

A Golden Age for Historic Properties

By John Durel, Ph.D and Anita Nowery Durel, CFRE¹

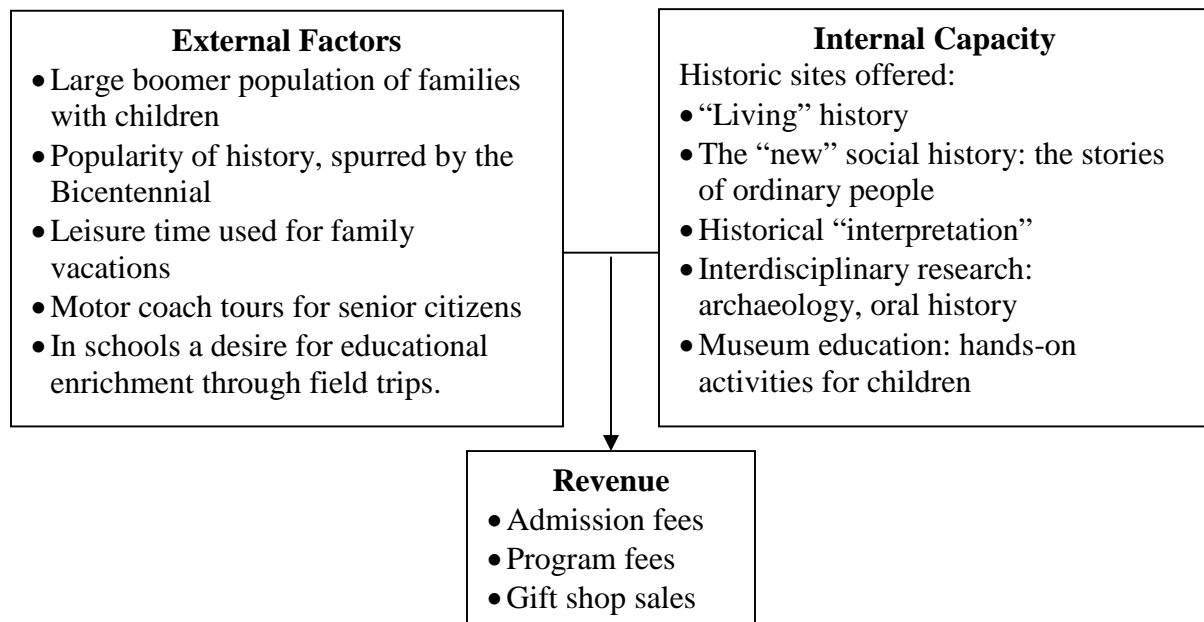
Historic properties are on the verge of a golden age. Over the next two decades Americans will turn to historic houses and sites as a source of learning, enjoyment, and fulfillment. Increasingly, people will choose to spend time in places that connect them to their past, to nature, and to beauty. In return, they will provide financial support to help sustain the properties.

This future will occur only for organizations that abandon the thinking of the 1980s. Specifically, the leaders of historic properties that enter the golden age will:

- Focus on members and affinity groups, not visitors
- Emphasize the spiritual as well as the intellectual and social dimensions of the site
- Have an effective individual giving program in place.

Cultural Tourism

Since the 1970s the dominant business model for historic properties has been cultural tourism, in which the organization provides an experience for a visiting public, in exchange for admission fees and museum shop sales. The model became dominant at a time when nonprofits were expected to be run like businesses, with “customers” paying for services received. This diagram depicts the model.



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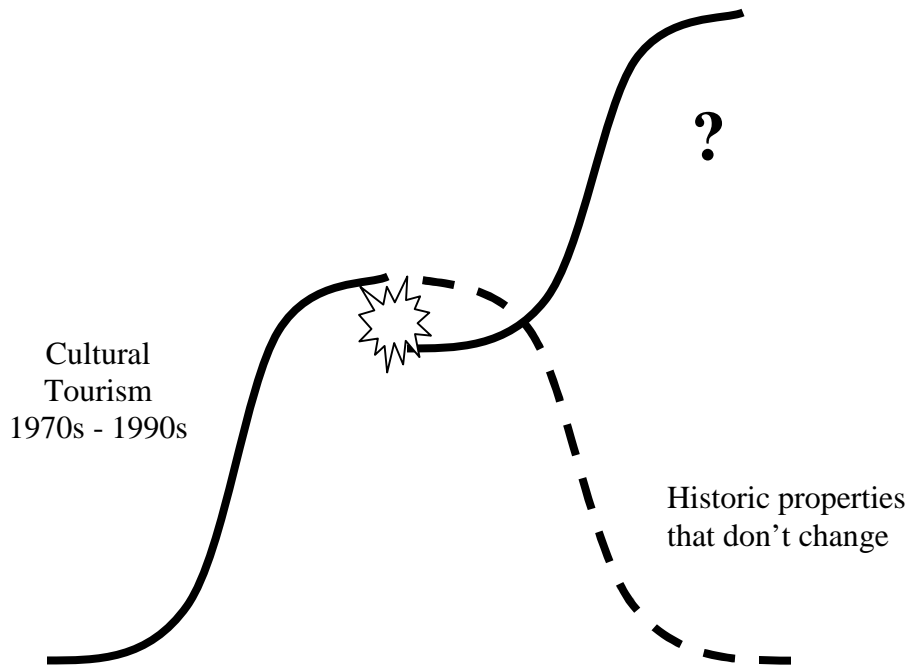
Colonial Williamsburg has been the granddaddy of the cultural tourism model. Remember those 1-800-HISTORY commercials with the happy families walking along Duke of Gloucester Street. Now there are far fewer families. Visitation has dropped from 1.1 million in 1985 to 710,000 in 2005, “despite two decades of investing millions of dollars to try to make the museum relevant to a younger, more diverse group of tourists.”² This decline in tourism is widespread, with many other historic sites reporting comparable figures.

What has changed? American families still take vacations, but the competition is stiff. Cultural sites must compete with Disney World, Las Vegas, Europe, and other vacation destinations. Additionally, the lack of transportation funding for school fieldtrips is a chronic issue, and senior citizens now appear to be taking their bus trips mainly to casinos.

In reality, the model never worked completely. Most historical organizations have supplemented earned revenue with fundraising, usually in the form of grant writing and fundraising events. The problem has been that we have focused most of our attention on the cultural tourist, an audience now in decline. Renewed efforts to attract them with novel programs or better marketing may succeed briefly, but ultimately will fail. Unless something changes dramatically we will see more historic properties close.

² “Homes Sell, and History Goes Private”, *New York Times*, December 31, 2006

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The question is: what is the new business model to replace cultural tourism? We have entered a period of uncertainty as we try to figure out what will work next. It is a time to experiment, learn from mistakes, recover quickly, and build on successes. With strategic thinking and discipline an organization should be able to make the transition successfully.³

Boomers with Time and Money

We have a friend who has just retired from a career as a clinical psychologist. In retirement he plans to play music. Over the years he has been an audiophile, acquiring instruments and equipment, and playing occasionally with friends. Now he will have a studio in his house and play regular gigs at clubs in town. He will spend lots of money and time on this pursuit. It will give him great satisfaction.

Another friend, a retired manager from Shell Oil Company, has had a life-long interest in World War II, stemming from stories he heard from his father. Now he spends his days at the library, researching particular army units or military engagements, and presents what he learns to a “roundtable” of others who share his interests. He travels and is a member of several museums that have WWII collections. Through oral histories he is preserving

³ Will Phillips, *The “S” Curve: Causality and Viscosity – Concepts for Understanding Your Organization*, www.qm2.org. Many of our thoughts about a new business model parallel those of John H. Falk and Beverly K. Sheppard in *Thriving in the Knowledge Age: New Business Models for Museums and Other Cultural Institutions* (AltaMira Press, 2006)



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the stories of veterans in his community. He sees this as both his passion and his responsibility.

As boomers enter retirement, with time and money to spend, historic properties have a remarkable opportunity. A site can become both the venue and the organization through which like-minded individuals pursue their common interests. Many retirement activities will involve nature and being outdoors; many historic properties have land, gardens, and trails to serve these purposes. Many retirees will want to deepen their knowledge or perfect a skill; many sites have collections, libraries, work spaces, equipment and expertise to enable them to do so.

Small Affinity Groups

When people no longer have a workplace to go to everyday, they seek camaraderie elsewhere. The need to associate with others is basic to human nature. McDonald's restaurants have long tapped into this need. From an obituary in the *Charlestown Daily Mail*, in West Virginia: "He was a member of the Judson Baptist Church and McDonald's Breakfast Club and was an Army veteran of World War II."⁴

There is likely to be a surge in small affinity groups as boomers retire. Most won't be hanging out at McDonald's. They will join existing groups or form new ones centered on their interests. They will plan their own programs, trips, events and gatherings. Historical organizations can potentially provide venues, resources, and overarching structures for these groups. Small affinity groups could become the primary audience for historic properties in a new model.

Each affinity group would be relatively small, to build strong interpersonal relationships. There could be a gardeners' guild, a history study group, a collectors' club, a cooking group, a music group, an astronomy group, a travel group, a hiking group – whatever any group of individuals might want that makes legitimate use of the organization's resources. Each affinity group would plan and implement its own programs and activities, for its own members, as well as for others. Each of the groups would be a subset of the general membership. Through dues the group would support the whole organization.

In this approach it will be necessary to counter a tendency for small groups to become insular. Everyone should be welcomed to join a group. The determinant should be interest, not wealth, age, or social standing. Indeed, this approach offers an opportunity for learning across generations and cultures. One can envision a collectors' group where young and old of different backgrounds sit together to compare what they have and share what they know.

⁴ Quoted in "Retirees Take It Slow Amid the Fast Food," the *Baltimore Sun*, February 7, 2007.



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The Future Staff

Retirees already volunteer at historic sites, helping to weed gardens, give tours, or care for collections. They are seen as extra help for the staff, whose primary concern is to serve the public. In the future, retirees may be both *staff* and *the primary audience*.

The *New York Times* reports that “with the bulging post war generation nearing its retirement years, statisticians forecast a growing gap of unfilled executive and managerial jobs.”⁵ As boomers retire from historic sites, their jobs may be filled by volunteers, or they may continue on in a part time capacity. In any event, the number of full time paid staff probably will shrink.⁶

With fewer staff, the organization could use affinity groups to fill the gap. For example, a single paid staff person might work with the history study group and the exhibits group to produce exhibits; with the gardeners and the nature club to care for the grounds; and with the drama society and the musicians to create performances for the community. To do this job effectively, this staff person would need the ability to sustain strong relationships and coordinate the work of others. Indeed, this is the way many small historical organizations already work.

Ebay offers a model for this kind of organization. The internet-based marketplace does not actually buy and sell anything. Rather it provides a structure so that anyone can buy and sell. In this sense, historical organizations would not have to plan and implement activities. They simply would provide a structure so that members could do things for themselves.

Systems that distribute both the work and authority to make decisions function effectively only if everyone shares certain values and if there are mechanisms for resolving disputes. This model might work for historic properties if all affinity groups and individuals share a strong preservation ethic and recognize the ultimate authority of the organization’s governing board.⁷

Lessons from Philanthropy

Many successful businesses remain small, foregoing growth in favor of intimacy. They prefer loyal customers whom they see often, rather than many more customers whom they see infrequently.⁸ Historic sites have pursued growth, often at the expense of intimacy. We seek large numbers of visitors who come once, rather than focusing on a smaller number of members who participate regularly.

⁵ *New York Times*, January 11, 2007, page A1

⁶ For more on these trends, see John Durel, “Museum Work Is Changing” in *History News*, Summer 2002.

⁷ Ori Brafman and Rod A. Beckstrom describe open organizations in *The Starfish and the Spider* (2006)

⁸ Bo Burlingham, *Small Giants: Companies That Choose to Be Great Instead of Big* (Portfolio, 2005)



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In the long run an investment in membership will have a greater payoff than a comparable investment in cultural tourism. Members active in affinity groups will become committed not only to the organization, but also to their friends, and in time many will become donors. This is the heart of philanthropy: people giving to people. Donors give to organizations that mean something to them, and where they have close relationships.

The vast majority of giving in the U.S. – more than 83% each year - comes from individuals.⁹ These donors give primarily to churches, schools, and hospitals. Such organizations recognize the importance of personal relationships – with a minister, a doctor, a teacher, or former classmates – and sustain those relationships through frequent communication and involvement.

A recent trend in philanthropy is the formation of giving circles, comprised of individuals who share a particular interest, such as children's issues or the environment. Giving circles permit people of ordinary means to have a greater charitable impact by combining money and making grants collectively. Twenty members in a circle, each contributing \$500, can provide a single grant of \$10,000 and make a genuine difference.

The tourism model does not produce the equivalent of parishioners, alumni, grateful patients, or giving circles. Fundraising for historic properties has been largely a matter of writing grant proposals and organizing events, with little attention given to cultivating individual donors, except during capital campaigns.

The lesson is clear. Several hundred loyal members active in affinity groups are far more likely to make financial contributions than the thousands of visitors you might otherwise attract. If you want to build a strong financial base for the future, membership is a better way to go. The primary fundraising job is to cultivate these individuals and turn them into donors, just as major gift officers do at hospitals and universities.¹⁰

The Spiritual Dimension of Historic Properties

Historic sites are physical places with strong spiritual qualities. In 2005 Drayton Hall received an unexpected donation, with a letter explaining that the donor had attended an evening event on the property and fondly recalled seeing the moon shining on the Ashley River. A person's most meaningful historic site experience can be a time alone, or with a

⁹ Giving USA Foundation – AAFRC Trust for Philanthropy/*Giving USA 2004*

¹⁰ We are not suggesting that individual giving will totally replace support from government, foundations and corporations. Indeed, family and private foundations have grown significantly in the past few years. Many wealthy individuals are choosing this means to support the causes that interest them. As with individual donors, foundations and corporations have to be cultivated. The new business model can be helpful in this regard, by making it easy for an organization to demonstrate active community participation. The key point is that a true major gifts cultivation program is crucial to future financial success.

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small group, when one is able to really be *in* the place, *sense* its beauty, and *feel* the presence of the past.

Americans have begun to take spirituality seriously. Moving beyond the materialism that has dominated American life for the past half century, people are looking for meaning and purpose in their lives.¹¹ For many boomers, entering this next stage will be a time to reflect on what is most important. Some will have heightened interests in their roots and in history. Many will look ahead and wonder what legacy they will leave their children and grandchildren.

Historic properties, beyond being a place to pursue interests and friendships, can offer boomers an opportunity to make a lasting difference. Involvement can make one's last decades of life especially rewarding, fulfilling a basic human need to honor one's ancestors, and to leave something of enduring value for those who follow.

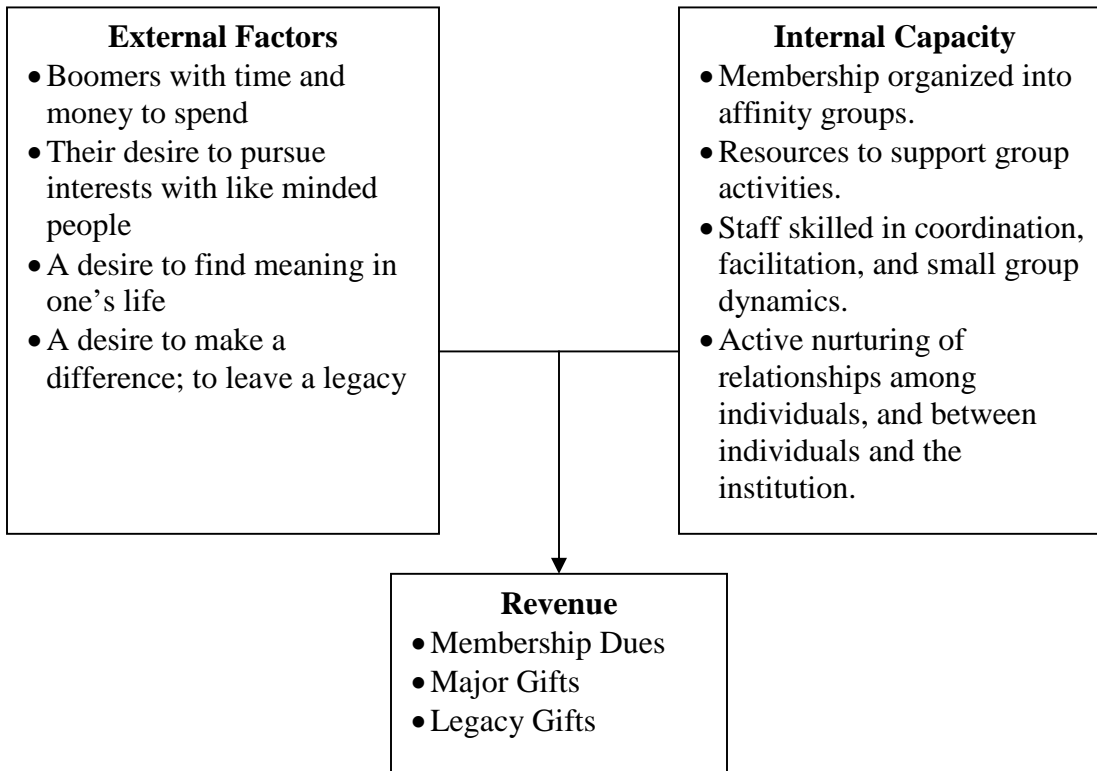
Individual bequests – a person's *ultimate* gift – accounted for 9% of all money donated in 2003. This is the way individuals make a final contribution to the wellbeing of those they love, and to the success of institutions they value. If toward the end of life an individual has a meaningful relationship with your historic site, and has made good friends there, and if you have an active planned giving program, then there is a strong probability that your institution will receive a bequest.

A New Business Model: Affinity Groups

The following diagram combines the foregoing observations into a new business model for historic properties. Affinity groups replace tourists as the primary audience, internal capacity shifts from historical interpretation to support of group activities, and revenue comes from individual giving rather than admission fees and sales.

¹¹ Daniel H. Pink, *A Whole New Mind: Moving from the Information Age to the Conceptual Age*, pp 207-222. Pink identifies the search for meaning as a key characteristic of American culture in the next half century.

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This new model will require a fundamental shift in the way historic properties function. Instead of creating activities for visitors, staff will provide expertise and logistical support for affinity groups. Rather than controlling the groups directly, staff will establish standards and policies, educate the groups, and empower them to act. Instead of being a leader in charge of an activity, staff will have to learn to lead indirectly through support and facilitation.

For years the staff has functioned as interpreters of the past. They do research, select artifacts, arrange rooms, and give tours. Some tours are highly engaging and informative. More often, they are simply adequate, providing visitors with a satisfying but unremarkable experience.

The future primary audience – affinity groups – will already be knowledgeable. They will want to discover new information and share what they know. A gathering of such a group in an historic house will not be one in which an interpreter tells about the place. Rather, it will be a facilitated group discussion exploring different interpretations, encouraging new questions, and generating fresh insights.



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A Call to Action

Most historic properties operate with very tight budgets. Some have down-sized and depleted reserves. In this climate, it is hard to be hopeful. Yet we, the authors, are optimistic because we understand that the current situation reflects neither the inherent value of historic sites nor the competency of those who lead them.

Now is the time to abandon the assumptions of the old model and begin to test the waters of the new. Success will not come overnight. But if changes are not initiated now, it may soon be too late. We recommend:

- Focus on members instead of visitors as the key indicator of success. Treat membership as a strategic rather than an administrative function, staffed by someone who understands the process of building relationships.
- Experiment and test ways to support and share authority with affinity groups. For example, the Brooklyn Historical Society has opened one of its galleries to community groups to produce exhibits of their own.
- With an existing group of volunteers explore a new structure, wherein they become an affinity group as a part of the membership program. Examine the pros and cons, and run a pilot program.
- Start a major gift/planned giving program to cultivate members and turn them into donors. Make this the primary role of development.
- Produce more opportunities for people to experience the spiritual dimension of your site, offering times when they can be alone or in small groups.