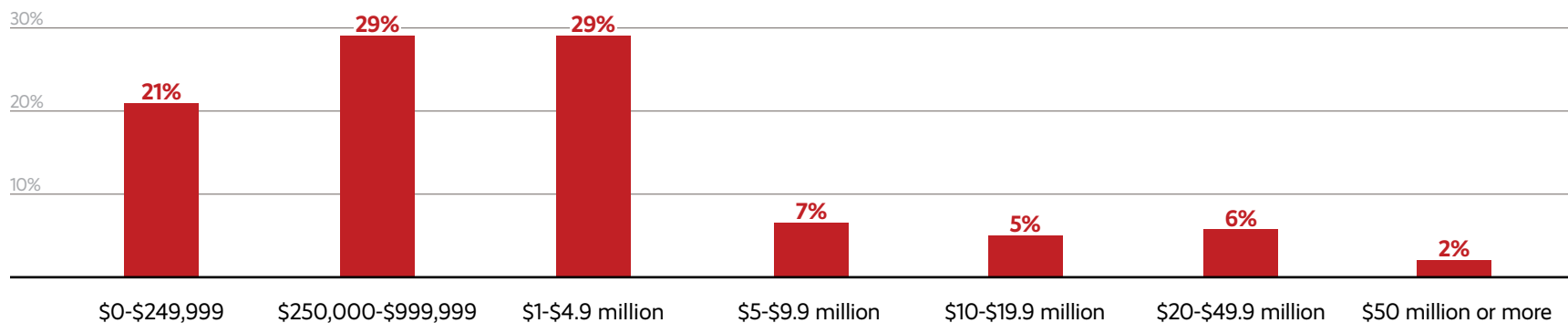
Half (50%) of museums report annual revenues of less than \$1 million, and the vast majority (79%) of museums report annual revenues under \$5 million.

87% of museums with revenue under \$5 million have less than \$10 million in assets.

## MUSEUM TYPE BY REVENUE



## WHAT WERE YOUR ORGANIZATION'S TOTAL REVENUES IN YOUR MOST RECENTLY COMPLETED FISCAL YEAR?



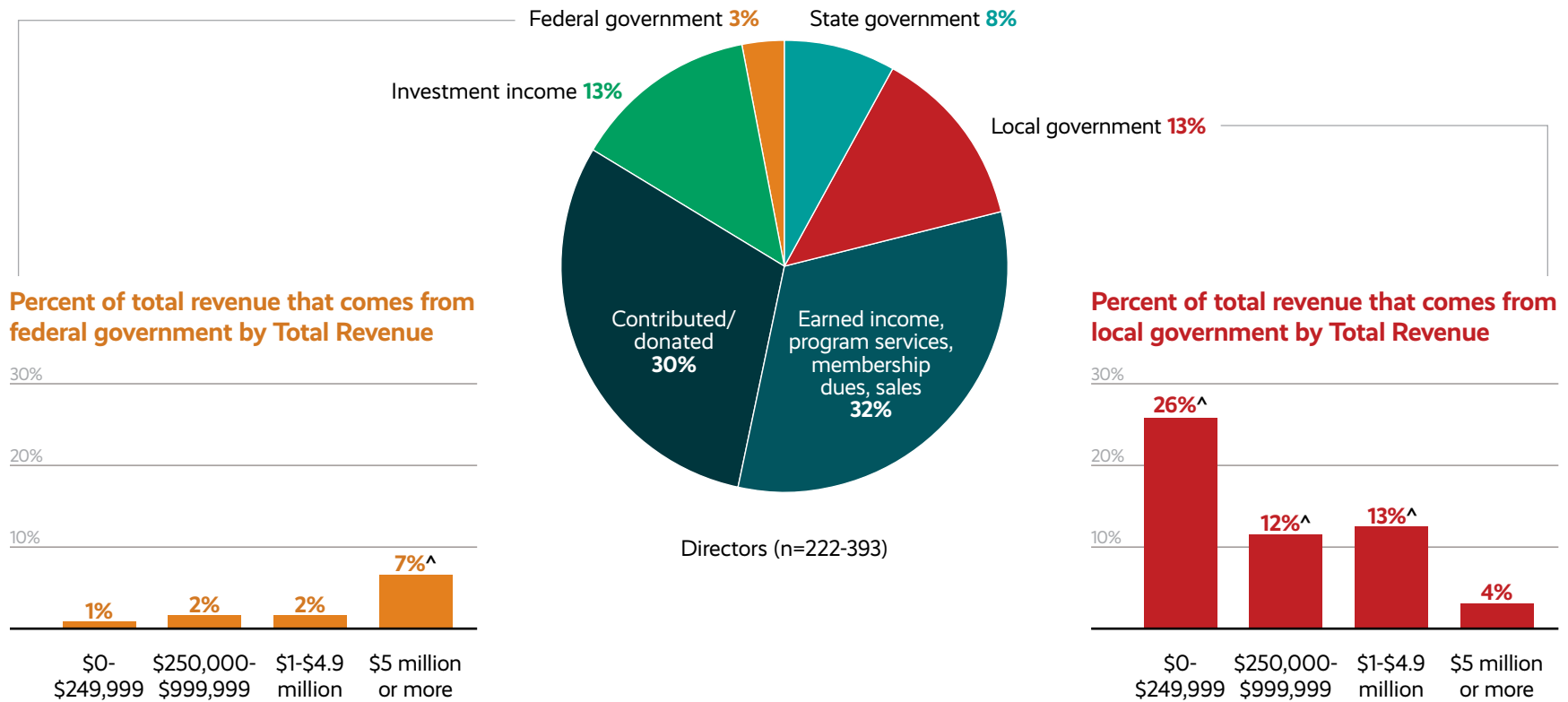
Directors (n=410)



# MUSEUM REVENUE SOURCES

Earned income and contributions/donations each make up approximately one-third of revenues for museums. Government funding (local, state, and federal) makes up 24% of museum revenue, just over half of which comes from local governments. Museums with revenues below \$250,000 are likely to receive a greater proportion of their revenues from local government sources than larger museums. While museums do not estimate that they receive much of their resources from the federal government, museums with revenues of \$5 million or more receive more on average than smaller museums.

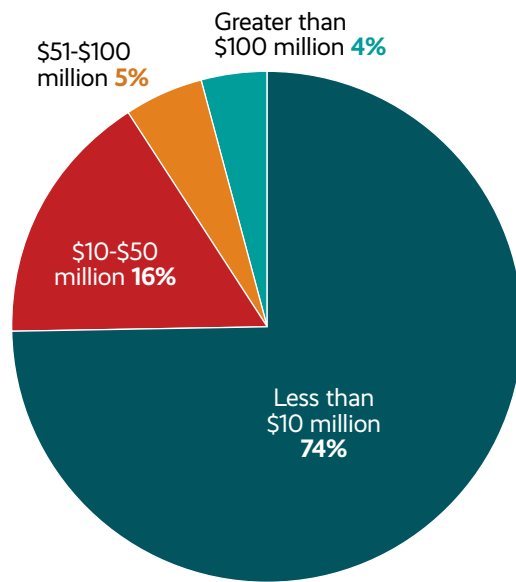
## TOTAL REVENUE SOURCES



^Statistically higher than the other group

# MUSEUM INVESTMENT PORTFOLIOS

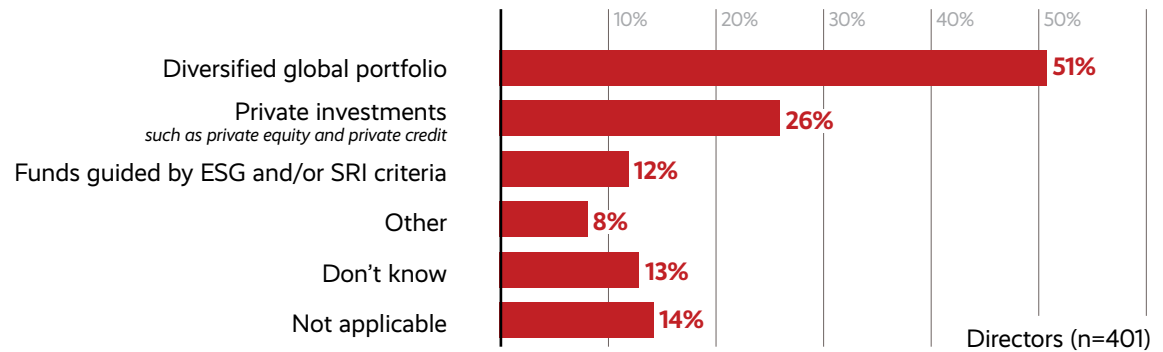
## WHAT IS THE VALUE OF YOUR INSTITUTION'S INVESTABLE ASSETS?



Directors (n=402)

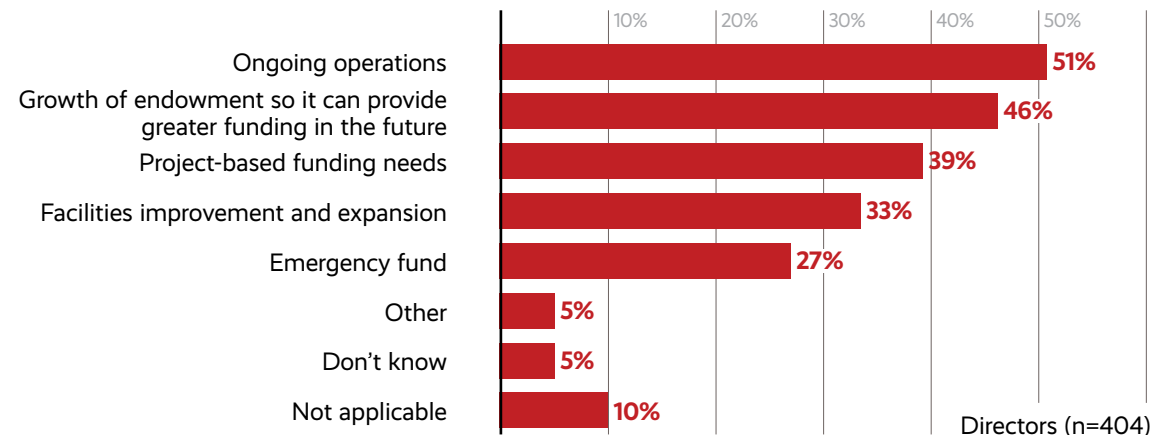
Approximately three-quarters of museums (74%) have investable assets of less than \$10 million in value; this includes museums without investable assets. Half of museums use their investable assets for general operating funds (51%), and almost half for growing the endowment (46%). Directors report that their investable assets are most commonly invested in a diversified global portfolio or private investments. Only 12% of directors report that their museum invests in funds guided by environmental, social, and governance (ESG) or socially responsible investment (SRI) criteria.

## HOW ARE YOUR INVESTABLE ASSETS INVESTED?



Directors (n=401)

## HOW ARE YOUR INVESTABLE ASSETS PURPOSED?



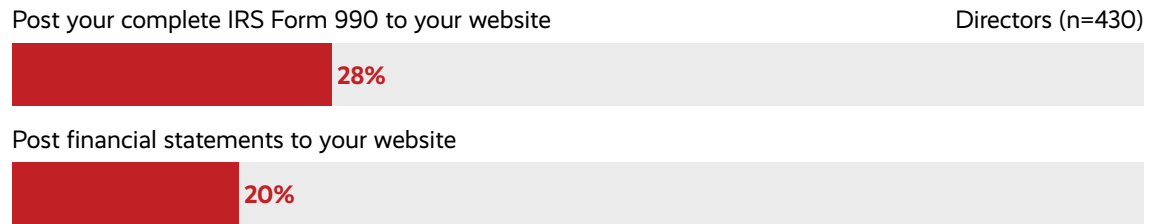
Directors (n=404)



Museums take a wide variety of approaches to reviewing their investment advisors and seeking new options for their investment portfolio. One-quarter (25%) of directors review their investment advisors every two years or more frequently and 19% review their investment advisors at a less frequent set interval. Over one-quarter (29%) follow no set guidelines.

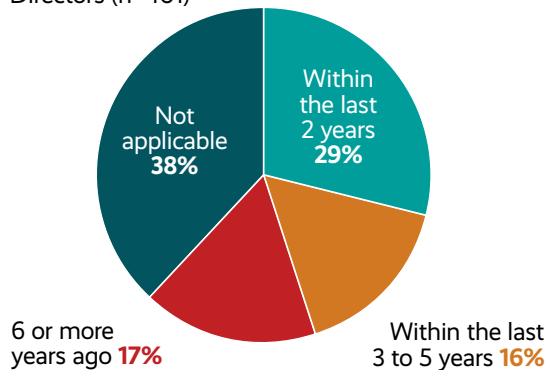
Just over one-quarter (28%) of directors report that they post their IRS Form 990 to their website, and 20% report posting their financial statements. Sharing these documents actively and publicly promotes financial transparency and can further cultivate trust in museums.

### DOES YOUR ORGANIZATION DO THE FOLLOWING?



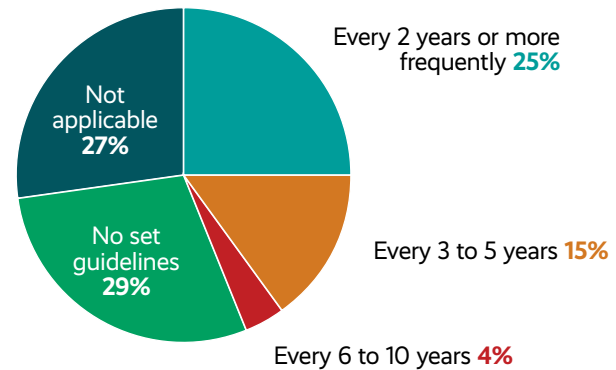
### WHEN WAS THE LAST TIME YOU CONSIDERED PROPOSALS FOR YOUR MANAGED PORTFOLIO?

Directors (n=401)



### HOW OFTEN DO YOU REVIEW YOUR INVESTMENT ADVISORS AND/OR ISSUE AN RFP FOR INVESTMENT ADVISORS?

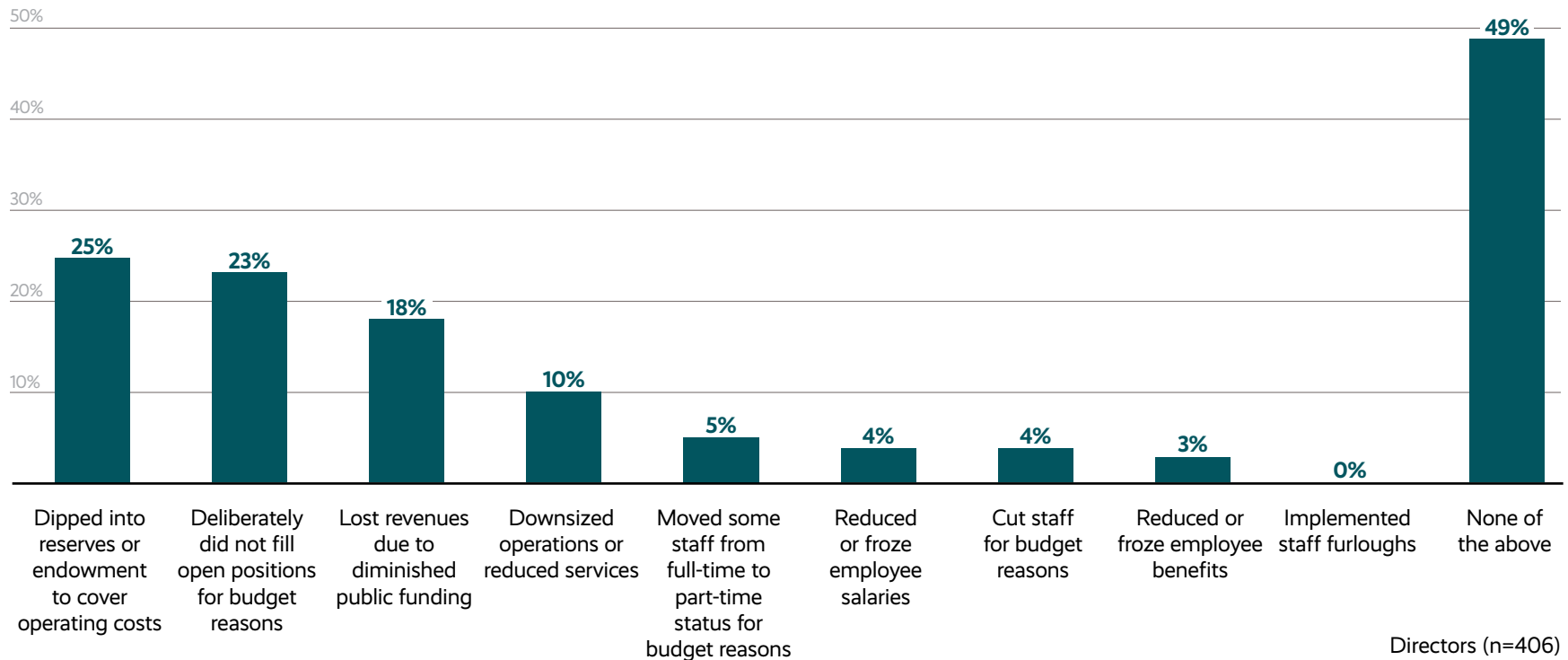
Directors (n=403)



# FINANCIAL CHALLENGES

The museum field has long faced financial challenges, which have been exacerbated by the lasting impact of the COVID-19 pandemic. Approximately half of directors reported that their museum experienced at least one of these indicators of financial challenge during the prior six months. Concerningly, a full quarter of directors reported that their museum had dipped into reserves or their endowment to cover operating costs in the prior six months (25%); however, this is a slight reduction from the number of directors (29%) who reported this action in 2017. Directors who graded their boards lower on fundraising were more likely to cite the need to dip into reserves or endowment to cover operating costs than those who graded their boards higher on fundraising. Almost a quarter (23%) did not fill open positions for budget reasons and 18% of museums lost revenues due to diminished public funding.

## WHICH OF THE FOLLOWING SIGNIFICANT CHANGES HAS YOUR ORGANIZATION UNDERGONE DURING THE PAST SIX MONTHS?



# THANK YOU

Thank you to the board members and directors who responded to this survey in 2023. The important insights in this report would not have been possible without your involvement.

We hope that this report will prove to be a valuable tool for museum boards and directors as the field continues to strive for excellence. If you have questions or feedback regarding this report, please contact [research@aaam-us.org](mailto:research@aaam-us.org)—your input is valued.

# FROM OUR SPONSOR

The Foundation & Institutional Advisors national practice at Northern Trust serves foundations, endowments, and other nonprofit institutional investors as either a dedicated investment advisor or as a fully outsourced chief investment officer. The practice is consultative and advice-driven, providing holistic solutions that combine sophisticated advisory expertise with a spectrum of value-added services. To realize your organization's mission, you need the right expertise, resources and focus—and a strategic plan for its future. Northern Trust brings decades of experience, best practices, and tools to help you develop an effective strategy and meet all your investment and advisory needs. More information about Northern Trust Foundation and Institutional Advisors can be found at [www.northerntrust.com/FIA](http://www.northerntrust.com/FIA).



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