Cultural resources wiped out by COVID-19 crisis: 13 percent of museums worldwide may never reopen

Clare Hurley
27 May 2020

A pair of recently released reports by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Council of Museums (ICOM) reveal the irrevocable global damage to cultural institutions caused by the months-long COVID-19 shutdown of 85,000 museums. Some 95 percent of the world's museums are currently closed.

According to a survey conducted by the ICOM, some 13 percent, or more than 11,000 institutions, may remain closed after the pandemic recedes. "The closures will particularly affect those regions where museums are recent and few and where structures are still fragile: in African, Asian and the Arab countries 24, 27 and 39 percent respectively fear that museums may close."

In addition, 82.6 percent of the ICOM's respondents "anticipate that museum programmes will have to be reduced" and 29.8 percent "expect that the number of staff will have to be reduced."

The ICOM describes the situation for tens of thousands of freelance museum professionals as "alarming." The survey found that 16.1 percent of the respondents said they were temporarily laid off, and 22.6 percent did not have their contracts renewed. The report observes that the "freelance sector is very fragile," with 56.4 percent of the free-lance respondents indicating they would have to suspend the payment of their own salary as a result of the current crisis, while 39.4 percent said their firms would reduce staff.

The neglect, indifference and incompetence of capitalist governments worldwide have produced this disastrous situation. As long as the banks and corporations were rescued with trillions in public money and the wealth of the billionaires protected, every other sphere of life could wither and die, as far as the financial elite was concerned.

The ICOM and UNESCO reports underscore the irrational, piecemeal, backward and highly unequal way in which the arts, no less than health care, education and other vital services, are funded, or rather systematically underfunded, particularly in the United States.

The arts and culture industry makes up 4.5 percent of GDP in the US, according to data from the National Endowment for the Arts. Since the COVID-19 closure began in mid-March, arts institutions have been losing $33 million a day nationwide, according to the American Alliance of Museums (which, over more than two months, would mean a loss of more than $2 billion already).

The net effect is projected to be a loss of $6.8 billion, based on an optimistic reopening date of October 1, 2020. This represents more than a quarter of the average operating budget of these institutions, reports Southern Methodist University's DataArts center and the data consulting firm TRG Arts. Typically, in a "healthy" economy, arts organizations hold less than two months worth of capital reserves to cover shortfalls in revenue, an amount that will have been exhausted as the shutdown continues into its fourth month.

"The field of nonprofit arts and culture is unlikely to return to its pre-Covid state for the foreseeable future, if ever," reads the paper, coauthored by Zannie Voss, SMU DataArts director, and Jill Robinson, CEO of TRG. "'Business as usual' will mean something different."

Voss and Robinson point out, "Research shows that during the Great Recession [of 2008–09], working capital, subscriptions, attendance, and corporate giving were areas that incurred permanent scarring, never to return to their pre-recession levels… This vulnerable state marks the starting place for many organizations heading into the pandemic. … Not all of our beloved organizations will survive this crisis, irrespective of their size."

In contrast to their European counterparts, the majority of US cultural institutions are non-profit organizations that receive less than a quarter of their income from government sources on all levels combined (local, state and, least of all, federal). Instead, they rely on charitable giving from wealthy donors for 37 percent of their income with slightly less than a third coming from earned revenues (ticket sales, gift shops, restaurants) and the balance from endowments invested in the stock market.

All of these sources of income have been drastically affected by the shutdown, from the total loss of revenue from admissions to looming state and federal budget cuts. And while some of the wealthy have no doubt profited from the $7 trillion pumped into the stock market, many are reluctant to make large charitable gifts to the arts under the circumstances.

As a result of these catastrophic budget shortfalls, museums across the country—including the Museum of Modern Art, Whitney Museum of American Art, the New Museum and the Guggenheim in New York City, Los Angeles's Museum of Contemporary Art and UCLA's Hammer Museum, the Cleveland Museum of Art and many others—have not renewed contract workers, furloughed hundreds of full- and part-time employees, and imposed pay cuts of up to 30 percent on remaining staff.

The consequences fall disproportionately on smaller institutions, many of which, like the Tenement Museum in New York City's Lower East Side which relies on ticket and gift shop sales for 75 percent of its revenue, may never recover. Nor is closing a museum as simple as turning out the lights and closing the doors. Invaluable collections, which may have taken decades or longer to assemble and many of which have legal stipulations, must be properly dispersed, a costly and complicated process. In some cases, the Charles Dickens House in London, for example, it would require the liquidation of the museum's chief asset, which is the house in which the writer lived.

The dire situation has set off a fierce scramble for resources, with institutions at all levels applying to emergency relief funds, launching crowd-funding drives and various other fund-raising campaigns and asking for government aid. On March 18, the American Alliance of Museums issued an appeal urging Congress to allocate $4 billion to non-profit museums. Pointing out that museums contributed $50 billion a year to the economy, generated $12 billion in taxes and provided 726,000 jobs, the letter pleaded that museums faced an "existential threat from the closures [and] required [funds] to address the COVID-19 pandemic."

As with the CARES Act, it can be anticipated that the lions' share of the funding, should any be forthcoming, will go to the larger, better-endowed institutions with smaller organizations shuttered for good with incalculable consequences for the arts and culture for decades to come.