

The Economic Impact of Museums in England:
Literature Review
For Arts Council England





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Prepared by TBR's Creative & Cultural Team in partnership with Pomegranate LLP and Scott Dickinson & Partners Ltd

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1. Wider impacts of museums on the economy

This section presents a brief overview of the wider range of museums' economic impacts, in particular their most frequently cited indirect contributions. These include tourism; learning and skills; community development; health and wellbeing; environment and climate change; place-making, regeneration and local economic development, and cultural diplomacy. However, in many cases, the economic connections of these activities have not been proven: museums' only indirect impact generally acknowledged outside the sector is on tourism.

Considering these kinds of impacts is not without its difficulties. It has been argued, for instance, that the cultural sector's impact agenda was driven by the imposition of instrumentalist political agendas - in this case, museums' identification as "agents of social change"¹. It follows that the literature is replete with examples of government agencies evidencing, and explicitly advocating for, museums' contribution to government agendas².

The Museums Association promotes expansive claims for museums impacts. Its vision, *Museums Change Lives*, focuses on the increased social impact of museums³. It argues that museums contribute to health, wellbeing, better places, ideas and people - all of which are functionally related: "Museums change people's lives. They enrich the lives of individuals, contribute to strong and resilient communities, and help create a fair and just society"⁴.

Economic impact is not listed amongst the ten principles that the Museum Association articulates in relation to its vision. However, other agencies are less insistent on separating social and economic impacts. The Happy Museum Project, based at the Museum of East Anglian Life, for example, encourages museums "to think more about their impact on wellbeing just as they try to do for the local economy"⁵. The Local Government Association similarly regards heritage, more generally, as having the ability to help councils achieve a range of local priorities - ranging from economic growth through tourism, jobs and attracting businesses, improving the attractiveness of places and engaging communities⁶.

1.1 Tourism

Tourism is a major part of the UK economy - the fifth largest industry in the UK. Museums make a significant contribution to it. Their centrality to the tourism industry is manifest in their attracting record numbers of visitors, encouraging secondary spending, directly and indirectly creating jobs and making areas more desirable for investment, and driving economic growth and local investment⁷. They also contribute to building the British brand overseas.

VisitEngland identifies heritage as a key motivator for visits to the UK⁸. Museums are of major importance, particularly in London where they constitute a core part of the culture and heritage offer. Museum visiting is not restricted to overseas visitors: one impact of the economic recession has been an increase in domestic tourism - short breaks, in particular. Most of the case studies in this report identify being part of the local and regional culture offer for visitors as being important for their business.

¹ DCMS (2000) *Centres for Social Chance: Museums, Archives and Galleries for all* http://webarchive.nationalarchives.gov.uk/+http://www.culture.gov.uk/reference_library/publications/4675.aspx/ and DCMS (2001) *Libraries, Museums, Galleries and Archives for All: Co-operating Across the Sectors to Tackle Social Exclusion* http://www.culture.gov.uk/PDF/libraries_archives_for_all.pdf

² DC Research (2009a) *The Role of Museums, Libraries, Archives and Local Area Agreements - final report*. <http://webarchive.nationalarchives.gov.uk/20090705002831/research.mla.gov.uk/evidence/documents/role-of-mus-lib-arch-nad-local-area-agree-2009.pdf>

³ MA (2013) *Museums Change Lives: vision* <http://www.museumsassociation.org/museums-change-lives/25062013-the-vision>

⁴ MA (2013) *Museums Change Lives: introduction and principles*. <http://www.museumsassociation.org/museums-change-lives/01072013-wr-museums-change-lives-principles>

⁵ Butler, T. in Fujiwara, D (2013) *Museums and happiness: The value of participating in museums and the arts*. p.5 http://www.happymuseumproject.org/wp-content/uploads/2013/04/Museums_and_happiness_DFujwara_April2013.pdf

⁶ LGA & English Heritage (2013) *Making the Most of Making the most of your heritage assets . The future of local historic environment services*. http://www.local.gov.uk/c/document_library/get_file?uuid=5607c46f-1dc8-4f69-86cf-b81d0905751d&groupId=10180

⁷ NMDC (2013) *Museums and Tourism. Briefing paper* http://www.nationalmuseums.org.uk/media/documents/what_we_do_documents/nmdc_museums_and_tourism_briefing_2013.pdf

⁸ VisitEngland (2013) *Domestic Leisure Tourism Trends for the next Decade* http://www.visitengland.org/Images/VISIT_ENGLAND_REPORT_PRINT_tcm30-39493.pdf

The Local Enterprise Partnerships recognise tourism as an area of economic development to which museums contribute. A stated purpose of the updated self-assessment AIM toolkit⁹ is to support museums making their case in respect of tourism and the local/regional economy. They are also included in studies of culture, heritage and tourism impact¹⁰. The Heritage Lottery Fund's research suggests that heritage-based tourism was worth £26.4bn to the UK economy in 2011 - £5.8bn higher than the previous estimate, based on 2007 figures¹¹.

The British Council emphasises the relationship between tourism and education, manifest in the fact that the attractions of the UK's culture, cities and education system create opportunities (including those at museums) for wider and deeper engagement internationally, especially amongst young people¹².

1.2 Place-making

Museums have long been identified with helping to shape people's sense of place and identity. This is considered to impact on local economies, growth and regeneration, particularly in the light of major cultural initiatives, such as Liverpool 2008 European City of Culture¹³ and major capital developments. In reviewing the general economic contribution of heritage assets¹⁴, English Heritage identified the impact of the Heritage Lottery Fund, the National Trust and its own investments in the historic environment and heritage attractions on local spend, jobs, skills, attracting businesses and tourism.

From a museums' perspective, "authenticity" has been identified as key to the success of independent museums in place-based development projects. According to Bill Ferris, Chatham Historic Naval Dockyard, these depend on "authentic heritage assets with a strong sense of their purpose and their part in the regional economy, and a total commitment to historical accuracy... helping to restore local pride and identity"¹⁵.

There is growing interest in place-based economic approaches. However, BOP has noted that these are currently under-developed in the cultural sector¹⁶.

Given the pressures on local authorities' cultural funding, the Local Government Association advocates for locally supported arts, including museums, to contribute to local growth¹⁷. In a recent survey of local authorities, which explored the value placed on arts and culture, economic development emerged as the main reason for funding culture¹⁸. Driving the visitor economy, regeneration and creating a vibrant place are explored in its case studies. Local authorities are said to be increasingly looking beyond direct delivery to different models of supporting culture.

1.3 Environment and climate change

⁹ DC Research (2014) *Economic value of the Independent Museum Sector: toolkit*
<http://www.aim-museums.co.uk/downloads/f6e017ac-8f11-11e3-8be4-001999b209eb.pdf>

¹⁰ CEBR (2013) *The contribution of the arts and culture to the national economy. An analysis of the macroeconomic contribution of the arts and culture and of some of their indirect contributions through spillover effects felt in the wider economy.*
http://www.artscouncil.org.uk/media/uploads/pdf/CEBR_economic_report_web_version_0513.pdf and English Heritage (2010) *Heritage Counts 2010*

<http://hc.english-heritage.org.uk/content/pub/HC-Eng-2010>

¹¹ Oxford Economics (2013) *The Economic Impact of the UK Heritage Tourism Economy.*
http://www.hlf.org.uk/news/Documents/EcoImpactHeritageTourism2013_07.pdf

¹² British Council (2014) *As Others See Us .Culture, attraction and soft power.*
<http://www.britishcouncil.org/sites/britishcouncil.uk2/files/as-others-see-us-report.pdf>

¹³ Cox, T., Garcia, B. & Melville, R. (2010) *Creating and Impact: Liverpool's experience as European Capital of Culture*
http://www.liv.ac.uk/impacts08/Papers/Creating_an_Impact_-_web.pdf

¹⁴ English Heritage (2010) *Heritage Counts 2010*
<http://hc.english-heritage.org.uk/content/pub/HC-Eng-2010>

¹⁵ Ferris, B., (2010) Reconnecting heritage and the visitor economy in HLF (2010) *Investing in success. Heritage and the UK tourism economy*
http://www.hlf.org.uk/aboutus/howwework/Documents/HLF_Tourism_Impact_single.pdf

¹⁶ BOP Consulting (2014) *Evidence review of the economic contribution of libraries*
http://www.artscouncil.org.uk/media/uploads/pdf/Evidence_review_economic_contribution_libraries_2014.pdf

¹⁷ LGA (2013) *Driving Growth through local government investment in the arts*
http://www.local.gov.uk/c/document_library/get_file?uuid=df4efd72-c01e-40c4-a363-3a91b99d0b7d&groupId=10180

¹⁸ Mansfield C (2014) *On with the show Supporting local arts and culture*
<http://www.nlgn.org.uk/public/2014/local-authorities-must-find-new-ways-to-champion-the-arts/>

In 2008, the Museums Association championed the start of a sector-wide discussion about the environment and sustainability¹⁹. Its initial focus was on the practical aspects of reducing environmental impact²⁰, but this has since shifted to a broader stewardship approach delivered locally and within communities. The Happy Museum Project, for example, "...takes a view of sustainability which looks beyond financial and resource management and considers a museum's role as steward of people, place and planet, supporting institutional and community resilience in the face of global financial and environmental challenges"²¹. Other case studies are included in *Museum Practice*²². A subsequent emphasis has been on sustainability and the development of initiatives to support and develop such practice²³.

Museums' impact on the environment is generally perceived across four areas: building design and management; learning and education; science where collections reveal evidence of climate change; community and well-being. However, connections to economic impact are unclear other than being expressed in terms of the conservation and sustainability of resources. Direct cost benefits to museums may come from building improvements that not only meet the requirements of legislation to reduce carbon emissions, but also reduce running costs through changes to heating, lighting and environmental monitoring systems. Grant funders, such as the Heritage Lottery Fund, have made it a requirement to address environmental considerations²⁴.

1.4 Cultural diplomacy

Operating under the auspices of the Foreign Office, the British Council exploits the "soft power" of culture in international relations to both enhance British influence and prestige abroad, and to further the ideals of international peace and understanding²⁵. However, quantifying the value of cultural diplomacy has proved somewhat elusive. While a wealth of what are considered to be "examples of good practice" exist, the proponents of cultural diplomacy have described their "frustration at... the difficulty of finding the evidence to back up the case" and have argued for "the best possible rationale for cultural diplomacy and new ways of measuring its impact"²⁶. Demos also called for the UK to adopt a more strategic and systematic approach to cultural diplomacy²⁷.

The British Council has, however, been attempting to quantify the economic impact of its work. In 2012, it reported on the role of international cultural relationships in building trust for the UK and underpinning the success of the UK economy²⁸; in 2014 it explored the Impacts of transnational education on host countries²⁹. However, neither report specifically mentions museums.

¹⁹ Museums Association (2008) *Sustainability and Museums Your chance to make a difference*. <http://www.museumsassociation.org/download?id=16398>

²⁰ Groundwork Derby (2010) *Green Museums a step by step guide* <http://www.museumsassociation.org/download?id=282631>

²¹ The Happy Museum Team. http://www.happymuseumproject.org/?page_id=47

²² Atkinson, R (2014) Call for case studies: green museums, *Museums Practice* (12.08.14)

<http://www.museumsassociation.org/museum-practice/12082014-call-for-case-studies-green-museums>

²³ Neal L & Jennings H (2010) *Sustainable Ability. Mapping the response to resource scarcity and climate change, best practice & barriers to greater response*

<http://www.missionmodelsmoney.org.uk/sites/default/files/SustainableAbility.pdf>. See also <http://www.juliesbicycle.com/>

²⁴ HLF (2012) *Heritage Lottery Fund first major funder to require carbon footprints in funding applications*. Press release, 05/07/2012. <http://www.hlf.org.uk/news/Pages/HLFFirstmajorfundertorequirecarbonfootprints.aspx#.U-zoPhzF8oR>

²⁵ Taylor, PM (1978) Cultural diplomacy and the British Council: 1934 — 1939. *British Journal of International Studies*, Volume 4 / Issue 03 / October 1978, pp 244-265. <http://journals.cambridge.org/action/displayAbstract?fromPage=online&aid=6298168>

²⁶ Holmes, Sir J (2012) *Cultural Diplomacy: does it work? A Note by the Director (Ditchley 2012/03) 8 - 10 March 2012*. <http://www.ditchley.co.uk/conferences/past-programme/2010-2019/2012/cultural-diplomacy>

²⁷ Bound, J., Briggs, R., Holden, J., & Jones, S., (2007) *Cultural Diplomacy* <http://www.demos.co.uk/files/Cultural%20diplomacy%20-%20web.pdf>

²⁸ British Council (2012) *Trust Pays. How international cultural relationships build trust in the UK and underpin the success of the UK economy*

[www.britishcouncil.org](http://www.britishcouncil.org/trustresearch2012.pdf) <http://www.britishcouncil.org/trustresearch2012.pdf>

²⁹ JMcNamara, J & Knight, J (2014) *Impacts of transnational education on host countries: academic, cultural, economic and skills impacts and implications of programme and provider mobility*

http://www.britishcouncil.org/sites/britishcouncil.uk2/files/tne_study_final_web.pdf

Museums are nevertheless considered vital in the exertion of soft power. This, doubtless, reflects their historic representation of cultural values and morals, and their pedagogic function. Interestingly, the British Council (together with UCL) has established a Museum Training School for arts and heritage professionals around the world³⁰. Whilst the National Museum Directors' Council has reported on the successes of UK museums' partnerships around the world³¹, the British Museum has been regarded as a particularly adept force in cultural relations since its response to the looting and damage of the Baghdad Museum in 2003.

As a "global museum", the British Museum's ownership of various objects is contested and demands are made for their return. However, these very collections have allowed the museum to promote cultural understanding in a way that bypasses international tensions. Examples include the exhibition, *Forgotten Empire: the world of Ancient Persia*, which took place in 2005 with loans from Tehran - "archaeology meeting world politics"³². In 2010, it loaned the Cyrus Cylinder back to Iran. Sometimes referred to as "the first declaration of human rights", it is an object of modern importance - a symbol of multi-culturalism, tolerance and diversity. In 2013 the exhibition, "The Cyrus Cylinder and Ancient Persia: A New Beginning for the Middle East" organised in partnership with the Iran Heritage Foundation, toured to several venues in the US.

1.5 Public engagement, community cohesion and well-being

Nearly 20 years ago, the Museums Association redefined museums as being, first and foremost, public facing: "Museums belong to everybody. They exist to serve the public. They should enhance the quality of life of everyone, both today and in the future. They are funded because of their positive social, cultural, educational and economic impact"³³.

In the period that followed, New Labour emphasised the community aspects of museums in particular, in such documents as the Department for Culture, Media and Sport's *Museums for the Many* (1999) and *Centres for Social Change: museums, galleries and archives for All* (2000). Free admission, designed to make museums more inclusive, was rolled out between 1999 and 2001. The Group for Large Local Authority Museums' report on *Museums and social inclusion* argued, "Museums and galleries can, and have played a significant role in combating social exclusion"³⁴. The following year, MLA commissioned a companion piece on the social responsibility of *small* museums and galleries to impact on inequality and disadvantage³⁵. The current Coalition government still maintains that the "Arts and culture strengthen communities, bringing people together and removing social barriers"³⁶. These ideas revert back to the original missions of many museums and the delivery of social justice³⁷.

It follows that the sector regards engagement with museums as closely associated with individual, community and national well-being. But despite that, museums were not included in the Government's indicators for measuring national wellbeing. It has been argued that arts and cultural organisations are poor at articulating the impact that they make - even to themselves "They don't trace it and make it visible... They change someone's life and they don't even realise"³⁸. Elsewhere it has been suggested that arts and cultural organizations remain "a largely untapped resource"³⁹. DCMS's Taking Part data

³⁰ British Council & UCL, *Museum Training School* <https://www.ucl.ac.uk/museums/our-work/international>

³¹ NMDC (2012) *World Collections*

http://www.nationalmuseums.org.uk/media/documents/images/world_collections_final_report.pdf

³² Jones J (2005) The evil empire, *The Guardian* <http://www.theguardian.com/artanddesign/2005/sep/08/architecture>

³³ MA (2008a) *Code of Ethics for Museums. Ethical principles for all who work for or govern museums in the UK.* <http://www.museumsassociation.org/download?id=944515>

³⁴ Fleming D (2000) Forward, in Hooper-Greenhill E, Sandell R, Moussouri T, O'Riain H (2000) *Museums and Social Inclusion The GLLAM Report. Group for Large Local Authority Museums.* <http://www2.le.ac.uk/departments/museumstudies/rcmg/projects/small-museums-and-social-inclusion/GLLAM%20Interior.pdf>, p5

³⁵ Hooper Greenhill et al, (2001) *Small museums and social inclusion.* London: MLA

³⁶ DCMS & DfE (2013) *Supporting vibrant and sustainable arts and culture*

<https://www.gov.uk/government/policies/supporting-vibrant-and-sustainable-arts-and-culture>

³⁷ O'Neill M (2011) *Museums and Social Justice: A Theory of Practice.* Unpublished PhD submitted to City University London

³⁸ Vella-Burrows, T., Ewbank, N., Mills, S., Shipton, M., Clift, S. & Gray, F., (2014) *Cultural Value and Social Capital Investigating social capital, health and wellbeing impacts in three coastal towns undergoing culture-led regeneration* <http://www.nickewbank.co.uk/downloads/Cultural-value-report.pdf>

³⁹ Bagwell, S., Bull, D., Joy, I. & Svistak, M (2014) *Opportunities for Alignment Arts and cultural organisations and public sector commissioning.* file:///Users/selwood/Downloads/Opportunities-for-alignment-FINAL-REPORT.pdf

highlights the differences in participation and attendance rates at museums between BME and white groups⁴⁰.

However, some organisations have explicitly sought to demonstrate their fostering of individual and communal wellbeing and their contribution to the creation of a more sustainable society⁴¹. The Happy Museum Project, for example, calculated a value for the happiness that people derived from visiting or participating in museum activity. It found that people value visiting museums at about £3,200 per year, compared to participating in the arts at about £1,500 and being in an arts audience at £2,000⁴². Elsewhere, the London School of Economics sought to quantify the social impact of participation in culture and identify cashable benefits, for example, to the NHS on behalf of DCMS⁴³.

1.6 Learning

As publicly-oriented organisations, museums are considered *a priori* to be concerned with helping people to learn about society, culture, history and science, and providing entertainment⁴⁴. Indeed, learning is considered to be at the heart of museums: they are one of the nation's great learning resources. As such, they are regarded as making a valuable contribution to education⁴⁵, particularly those from disadvantaged backgrounds, where raising aspiration and improving attainment are seen as key to employment and economic wellbeing. A characteristic of the recent literature is whether or not those opportunities are sufficiently available: NSEAD's Art, Craft and Design Educator Survey Report 2014⁴⁶, for example argues that opportunities for pupils at key stages 3 and 4 to visit museums has been reduced, particularly for those in many state schools. On the other hand, NMDC has expressed satisfaction that changes to the proposed National History Curriculum *will* support school visits to museums⁴⁷. Despite the many studies that advocate for museum learning programmes and initiatives, few quantify the impact of museum education or demonstrate casual links to attainment⁴⁸.

1.7 Knowledge and skills

In 2014 English Heritage's annual *Heritage Counts* focused on skills needs and the risk of knowledge loss. It tracks the decline in heritage and building conservation skills, which are essential if the heritage sector is to remain one of the engines of growth for the English economy. However, the cost of losing those skills has not been valued.

Museums' concerns with the impact of skills tends to focus on the loss of professional and specialist skills⁴⁹. Museums have not generally acknowledged the connection between investing in, and developing workforce skills, business success and generating economic impact. However, this is changing as museums begin to recognise the need for better business and enterprise skills⁵⁰.

⁴⁰ DCMS (2013) Taking Part 2012/13 Quarter 4.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209232/Taking_Part_2012_13_Quarter_4_Report.pdf. p36

⁴¹ Jenings, H (undated) *The Happy Museum Project*. ACE blogs

<http://blog.artscouncil.org.uk/blog/arts-council-england-blog/happy-museum-project#sthash.SJh4cXKF.dpuf>

⁴² MB Associates (2011) *Investing in culture and community. The Social Return On Investing in work-based learning at the Museum of East Anglian Life*. <http://eastanglianlife.org.uk/geisha/assets/files/Social%20Return%20on%20Investment%20Study.pdf>

⁴³ Fujiwara, D., Kudrna, L. & Dolan, P. (2014) *Quantifying the Social Impacts of Culture and Sport*.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/304896/Quantifying_the_Social_Impacts_of_Culture_and_Sport.pdf

⁴⁴ ACE (2011) *Culture, knowledge and understanding: great museums and libraries for everyone. A companion document to Achieving great art for everyone*. http://www.artscouncil.org.uk/publication_archive/developing-great-museums-and-libraries

⁴⁵ NMDC (2012) *Review of Cultural Education in England* (News, 07.03.2012) <http://www.nationalmuseums.org.uk/news/review-cultural-education-england/>

⁴⁶ NSEAD (2014) *NSEAD Art, Craft and Design Educator Survey Report 2014*

http://www.nsead.org/Downloads/NSEAD_ART_CRAFT_AND_DESIGN_EDUCATOR_SURVEY_REPORT_2014.pdf

⁴⁷ NMDC (2013) *Response to the consultation on the National Curriculum Review*

http://www.nationalmuseums.org.uk/media/documents/images/nmdc_response_to_national_curriculum_review_july_2013.pdf

⁴⁸ Newman, M., Bird, K., Tripney, J., Kalra, N., Kwan, I., Bangpan, M. & Vigurs, (2010) *Understanding the impact of engagement in culture and sport A systematic review of the learning impacts for young people*

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/88447/CASE-systematic-review-July1

⁴⁹ Creative & Cultural Skills & English Heritage (2013) *The Historic Environment and Cultural Heritage Skills Survey*

<http://creative-blueprint.co.uk/library/item/the-cultural-heritage-and-historic-environment-skills-survey>

⁵⁰ Museums Association (2013) *Working Wonders An action plan for the Museums Workforce*

In a broader context, the Work Foundation⁵¹ argued for heritage, including museums, as contributing to the 2020 knowledge economy in the context of a high demand society, innovation, the creative and cultural economy, the low carbon and sustainable economy, the public sector and urban development. This requires the sector to recognise its potential role in the knowledge economy, and - indeed - to be recognised as having one. More recently a survey of use of digital technologies⁵² noted that museums were less likely to report positive impact in terms of revenue generation and audience development. The need to develop knowledge, skills and capacity to harness digital technologies are a common theme in museums skills reports⁵³.

<http://www.museumsassociation.org/download?id=969394>

⁵¹ Brinkley, I., Clayton, N., Levy, C., Morris, K. & Wright, J (2010) *Heritage in the 2020 Knowledge Economy A report for the Heritage Lottery Fund* <http://hc.english-heritage.org.uk/content/pub/2012/work->

⁵² NESTA (2013) *Digital Culture: How arts and cultural organisations in England use technology* http://artsdigitalrnd.org.uk/wp-content/uploads/2013/11/DigitalCulture_FullReport.pdf

⁵³ Museums Association (2013) *Working Wonders An action plan for the Museums Workforce* <http://www.museumsassociation.org/download?id=969394>