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FUNDING THE DREAM

Presented to the Biennial Meeting
of the Australian Heritage Parks Association
Echuca, Victoria
September 10, 1986

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"Ah, but a man's reach should exceed his grasp, or what's a heaven for?"

When the English poet, Robert Browning, wrote these lines, he certainly had no knowledge of heritage parks and their financial problems. But he did know something of the struggle all artists face to achieve their goals. The title assigned for these remarks, "Funding the Dream...the American Experience," somehow suggests that, across the ocean those of us in the heritage park business, or outdoor museum business as we call it, have actually discovered the pot of gold at the end of the rainbow which makes all our dreams come true. I wish it were so.

Before we talk about present-day dreamers and their dreams, we would do well to consider the realities of the fragile world of museums created by yesterday's dreamers and now entrusted to our care.

As stewards of portions of our common heritage, we are dealing, in most instances, with collections of objects, buildings, geographical settings and sets of historical circumstances which we have inherited. Yesterday's dreamers were not especially good financial planners or good forecasters. If they ever consulted a crystal ball, they never were told that one day something called OPEC and the insidious effects of inflation could drastically affect the survival of many museums.

I entered the museum field a little over eight years ago at a time when unchecked energy costs and raging inflation had combined to place the museum I joined in serious financial difficulty. Time-honored approaches to museum management simply weren't working, and assaults on what once was a serene and stable financial picture from unfamiliar and uncontrollable external forces created havoc.

What to do?

Our response, I believe, was in the tradition of good caretakers the world over when faced with adversity. We went back to the basics. Why were we in business, and how did all the things we were doing relate to our mission statement?

Using the mission statement as a plumb line, we began to see that some of our activities, costly activities, had little or no relation to our stated purpose. They consumed all kinds of resources - time, talent, and worst of all, hard-to-come-by treasure. In short, some of the things we should have been doing weren't getting done for lack of funds and the public we so eagerly sought to please was simply not being well served.

The solutions, though sometimes painful, were obvious. I want to list for you a range of actions we took to reduce operating expense and then I will address the various steps we took to increase operating income.

One of my first assignments on the job given to me by our director of merchandising was to address a hookers' convention which would be meeting in our education center. Now as it turned out, the ladies were not streetwalkers, but rather, devoted craftspeople who turned out some of the most beautiful hooked rugs you've ever seen. And we owned and operated a business which sold the colored hooking wool and burlap patterns. Patterns were produced on order one at a time by hand. The process involved digging the stencil out of the files, inking a roller, and once the pattern was fixed and dry, edging the burlap with a little square sewing machine that looked like and sounded like an antique. The list price per pattern never remotely approximated the actual cost. As I got the story, we got into the business when someone thought hooked rugs could have been found in early New England homes, and there was an active group of rug hookers who would visit the museum when they came to buy rug supplies. But a little research showed the museum was losing its shirt on the business, and the impact of rug hooking devotees on attendance was nonexistent. We sold the business, retaining a royalty interest in the rug patterns and reassigned to other areas of the museum as many of the staff as we could.

Not long after I came to the Village, there appeared in the Wall Street Journal for October 3, 1978, an excellent article entitled Managing the 'Third Sector' by Peter Drucker, one of America's foremost authorities in the field of corporate management. Drucker wrote on that occasion, "By and large few service institutions attempt to think through the changed circumstances in which they operate. Most believe that all that is required is to run harder and to raise more money.

"And fewer still are willing to accept that success always means organizing for abandoning what has been achieved. In service institutions abandonment is particularly difficult. They are not want-oriented; they are need-oriented. By definition they are concerned with 'good works' and with 'social'

or "moral" contributions rather than with returns and results. The social worker will always believe that the very failure of her efforts to get a family off welfare proves that more effort and more money are needed.

"Yet precisely because results in service institutions aren't easily measured, there is need for organized abandonment. There is need for systematic withdrawal of resources--money, but above all, people--from yesterday's efforts. The manager of a service institution must constantly ask the unpopular question: 'Knowing what we now know, would we get into this activity, this service, this effort if we were not already in it?' And the answer is no, he shouldn't ask for another study or try to find a way to repackage the old chestnut to make it look fresh to the donors. He should find a way to get out of that service as quickly as possible. At the very least, he should ask himself how methods should be changed to accomplish what his institution originally set out to accomplish."

I've taken time to quote Drucker at this point in my story to underscore my belief that today's museum manager must constantly evaluate the entire range of an institution's activities to weed out those which are not making a positive contribution.

Since 1978 our museum has eliminated a number of full-time management and general staff positions and changed the seasonal staffing levels so that most of the museum operates on a tour basis on winter weekdays when visitation is minimal. Previously, most buildings were staffed with one or more costumed interpreters and heated to an appropriate comfort level. Now a single interpreter takes a group of five or ten visitors on a thematic tour of various residences, unlocking each structure enroute. Visitors dressed for the winter day have no problem with chilly interiors and the opportunity to study a variety of lifestyles of the 1830s with a knowledgeable guide provides an informational plus.

The savings in man hours and energy costs were most impressive, and the public benefitted too!

We've also eliminated a few craft demonstrations, such as pewtering and cabinet making, which lacked a valid research base and authentic and safety-proof work spaces. Other static exhibit areas were equipped with state-of-the-art security systems and left unstaffed. Our goal throughout has been to work with fewer staff where ever possible and to pay those still on the rolls more competitively. Our payroll and fringe benefits now exceed \$4.5 million annually. We are operating with about 10% fewer staff than were employed in 1978.

With it all, the interpretive program has been enlivened by the addition of a host of special events and activities - a haying contest, political rallies and parades, hog butchering, cheese making, doing the laundry in the early 19th-century manner, toy hot-air balloon ascensions, cider making featuring a horse-driven crusher for the apples. Perhaps the most exciting programs for the visitor have been occasioned by the construction in costume of a pottery kiln, sheds for sheep, horses and firewood, a working up-and-down sawmill, a cider mill and a shop for the tinmaker.

Grants from foundations and corporations and gifts from individuals funded the new construction which replaced, in many instances, buildings which were inappropriate or inoperative. And using our own costumed staff for much of the construction made it possible to do the job more economically. As a bonus, our visitors were treated to a working demonstration of what early 19th-century building methods were all about.

In management-level staff meetings, we talked a lot about the need to reduce payments to outside suppliers so we could improve the compensation levels of our own staff. We found that a great many annual expense items had never been the subject of competitive bids. We said goodbye to a number of long-term suppliers as a result, but the savings realized more than eased the pain of separation. As a result of joint purchase with ten area colleges and other cultural institutions, our fuel oil costs dropped well below the local market price.

A ten-year contract with our food service supplier was written before the energy crisis developed, and we found ourselves struggling to keep the fuel tanks full in a building that featured three huge walk-in fireplaces in one room and devoured cords of firewood and at least 11,000 gallons of heating oil each year. My decision to plug all the fireplace flues with insulation was met with howls of protest from the food service people who saw the ruination of the dining place's country atmosphere. But they weren't paying the fuel bills, and our royalty income on the contract was being eaten up with each winter cold snap. When the contract came up for renewal, we insisted on their assumption of all utility and energy-related expenses, and we prevailed.

Another area of concern were the huge amounts we expended each year for telephone and electrical service. Foundation grants were solicited and received which enabled us to buy a telephone system at an annual saving in rental costs of \$25,000 and to install on a river which flows through our property two low-head hydroelectric generators yielding about \$20,000 per year in reduced utility bills.

Conservation measures brought about additional savings as thermostats were turned down, energy-efficient light bulbs were installed, buildings were insulated, and a large forested area was turned into a tree farm to furnish lumber and firewood for interpretive programs, replacing stock purchased from outside suppliers. As a bonus, nearly 1,000 acres were removed from the local tax rolls, since the land was now being used to sustain the nonprofit program of the Village.

We even had signs printed and distributed to staff areas showing the \$200,000 year-end deficit with the legend, "What are you doing to help?"

So much for expenses. I've deliberately given them priority since contributors have every right to expect that their gifts will be wisely and prudently used. Old Sturbridge Village earns about 85% of its operating income and depends on donations and grants for the other 15%. For the last six years we have ended the year with a modest operating surplus. And much of the credit goes to our board of trustees and its innovative chairman. In one year, trustee giving to the annual fund doubled as a result of his efforts. The annual giving of the board (48 active members and about 30 honorary members) for some time hovered around \$45,000. Last year it topped \$115,000. The board chairman said that people gave money more willingly if they had fun in the process. He proposed a contest with four teams - Weavers, Farmers, Spinners and Mechanics - each headed by a captain who agreed to match his challenge gift of \$5,000. Then at the end of a regular board meeting he explained the contest, announced the makeup of the teams, and then divided the gathering so each team could consider its response to the challenge. It was an unorthodox approach to fund raising, but it worked!

The level of trustee giving has a tremendous effect on the giving practices of other constituencies of the Village. When directors of foundations and corporate contributions officers see that the board is making a serious commitment, it reinforces their confidence in the organization and in the validity of the request for funds they've received. Just now, approximately 250 corporations are regular contributors to the Village, and more are in the offing. We give our corporate donors a discount on the fees charged for use of our conference center, and we try to arrange a special day to welcome their employees' families and guests at a reduced rate.

Contracts with profit-making firms were revised to bring them into line with sound business practice and adequate levels of return. One ten-year agreement provided for a fixed annual payment of \$10,000 for the right to reproduce various fabrics and wallpapers from our collection. The designs were extremely

popular, but we never shared in the sales growth they experienced. We rejected the manufacturer's offer to pay us double the original fee in a new contract, opting instead for a per-yard royalty which has increased our income from this source almost six-fold.

Once the open-to-the-public hours at the Village have ended, we secure and clean the grounds and exhibit structures so that we can welcome (for a handsome fee) those groups and individuals willing to pay a premium for a unique location for a conference, wedding or other special event. And our regular food service supplier, who pays us a royalty on all food consumed, is delighted to have the extra business.

The world community has followed most closely the case of the stolen Picasso, "Weeping Woman," and the threat some Australians have made to destroy it if a ransom in the form of extra funding for the cultural community is not allocated. While, to my knowledge, no one has taken such desperate measures in the United States to gain government funding for cultural organizations or individual artists, we have certainly been active in all kinds of lobbying efforts on both state and national levels. This past year I have testified before a committee of the U. S. House of Representatives on behalf of the Institute of Museum Services, a federal agency which this year awarded \$75,000 to each of 103 museums across the country (including Old Sturbridge Village) to be used for general operating support. There were also scores of smaller awards. The competition for these awards is intense, but so is the need for support from the field to let the Congress know why dollars allocated to this part of the cultural community are well spent.

On a state level, an informal organization called the Massachusetts Arts Advocacy Committee meets periodically to plan strategy for increasing the state appropriation to the Massachusetts Council on the Arts and Humanities. Museums, orchestras, opera and ballet companies, science centers and individual artists and performers are all part of the committee. State funding per capita for cultural organizations in Massachusetts is second only to California. This year we were successful in persuading the legislature to add approximately \$1.5 million to the \$15,500,000 recommended in the governor's budget. In addition, the cultural community of our state will see an increase of \$2 million to \$5 million in monies distributed from a portion of the state lottery revenue. I suspect the arrangement is similar to the lottery which I understand helped to fund the Opera House in Sydney. In Massachusetts the dollars go to projects and artists approved by city and town arts lottery commissions.

The merit aid award we received this year from the Mass. Council on Arts and Humanities (\$250,000) was the largest given to any cultural organization in the state. In addition, we will be given \$430,000 to underwrite the cost of outreach programs to schools in underserved areas and to senior citizen groups.

Now with our budget of nearly \$9 million, this government support certainly helps. Some trustees would be happier if we took no government money but relied instead on private philanthropy and earned income. I've long believed that nonprofits need to develop a variety of income streams so that in time of trouble one is not at the mercy of forces over which there is no institutional control. If gasoline prices soared again and supplies were short, there would certainly be a substantial impact on our income from the gate. For us, admissions are the key to a whole range of income categories - merchandising, bake house sales, motor lodge receipts, food service royalty income, membership sales and rental income tied to gross sales of retail tenants housed in some of our buildings outside the gate.

We are actively seeking to build our endowment funds which were just under \$500,000 in 1978 and now total more than \$3,000,000. The investment committee of the trustees has set down a policy on investment income permitting no more than 5-1/2% of the fund to be drawn down for operating expenses in any given year. This should permit our portfolio to keep up with inflation, but we are a long way from the three times annual operating budget which some trustees believe is a proper endowment ratio. In our country, endowment money is very difficult to raise, especially from a constituency which is not demonstrably wealthy. Furthermore, giving to churches, schools and colleges and to hospitals and performing arts institutions has generally outpaced giving to museums.

Where do we turn then for additional income? Since 1978 our admission rates have increased from \$5.50 to \$8.50 for adults and \$2.00 to \$4.00 for children. Actually, the rates have followed rather closely the consumer price index, which has tracked inflation in the United States for more than twenty years. Total attendance peaked at 668,000 in 1972, the last year of really cheap gasoline. For the past several years, despite the price increases, the total has been somewhere between 500,000 and 550,000. In the same time span, however, the entire pattern of vacation travel has changed. Fewer adults travel long distances with their children; the size of the average U. S. family is declining; the number of two-income households has jumped dramatically and for them foreign travel has become far more accessible and popular. In short, summer attendance appears to be losing ground to travel in the spring and fall.

Television programs are studded with commercials urging visits to Australia, England, Greece, Canada in general and Quebec in particular, in addition to a host of messages touting the leisure time advantages of New York, Hawaii, Florida, and even New Jersey! Our own state spends a fair amount of money showing residents the benefits of a vacation close to home. Old Sturbridge Village now spends about \$300,000 a year on paid advertising to build attendance in addition to continuing a vigorous publicity program to spread stories of our activities to national and international audiences.

With a special subcommittee of the trustees, we're now looking at the possibilities of developing a 1,000-acre tract adjacent to the Village to produce a steady flow of income to help support the museum in the years ahead. Also, we're offering free seminars with an expert in estate planning to anyone on our membership rolls. Over the years, bequests have had a significant impact on our operation, and we hope that some of the more than 500 individuals who have attended will include us in their estate plans.

I should explain at this point that we have not as yet decided how to spend a gift of \$100,000 that was received unsolicited last June to mark the 40th anniversary of Old Sturbridge Village. There are salaries to be improved, parking lots to be resurfaced, roofs to repair, and vehicles to be replaced, and we'll have to set our many projects in some kind of priority order. One thing is sure, we'll have enough income from other sources to meet our operating expenses, so for this year, at least, the dream is funded.

But what about today's dreamers who have a vision but lack the funds or the expertise to get the funds to enable them to proceed with their plans? People want to see a copy of the master plan which governed the growth of Old Sturbridge Village over the years. They are surprised when I tell them that the idea for the Village surfaced at a meeting of members of the Wells Family who had gathered in 1936 to consider what to do with a massive collection of early Americana collected by A. B. Wells, one of the well-to-do principals at the American Optical Company in nearby Southbridge, Mass. It was A. B.'s son, George, who had the vision of a New England country village, and before the meeting was over, George's uncle, J. Cheney Wells, had given his approval and collections and funds of his own on a 50-50 basis.

A week later, the site for the Village was selected and the project was on. Ten years later, thirteen buildings moved from other parts of New England were in place when OSV was opened to the public for the first time. Family fortunes and

generous corporate support in cash and in kind plus loans from friendly Boston banks underwrote the first season. Ruth Wells, a member of the founding family and the first director of O.S.V., made it a point to see that the loans were paid up by summer's end. She was successful!

About 5,300 visitors came through that first year and looked at the collections spread among the various structures. Hosts and hostesses dressed in attic finery welcomed the visitors, and here and there period crafts such as spinning and weaving and woodworking were demonstrated. Over the intervening years, a concerted effort has been made to show the public what a typical rural New England community might have been like.

This has meant that the dream has been embellished by locating and moving to the site additional structures which help tell the story of life in New England in the 1830s - a bank, a meetinghouse, a general store, a pottery shed, a law office, a carding mill, and a blacksmith's shop. Most of these buildings were gifts, and years ago at the time they were restored as part of the Village, the cost of labor and materials was manageable. Today, long-range planning and careful budgeting have taken precedent over dreaming. We have continued to refine the museum environment by the addition of appropriate structures, but we've taken pains to secure the funds early on, not only to care for the move or period reconstruction, but also to provide an endowment to cover operating costs.

Please understand, we have not given up on creative thinkers at Old Sturbridge Village. Their ideas have sparked a whole range of innovative programs, many of which have received generous support from the National Endowment for the Humanities. Next year marks the bicentennial of the Constitution of the United States of America. We'll be interpreting the impact of that great document on the lives of the men and women of the 1830s. An NEH grant will enable us to look at the issues of ~~the~~ separation of church and state and local versus federal government and then show how residents of a Massachusetts town tested the Constitution in the 1830s by objecting to a Massachusetts law which required the official town minister (a Congregationalist) to be a member of the local school committee.

Also, we're doing a complex research project involving the home of a rural blacksmith, which will be moved over the highways to the Village this fall from a small town about 45 minutes away. Once the home has been added to the Village environment, it will take about a year to furnish it and to train our staff to interpret realistically the dynamic of the smith's lifestyle.

The grant is also funding the entry of the blacksmith's account books onto a computer disc so that his customer network and work schedule can be analyzed and made a part of an interpretive scenario. And finally, it has underwritten the cost of an extensive archaeological dig at the site, which has produced a treasure trove of household pottery shards and materials made in his shop across the road. Imagine the excitement of the researchers who found a journal entry on a given day in 1825 for a pair of bootscrapers made for a man named Cheney Lewis moving into a new home as they located the structure on an antique map and then walked down the road to a thicket of brush, where, just before a long vacant cellar hole, there stood a granite doorstep with the bootscrapers still intact. As it happened, the blacksmith's records somehow found their way into the collections of the American Antiquarian Society in Worcester, and his descendants now living in Hawaii gave the smith's house with contents and land to the Village. This is the stuff dreams are made of today - pure chance, generous donors, good researchers and grant writers, and, of necessity, prudent management.

In 1988, when the blacksmith's house opens to the public as part of the mill neighborhood, it will be furnished with a set of blue-edged English creamware and transfer-printed Staffordshire bowls matching the fragments found at the site and with other appropriate furnishings corresponding to the holdings recorded in a probate inventory. Interior paint colors and wallpaper will be reproduced from the originals discovered in the restoration process. The house will ring true because contributed funds have made it possible to do the necessary research and to follow it with meticulous attention to accuracy in bringing the building back to an 1830's appearance.

The process I have described is not unique to Old Sturbridge Village. At Colonial Williamsburg, Historic Deerfield and Mystic Seaport, to name just a few of the better-known outdoor museums in the Eastern U. S., the procedure for adding a new exhibit is much the same. A dedication to quality and to the integrity of what the finished exhibit will say, not just to the scholars, but more importantly, to the public, marks all of our efforts.

And having talked with various members of your Association, I know our objectives are shared by men and women the world over who have long recognized the importance of preserving for future generations various aspects of a nation's cultural heritage. Whether we serve as caretaker's of the dreams of earlier generations or inspire others with dreams of our own, we are privileged to be part of a very special endeavor.

There sits on the mantel of the office I stepped into eight years ago a wonderful quotation from the writings of the noted 19th-century American architect, Daniel Burnham. Burnham was a forebear of George Wells, whose idea sparked the creation of Old Sturbridge Village. As I reflect on what he wrote, I am led to believe that the really good ideas seldom lack for funds to make them a reality.

The world needs dreamers, and if there's room on your mantel or on a corner of your desk, you may also find Mr. Burnham's words good ones to set a course by:

"Make no little plans, they have no magic to stir men's blood and probably themselves will not be realized. Make big plans; aim high in hope and work, remembering that a noble, logical diagram once recorded will never die, but long after we are gone will be a living thing, asserting itself with evergrowing insistency. Remember that our sons and grandsons are going to do things that would stagger us. Let your watchword be order and your beacon beauty."
