Strategic decisions in the shadow of support:

Building financial health in four Dutch museums

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ABSTRACT

Faced with systemic and emerging challenges, museums often walk a fine line between financial sustainability and mission fulfillment while navigating resource dependency, particularly on government funding. The thesis investigates how museums in the Netherlands pursue financial health and structure their financial strategies within broader organizational goals. Grounded in resource dependency theory, it employs mixed methods to provide a holistic understanding of the topic. A descriptive analysis of financial data (2021–2024) forms the basis for understanding museums' financial structure and the strategic components that contribute to their financial health. Semi-structured interviews, analyzed with thematic methods, reveal the principles and key factors that museum managers consider when formulating sustainable financial strategies and decisions. The findings show that while museums demonstrate the capacity to meet current and future spending needs, their ability to plan long-term investments and growth is limited by constraints on net surplus generation and reserve accumulation. The project contributes to cultural economics and nonprofit financial literature by clarifying the role and influence of government intervention and by providing a framework that explains the case studies' financial conditions and decision-making logics in both financial and non-financial terms. It also connects theory and practice, highlighting the importance of an overarching approach and the limits of modern portfolio theory's applicability. These insights may be valuable to both policymakers and museum managers seeking to align financial strategies with the unique characteristics of cultural institutions.

KEYWORDS: Museum, financial strategies, financial health, resource dependency, portfolio composition

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PREFACE

When I decided, five years ago, that I wanted to work in the cultural sector, I had just one small doubt: the financial instability that might come with it. During my bachelor's in Conservation of Cultural Heritage and Performing Arts Management in Venice, I got to experience and study how real that concern actually was. This master' in Cultural Economics and Entrepreneurship in Rotterdam gave me a broader perspective and the theoretical tools to better understand the bigger picture behind it all. Social impact, mission, and quality often matter more than quantity and financial matters in this field, and that is also one of the reasons behind its economic uncertainty. However, it is exactly what drew me to this sector in the first place, and it continues to strengthen my desire to stay and build a future in the cultural field.

During my bachelor's, Accounting was one of the toughest subjects… I have never been great with numbers. And yet, here I am writing a thesis on financial management. I chose it because I know how important this topic is, and because I wanted to challenge myself and finally make peace with things I had not quite grasped before. University has been the perfect place to relearn, to get things wrong, and to grow from it. What I enjoyed most about this thesis was the challenge of making sense of complex, sometimes contradictory ideas.

I am really grateful for everything I have learned thanks to the museums that took part in the research. I also want to thank Carolina Dalla Chiesa for guiding me with patience and clarity through this winding process. A huge thanks to my classmates, who made me feel like I was never alone in this journey we shared. And finally, to my family and my partner: Thank you for being there, for your support, and for helping me through every up and down along the way.

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1. INTRODUCTION

Finance for museums remains a persistent and complex challenge, which has become even more pressing in the past years, while also reflecting structural issues typical of the cultural sector. In light of these challenges, museums often walk a fine line between financial sustainability and mission fulfillment while navigating resource dependency, particularly on government funding. This research aims to explore how museums in the Netherlands pursue financial health and structure their financial strategies within broader organizational goals. The following section outlines the reasons that make it necessary to address this topic, stemming both from challenges faced by these types of cultural organizations and from academic and societal interest. It includes the main empirical and theoretical arguments derived from the findings before outlining the overall structure of the thesis.

Cultural organizations typically operate with limited resources and a high dependence on an uncertain environment, making them well-suited to analysis through the lens of resource dependence theory (Pfeffer & Salancik, 1978). Indeed, they mainly depend on public funding, while self-generated income and charitable contributions are often limited (Froelich, 1999; Srakar & Čopič, 2012; Prokůpek, Loots, & Betzler, 2023). Relying on multiple sources creates significant managerial challenges, including maintaining financial stability, preserving autonomy, and staying aligned with their mission. (Froelich, 1999; de los Mozos, Duarte, & Ruiz, 2016). These challenges stem from the need to balance the expectations of diverse stakeholders and avoid goal displacement or loss of legitimacy. Forced by various pressures, museums find themselves in a paradoxical situation, expected to fulfill their public and social mandate while also balancing the interests of the external public and private actors that provide indispensable resources (Prokůpek, Loots, & Betzler, 2023). In this context, financial health links internal and external organizational elements, requiring museums to develop a comprehensive strategy that goes beyond cost-income and financial reasoning. As frequently highlighted in the literature, research should focus on a comprehensive understanding of these factors (Chikoto & Neely, 2014; Hung & Hager, 2019), and this thesis attempts to do so.

In addition to these structural challenges, the museum sector has faced various difficulties in recent years, increasing the need for research on more recent developments.

The cultural and creative sector in the Netherlands has recovered after the pandemic, with an increase in visitors to cultural venues in 2023. However, financial challenges have emerged due to lost income combined with rising costs (Cultuurmonitor, n.d.a). This has led to cutbacks on exhibitions and other activities (Cultuurmonitor, n.d.b), with 47% of museums in the Netherlands reporting a negative operating result in 2023 (Museumvereniging, 2024). Moreover, government support—which most institutions rely on—is not increasing at the same pace as costs (Museumvereniging, 2024), and uncertainty has arisen from recent reforms in funding distribution criteria, with further funding cuts announced from 2029 (Museumvereniging, 2024; Education and Sports Ministry outlines major grant cuts, 2024). The evolving nature of this context has sparked interest in the specific case of the Netherlands.

Museums represent a unique case within the cultural sector due to their specific definition and distinct challenges, deserving particular attention. This research adopts the International Council of Museums' (2022b) definition:

> A museum is a not-for-profit, permanent institution in the service of society that researches, collects, conserves, interprets and exhibits tangible and intangible heritage. Open to the public, accessible and inclusive, museums foster diversity and sustainability. They operate and communicate ethically, professionally and with the participation of communities, offering varied experiences for education, enjoyment, reflection and knowledge sharing.

Alongside sector-wide issues, they face high fixed costs for maintaining collections and organizing exhibitions, which inherently limit their adaptability and responsiveness to change (Frey & Meier, 2002).

This study relies on literature belonging to museum and cultural management, cultural economics, and nonprofit financial management. The literature on museum and cultural management supports this analysis by offering an overreaching view of organizational and financial strategies, accounting for the sector's unique traits and its internal and external influences (Kerrigan & Draebye, 2020). As the thesis seeks to identify factors within organizational and financial strategies, it draws on economic studies addressing cultural sector logics (Wacht, 1984; Bourdieu, 1996; Young, 2007), stakeholder influence (Froelich, 1999; de los Mozos, Duarte, & Ruiz, 2016), and legitimacy challenges (DiMaggio & Powell, 1983; Froelich, 1999; Mitchell & Calabrese, 2019). Literature presents

a fragmented picture of decision-making dynamics, with diverse and sometimes conflicting perspectives; therefore, this thesis proposes an empirical investigation and aims to build a comprehensive framework to clarify their relationships. Finally, nonprofit financial management literature provides in-depth statistical analysis of financial component behaviors. Empirical research has been dedicated to study financial health definition and assessment (Bowman, 2011; Tuckman & Chang, 1991)—considering ratios such as liquidity, margins, profitability, and solvency (Park, Shon, & Lu, 2021)—, revenue diversification and concentration strategies (Tuckman & Chang, 1991; Frumkin & Keating, 2011), and intercorrelation between different revenue streams (Keating et al., 2005). This research aims to address certain limitations identified in the literature. First, there is little consensus on how to assess nonprofit financial health, with conflicting measures and results (Bowman, 2011; Prentice, 2016; Hung & Hager, 2019). The thesis combines key elements of financial health to provide a more comprehensive view. Second, existing studies overlook the characteristics and interrelationships of financial components (Mayer et al., 2014; Qu, 2019) and mainly focus on firm-specific organizational factors, neglecting external and environmental variables (Prentice, 2016; Hung & Hager, 2019). This research seeks a broader understanding by contextualizing financial conditions within a strategic framework, using in-depth case studies. Third, although nonprofit finance is well-studied, research overlooks the unique aspects of museums (Chikoto & Neely, 2014; Grasse, Whaley, & Ihrke, 2016). Finally, most studies tend to focus on the U.S. context and rely on specific data sources (Hung & Hager, 2019; Berkovich & Searing, 2021). The European context offers valuable insights, as nonprofits there face different dynamics than in the U.S., including stricter regulations, fewer donation incentives, and closer ties with government (Netzer, 2020).

As a synthesis, resource-dependent museums face financial struggles, which force them to balance diverse internal priorities and external pressures, adapting to a dynamic environment. Addressing this complexity requires a strategic approach that integrates both financial health and strategic thinking. Recently, increased pressure and uncertainty about the future have highlighted the need to explore how museums plan to achieve financial stability and how they currently structure their financial strategies as part of their broader organizational goals. Given the broad scope of the question, a mixed-methods research design is employed, guided by specific sub-questions (Bryman, 2015, pp. 638–641). Firstly,

the research examines the financial structure and health of four case studies in the Netherlands. Quantitative methods, including descriptive analysis of four-year budgetary data (2021–2024), will shed light on how museums shape their financial structures—including revenues, expenses, and reserves—and the extent to which they are financially healthy. Secondly, the objective is to clarify the principles and key factors that museum managers consider when formulating sustainable financial strategies in line with organizational decision-making. Semi-structured interviews with museums' managers will support the development of a qualitative perspective on overall strategic reasoning—integrating financial and non-financial, internal and external factors. The museums involved are the ethnographic Wereldmuseum, in Rotterdam; the art museum of Groninger; the Catharijneconvent museum in Utrecht; and the Zeeuws history museum, in Middelburg.

Empirical findings reveal that museums have a satisfactory level of financial capacity, enabling them to face short-term financial instabilities and maintain their spending levels in the future thanks to government support. Concerning financial sustainability, the situation is more challenging, showing difficulties in seizing growth opportunities and managing potential financial shocks. This is linked to limited net surplus and reserve accumulation opportunities, which are explained by internal and external factors in an original framework. The thesis develops theoretical implications for cultural economics, providing an argument for government intervention: public funding dependency status supports the production of public goods and, therefore, the museum's mission. Moreover, apparently conflicting logics in resource development and spending are connected in a cohesive framework, demonstrating a back-and-forth process in decision-making that starts from mission-related considerations to address dependency conditions and financial instabilities. Finally, it has implications for nonprofit financial literature. First, the research proves the importance of an overarching approach in museum financial strategies, as they are also strongly influenced by external and non-financial factors. Second, due to internal strategic approaches and external challenges, museums are often not in a position to compose their revenue portfolios as is often assumed. Beyond academic interest, the research also aims to societal relevance: improving the understanding of museums' current financial status and strategies empowers cultural organizations to strengthen their financial foundations and secure more resources to pursue their societal impact in line with their mission (Irvin, 2024). The results aim to inform policymakers about the implications of

funding cuts and to support the design of funding mechanisms aligned with the revenue-generating capacities and unique characteristics of museums. They also may help managers adopt a more analytical perspective on their daily practices, with the case studies offering examples to compare how other organizations in the country operate.

In the following section, the theoretical framework builds on resource dependence theory as a lens to understand both the strategic and financial aspects of museums (Section 2). Then, the relationship between financial and organizational strategy is clarified before delving into the details of both (Section 3). A framework to quantitatively assess financial health is developed, supported by a literature review clarifying the nature of different revenues, expenses, and reserves, as well as the dynamics of diversification and concentration in revenue portfolio composition (Section 3.2). To support a qualitative understanding, a section explores various dynamics that may shape museum decision-making (Section 3.2). This forms the basis for a clear research design, including methods and the operationalization of both the descriptive analysis and the interviews (Section 4). The findings are first presented through an analysis of the financial status of the case studies, followed by a comparative section (Section 5.1). Then, qualitative findings are reported to understand the challenges and strategic thinking that led to the current financial status (Section 5.2). The conclusion summarizes the main findings, builds a connection with the theories and literature introduced in the first section, reflects on research limitations, and offers insights for future research (Section 6).

2. RESOURCE DEPENDENCE THEORY

This section delves into the resource dependence theory as a conceptual framework to examine the strategic and financial management of museums. It then moves on to a more detailed explanation of their economic nature, drawing on concepts from cultural economics and the broader characteristics of nonprofit organizations.

Resource dependence theory is derived from the open system view of the firm. This perspective is frequently employed in nonprofit finance literature (Prentice, 2016; Soh, 2017; Park, Shon, & Lu, 2021; Lu & Shon, 2024), but it has been applied less often to the arts and cultural sector, with most examples focusing on the museum field (Jung & Love, 2017; Jung & Vakharia, 2019). Drawing from biology, von Bertalanffy (1972, p. 417) proposed to understand a system "as a set of elements in interrelation among themselves and with the environment." Applied to management, an organization is better understood as interconnected with a complex and open network. Museums are complex, multi-level systems, making the open system framework well-suited for their analysis and management (Jung & Vakharia, 2019).

Grounded in the open system perspective, resource dependence theory (Pfeffer & Salancik, 1978, p. 2) emphasizes that organizations must navigate external uncertainty to obtain and maintain critical resources. In a context of scarcity, this requires building strategic interdependencies while competing for limited support. An organization's reliance on external inputs affects its autonomy and increases vulnerability, highlighting the importance of maintaining access to resources despite changing environmental conditions. According to Davis and Cobb (2010), there are three assumptions in resource dependence theory: (a) the social context is impactful; (b) organizations work to maintain autonomy and pursue their goals; (c) power dynamics explain organizations' behaviors. Resources can be tangible and intangible and may include human, physical, financial resources, legitimacy, information, and networks. The theory is widely employed in the nonprofit and cultural field (Froelich, 1999; Carroll & Starter, 2009; Chikoto & Neely, 2014; Mayer et al., 2014; Khieng & Dahles, 2015; de los Mozos, Duarte, & Ruiz, 2016; Soh, 2017; Lu & Shon, 2024), offering an optimal framework to describe museum strategic and financial management. The theory offers a relevant perspective in light of the nature of the resources that nonprofits depend on (Froelich, 1999). On one hand, public funding and charitable contributions are influenced by external factors beyond the organization's control. On the

other hand, generating income through their activities raises questions about whether nonprofits can act like private businesses without losing sight of their mission. When this income comes from mission-related programs, additional challenges emerge because the goods and services they offer often have the features of public goods, as explained in the next section. Excessive dependence can threaten financial health, compromise mission fulfillment, long-term sustainability, and survival. The greater the reliance on external revenues, the stronger the influence, control, and power that external stakeholders can exert (Froelich, 1999; Soh, 2017).

The economic nature of art and cultural nonprofits, including museums, supports their affinity with resource dependence theory. Cultural goods often exhibit the characteristics of public goods—being non-rivalrous and sometimes non-excludable—thereby justifying government intervention (Frey, 2003, Chapter 7; Towse, 2019, Chapter 2, 7). Non-excludability discourages production due to the lack of profit potential, while non-rivalry reduces consumers' willingness to pay, often resulting in under-consumption when a price is set (Samuelson, 1955). These goods have multifaceted values that economic representation can only partially capture, and this affects their supply, demand, and management (Throsby, 2001). This market failure, combined with the positive externalities cultural goods generate, supports the role of government in their provision—allocating resources based on collective social value and taxpayers' demand (Frey, 2003, Chapter 7; Towse, 2019, Chapter 7). As a synthesis, the public good nature of artistic and cultural products creates a need for external support.

The limited capacity to generate income leads cultural organizations to rely on external resources, reinforcing their state of resource dependency. This condition is further shaped by the nature of cultural goods as experience goods, which heightens market uncertainty and complicates profit predictability. Caves (2000) observes that neither producers nor consumers can predict which cultural products will succeed, capturing this with the phrase "nobody knows." Moreover, Baumol and Bowen's (1966) cost disease theory explains how labor-intensive activities like the arts face rising labor and non-labor costs without a proportional increase in prices, making it difficult to generate sufficient revenue without external support (Towse, 2019, Chapter 9).

The case studies examined in this research are nonprofit Public Benefit Organizations (*Algemeen Nut Beogende Instellingen*, ANBIs) based in the Netherlands.

According to the theoretical framework just outlined, their nonprofit nature resonates with the application of resource dependence theory. For further clarity, the end of this section explains key nonprofit characteristics and legal features in the Netherlands. Nonprofit organizations' primary goal is to provide goods and services to society without the aim of generating profit. The surplus is reinvested into the organization's activities and not distributed among stakeholders. Their revenue typically comes from public funding, reflecting their role in delivering value for the public good, as well as from civil society (Cvetković, Barjaktarović, & Vesić, 2024). Under Dutch law, foundations are required to have a board of directors and are legally recognized as independent entities. They have no shareholders, and their income typically comes from donations, loans, subsidies, and inheritances, and may qualify for certain tax benefits (van der Sangen, 2023; Kamer van Koophandel (KVK) & Centaal Bureu voor de Statistek (CBS), n.d.).

3. MUSEUMS' STRATEGIES

Strategy and planning are essential tools for cultural organizations to translate their mission, vision, and goals into concrete outcomes through structured processes and targeted actions (Byrnes, 2009, Chapter 5). Before exploring financial and organizational strategy in depth (Section 3.1 and 3.2), this part begins providing a theoretical framework that clarifies the relationship between the two.

Strategic management provides direction, coordination, and support in achieving specific objectives. It contributes to building competitive advantage, organizational flexibility, and responsiveness to external changes (Dess, Lumpkin, & Eisner, 2010, Chapter 11; Kerrigan & Draebye, 2020, Chapter 3). It often involves multiple stakeholders and should incorporate both short- and long-term perspectives, while balancing efficiency and effectiveness (Dess, Lumpkin, & Eisner, 2010, Chapter 11). Cultural management literature defines strategy as the outcome of a situational analysis that considers multiple factors—both internal (such as resources, strengths, and weaknesses) and external (such as opportunities, threats, and political, economic, societal, technological, environment, and legal elements)—encompassing financial and non-financial reasoning. This process helps to assess the current state of the organization and also supports the identification of strategic goals and areas for improvement, facilitating an implementation phase (Byrnes, 2009, Chapter 5; Kerrigan & Draebye, 2020, Chapter 3; Půček, Ochrana, & Plaček, 2021, Chapter 5).

Strategy is deeply embedded in finance, as financial resources both enable and constrain its implementation, making the financial strategy closely connected to the overall organizational strategy (Hardiman, 2025). Figure 3.1 summarizes how both internal and external factors influence organizational strategy, from which financial strategy is derived. The interaction between these elements leads to a specific state of financial health. Placing the objects of research within a strategic management framework aligns with resource dependence theory. Indeed, both theories support a complex and holistic understanding of organizations as entities embedded in, and dependent on, a broader external environment.

Figure 3.1

Illustration of strategic management elements and relationship between organizational strategy and financial strategy

Note. Source: Author's elaboration from Kerrigan and Draebye (2020, Chapter 3).

In the following, the basis for quantitative analysis is developed through the construction of the concept of financial health, supported by a literature review on the characteristics of revenues, expenses, and reserves, and the ongoing debate around diversification of revenue portfolio (Section 3.1). This will enable a better understanding of how cultural organizations build their financial structure and financial health—supporting investigation on the first research question. Then, a literature review is presented to interpret the internal and external factors that may shape financial strategies as part of their broader organizational goals (Section 3.2). This will serve as the foundation for the qualitative analysis aimed at understanding the key elements that cultural managers consider when formulating their financial strategies—thus addressing the second research question.

3.1 Financial strategy

3.1.1 Financial health framework

Unfortunately, there is little agreement about the components of financial nonprofit health, and numerous measures have been applied, often providing conflicting evidence (Bowman, 2011; Prentice, 2016; Hung & Hager, 2019). Park, Shon, and Lu (2021) point the cause in the fact that the definition of financial health depends on researchers' selection of specific financial health aspects, and that few studies have examined whether these

financial measures are valid in predicting financial health. Despite literature defining financial health in diverse ways, concepts of financial vulnerability, survival, and growth are persistent and therefore included in this research (Soh, 2017).

Tuckman and Chang (Tuckman & Chang, 1991; Chang & Tuckman, 1991) first attempted to define financial health by creating ratios that predict financial vulnerability, understood as the ability to maintain operations without reducing services and programs during periods of financial difficulties or resource constraints. Further studies experimented with financial vulnerability definition (Hager, 2001; Keating et al., 2005; Tevel, Katz, & Brock, 2014) and related it to diversification strategies (Kingma, 1993; Carroll & Stater, 2009; Grasse, Whaley, & Ihrke, 2016). The model also received some criticisms. First, it focuses solely on financially unhealthy components, while a more fluid, continuum perspective that incorporates aspects like financial capacity, resilience, and solvency would be more beneficial (Prentice, 2016). Second, the model is normative and based on "if-then" reasoning, lacking descriptive elements to assess an organization's financial status and predictive elements of instability. Finally, it pertains only to short-term reactions to external shocks (Bowman, 2011).

Bowman's (2011) model attempted to overcome these limitations, incorporating financial vulnerability concepts into a wider view and considering long and short timeframes. He divided financial issues into capacity, when an organization has enough resources to be reallocated in response to opportunities and unexpected threats, and sustainability, which indicates the dynamic change of financial capacity over time. It is assumed that the long-term objective of an organization is to maintain or expand its services, while its short-term aim is to develop resilience to economic shocks and work to ensure long-term objectives. In terms of short-run capacity, a nonprofit should possess cash or liquid financial resources that are easily convertible into cash. This enables an organization to maintain consistent operational spending even in the face of a decrease in current income. Long-term capacity is the nonprofit's ability to pay off its debts; solvency is possible when total assets are more than total liabilities. From a short-term sustainability perspective, an organization should generate a net surplus that can eventually be devoted to long-term objectives and that balances expenses. In the long run, the organization's total assets should grow not less than the inflation rate. Profitability, expressing "the extent to which the organization meets its [internal] budgetary obligations," is a key indicator (Park,

Shon, & Lu, 2021, p. 7). Margins reflect short-term income generation efficiency and can be negative in the short term, while profitability is projected over the long term and needs to be positive to ensure financial health (Park, Shon, & Lu, 2021).

Park, Shon, and Lu's (2021) framework connects financial vulnerability, capacity, and sustainability with the accounting constructs of solvency, profitability, margin, and liquidity. Building upon Bowman's (2011) model, I have integrated the accounting constructs proposed by Park, Shon, and Lu (2021), as represented in Table 3.1.1[1].

Table 3.1.1

Financial health framework, including financial dimensions and accounting constructs

	Financial capacity	Financial sustainability
Short-term	Liquidity	Margin
Long-term	Solvency	Profitability

Note. Source: Author's elaboration from Bowman (2011) and Park, Shon, and Lu (2021).

Incorporating financial capacity and sustainability into a broader financial strategy, Irvin (2024) emphasizes the importance of achieving financial stabilization before pursuing growth. Stabilization forms the foundation for setting and achieving goals and can be obtained through effective cash flow management, building emergency reserves, and leveraging endowment funds. This coincides with building financial capacity. Subsequently, a sound level of financial sustainability ensures financial growth, which should surpass the annual rate of inflation, and enables organizations to overcome financial instabilities and seize opportunities.

3.1.2 Financial structure of museums' revenues, expenses, and reserves

[1] This framework intentionally excludes the concept of financial vulnerability (Tuckman & Chang, 1991; Chang & Tuckman, 1991) due to limitations highlighted in the literature and because its measures can still be incorporated into the analysis. Indeed, equity and net surplus considered by the Tuckman-Chang model are part of financial capacity (Hung & Hanger, 2019). Also, Tuckman-Chang's administrative expenses and diversification, will be integrated into the thesis framework in the following sections.

Revenues, expenses, and reserves composition have a significant impact on financial health and can influence decision-making, serving as a basis for interpreting later findings. This section clarifies three types of revenues, delving into their characteristics, relevance within the Dutch context, and potential impact on cultural organizations. Then, it reflects on the expenses and reserves structure in the cultural sector.

The literature broadly identifies three types of revenues: government support, earned income, and charitable revenue (Froelich, 1999; Srakar & Čopič, 2012; Prokůpek, Loots, & Betzler, 2023). Museum revenues are increasingly hybrid worldwide, as institutions diversify their income in response to shrinking public support and post-pandemic uncertainty (Lindqvist, 2012; Romolini et al., 2020; International Research Alliance on Public Funding for Museums (IRAPFM) et al., 2025).

Public funding can support museums directly—by providing subsidies, awards, and grants from state, regional, and local authorities—or indirectly—through public foundations, tax exemptions, promotion of entrepreneurship, or multi-party funding[2]. Public funding is more stable than donations, but may come with conditions or political alignment pressures (Lindqvist, 2012). Governmental dependence can also lead to increased bureaucracy and reduced flexibility (Froelich, 1999).

Museums traditionally earned revenues from ticket sales, educational activities, shops, restaurants, leasing of spaces and collection items, commercial sponsorships, and license agreements, while they have also recently adopted more innovative business models (Prokůpek, 2025; Liddell, 2025; IRAPFM et al., 2025). Demand for museum visits is found to be inelastic, making it a stable source of income for museums (Luksetich & Partridge, 1997; Auer & Dominik, 2023). Audience engagement and community empowerment not only contribute to cultural organizations' financial health but also support their social mission (Prokůpek, Loots, & Betzler, 2023). According to Froelich (1999), the need for a more market-oriented approach may lead organizations to prioritize services that are not aligned with their original goals.

Donations typically come from corporations, individuals, and foundations. Donors can be motivated by intrinsic, extrinsic, or reputational factors like identity or social status (Bertacchini, Santagata, & Signorello, 2011). Recently, their role as engaged stakeholders

[2] Section 3.2.4 delves into the specific case of public funding in the Netherlands.

has evolved, requiring their interests to be part of the museum's strategy. Their growing support also fosters community engagement in museum decisions[3]. As third-party interests rise, stakeholder management becomes more important and challenging (Prokůpek, Loots, & Betzler, 2023). In the Netherlands, donations take various forms, including tax exemptions, museum friends' societies, volunteer contributions, and support from lottery organizations (Association of the Compendium of Cultural Policies and Trends (ACCPT), 2019). A key player is the Friends Lottery (*VriendenLoterij*), which operates under specific legislation to fund cultural and social organizations through lottery sales. Long-term beneficiaries get fixed annual grants, while museums may apply for one-off, unrestricted funding (Wiepking & de Wit, 2023). Donor behavior is difficult to predict, especially during financial downturns (Lindqvist, 2012). Developing this income stream may increase administrative costs, hinder independence, and slow decision-making (Hsieh, Curtis, & Smith, 2008; Lindqvist, 2012). Fundraising efforts can also divert resources from core services (Froelich, 1999) and raise ethical concerns (ICOM, 2022a). Finally, other minor revenues exist but are excluded as they fall outside core museum activities: for example, financial investments, revenues, and endowments.

Regarding expenses, three key issues are reported. First, museums are labor-intensive organizations (Baumol & Bowen, 1966), so personnel costs are expected to represent a significant portion of total expenses. Second, due to limited resources, museums may face challenges in allocating costs between operational and administrative functions versus mission-related activities (Frumkin & Keating, 2011). Third, museums have higher fixed costs tied to their collections than the broader cultural sector, reducing their flexibility and adaptability (Frey & Meier, 2002).

Sufficient reserves play a crucial role in supporting long-term stability and strategic flexibility. They can be internally or externally restricted to specific purposes or constitute cash reserves to cover seasonal fluctuations and emergency funds to maintain expenses during financial shocks (Irvin & Furneaux, 2021)

3.1.3 Resource diversification and concentration

[3] The digital world represents a realm of innovation, amplifying the potential of fundraising practice, including crowdfunding platforms (Handke & Dalla Chiesa, 2022).

Theoretically, revenue diversification has been identified as an optimal risk management strategy for financial flexibility to respond to instability and uncertainty. According to the law of large numbers, relying on multiple resources allows for the distribution of risk and the maintenance of stable returns, even if one source is reduced, such as in the case of a cut in government support (Tuckman & Chang, 1991). Navigating empirical research, Hung and Hager (2019) explain that initial studies found a positive relation between diversification and financial health, while more recent ones question it and suggest adopting a more nuanced approach. Overall, it is found that the diversification effect on financial health is "small with negative and null effects largely counterbalancing the [yet significant] positive assessment" (p. 21).

Benefits of diversification include improved program outcomes (Kim, 2017), reduced revenue volatility (Carroll & Stater, 2009), diminished financial vulnerability (Chang & Tuckman, 1994), lower source dependence (Khieng & Dahles, 2015), decreased likelihood to closure (Hager, 2001), and enhanced recognition, exposure, and connection with the community (Hager, Galaskiewicz, & Larson, 2004), which finds support in an open system view. However, while diversification is commonly recommended as a strategy to mitigate risk, it is not always helpful since each source inherently carries its own challenges (Grasse, Whaley, & Ihrke, 2016). Diversification may not always promote growth, as it can lead to missed opportunities and decreased efficiency. Indeed, exploring new income streams and maintaining them requires considerable time and human resource commitment, leading to higher administrative and fundraising expenses (Frumkin & Keating, 2011; Chikoto & Neely, 2014). Finally, having multiple sources of funding may shift focus towards funder expectations rather than the needs of members and the audience, potentially causing mission drift (de los Mozos, Duarte, & Ruiz, 2016; Froelich, 1999). On the other side, concentration can positively support financial capacity (Foster & Fine, 2007; Chikoto & Neely, 2014), return on assets (Mayer, et al., 2014), and surplus in fund balances (Gronbjerg, 1992). Concentration also has drawbacks, as it can increase the risk of insolvency (Keating et al., 2005) and potentially crowd out other sources of revenue. For instance, this can occur in the case of a heavily government-supported nonprofit, where potential donors may question the organization's need for additional donations (Brooks, 2000). Another issue arises when management depends heavily on a single source, potentially reducing the incentive to pursue alternative funding options (Andreoni & Payne, 2011).

These studies present the limit of not considering the characteristics of revenue streams and intercorrelation within them. For example, Mayer et al. (2014) demonstrated that replacing investment income with donations to achieve diversification reduces volatility and increases expected revenue, whereas replacing earned income with donations reduces both metrics. Modern portfolio theory (Markowitz, 1952) has been applied as a model to strategically compose an optimal portfolio mix, based on revenue risk related to revenue variance, expected returns, and covariance, that describes crowding in and out effects among resources (Kingma, 1993; Grasse, Whaley, & Ihrke, 2016). This approach helps to avoid simplistic reasoning based on broad categories and binary distinctions, enabling a deeper exploration of complex interactions within resources and distinctions among various revenue characteristics (Qu, 2019).

Considering disparate findings, practitioners should view revenue diversification as a strategic decision that should be tailored to each unique case, considering the organization's emphasis on autonomy and community connections, availability of time and resources, and potential issues related to mission drift (Chikoto & Neely, 2014; Hung & Hager, 2019). As organizational and strategic aspects become more influential than singular financial performances, it is crucial for further research to understand under which conditions revenue diversification can contribute to financial health and the ways nonprofits can optimize revenue streams to achieve their mission (Hung & Hager, 2019). Indeed, contextual and mission-related elements are recognized as important in financial analysis. Benefit theory (Young, 2007) also moves in this direction, proposing the nature of goods and services as a starting point to structure the revenue portfolio (Section 3.2.1). This research project recognizes these approaches by integrating financial strategy into the broader strategy of museums and examining both financial and non-financial forces that shape the current financial status. While statistical correlations are not possible, the literature on diversification and portfolio composition helps interpret financial strategy dynamics and may inform theoretical implications from the case studies.

3.2 Organizational strategy

As previously mentioned, this section aims to identify the key factors, drawn from various theories, that cultural managers may consider when formulating sustainable financial and organizational strategies. This forms the basis for the interviews, which will be

structured in a deductive but also exploratory way, allowing additional concepts to emerge during the process.

3.2.1 Strategic ambidexterity

Strategic reasoning in the cultural sector is characterized by ambidexterity, as evidenced by the opposing logics emerging from the literature that follows. Theoretically identifying these logics is a necessary step before exploring which ones are prioritized by the case studies in deciding on resource acquisition and allocation strategies.

First, common challenges arise when cultural organizations shape their resource acquisition and development strategies, choosing among different revenue streams. The literature reviewed in the previous section highlights the need to balance opposing financial aspects: risk, volatility and revenue potential (Kingma, 1993); diversification and concentration levels alongside associated managerial costs (Frumkin & Keating, 2011); and the crowding-out and crowding-in effects (Brooks, 2000). The underlying assumption is that organization shape their portfolio considering the financial characteristics of revenues. Benefit theory (Young, 2007) sheds light on a different perspective, suggesting that nonprofit revenue structure is the result of goods and services produced, more than a financial strategic choice. In other words, revenue resource development is driven by cultural production planning. The theory is based on the public-private nature of goods, suggesting that if the goods primarily benefit individuals rather than society as a whole, the organization is more likely to depend on earned revenues. Conversely, when the nonprofit provides benefits to disadvantaged individuals or to society at large—groups that are generally less willing or able to pay—, it tends to rely more on charitable contributions and government funding (Young, 2007). Based on the theory, it appears that the financial structure is driven by the mission, rather than nonprofit production being shaped by revenue development logics. Preliminary empirical research tends to support the theory despite not always having strong correlations[4] (Fischer, Wilsker, & Joung, 2007; Wilsker & Young, 2010; Young, Wilsker, & Grinsfelder, 2010).

Ambidexterity may also emerge in resource allocation and spending decisions. Nonprofit financial management theory acknowledges that the wealth maximization

[4] For example, Liu and Kim (2021) tested whether an income portfolio reflecting the mix of benefits provided by arts and cultural nonprofits correlates with their financial health. They found evidence of a relationship, though not linear, as it depends on the specific characteristics of each organization.

principle—traditionally applied to for-profits and rooted in neoclassical economics—is not fully valid in the nonprofit context (Wacht, 1984). The pursuit of social utility maximization for a specific group of beneficiaries more accurately describes nonprofit activity. However, focusing solely on this goal can potentially lead to financial unsustainability, illiquidity, or even insolvency. This necessitates the integration of financial goals to ensure organizational viability (Wacht, 1984). The social utility principle is often expressed in the organization's mission, which serves as the starting point for defining any strategy. In cultural organizations, the mission determines the nature of the goods and services produced, thereby guiding decision-making (Byrnes, 2009, Chapter 5). Based on ICOM (2022b) definition of museum, artistic integrity, innovation, and research are closely aligned with and embedded in the museum's social and educational mission. In cultural organizations, the friction between social utility and financial viability is accompanied by tension between economic and artistic logics (Bourdieu, 1996). When applied in the creative industries, economic thinking reflects an explicit market orientation and revenue generation, where performance is based on economic value exchange. Artistic logic emphasizes innovation and artistic freedom, focusing on the quality and integrity of cultural production. The prevalence of one or the other determines resource allocation and the goods and services produced (Lampel, Lant, & Shamsie, 2000; Eikhof & Haunschild, 2007).

3.2.2 Stakeholders management

Ambidexterity can also arise from external pressures. Stakeholders that support resource-dependent organizations are likely to influence directly or indirectly their decision-making according to their interests and needs (Alexander, 1996; Hsieh, Curtis, & Smith, 2008).

As discussed in Section 3.1.2, different revenue types can influence museums' decision-making. Moreover, studies highlight different effects of reliance on public funding. Such dependence can reduce market orientation and customer focus (Hughes & Luksetich, 2004; Kirchner, Markowski, & Ford, 2007), but also supports innovation, risk-taking (Osborne, Chew, & McLaughlin, 2008), and efficiency through accountability requirements (McDonald & Harrison, 2002). Camarero, Garrido, and Vincente (2011) suggest a quadratic relationship between innovation and the funding structure of museums, arguing for the importance of balancing different revenue sources. At the same time, they find that public

funding supports the pursuit of social impact goals and fosters stronger community involvement.

Stakeholders can represent not only a financial resource but also a competitive asset and human capital, opening doors for collaborations and network development, supporting cultural organizations in fulfilling their societal mission (Freeman, Dmytriyev, & Phillips, 2021).

3.2.3 Legitimacy

Neo-institutional theory explains organizational behaviors, norms, and values as the result of cultural, social, and political pressures, often guided by legitimacy needs rather than efficiency principles (DiMaggio & Powell, 1983). This is also true for cultural organizations, where resource dependency and the nature of their performances, often difficult to evaluate due to their intangible and subjective qualities, may lead to organizational strategic decisions aimed at preserving legitimacy (Alexander, 1996; Chaney & Marshall, 2013; Kiitsak-Prikk, 2017; Mitchell & Calabrese, 2019; Kann-Rasmussen, 2019).

When it comes to financial strategies, nonprofits may be influenced by general assumptions and beliefs that are not evidence-based and potentially counterproductive (Mitchell & Calabrese, 2019). Misconceptions that negatively impact donations often stem from the belief that high overhead costs signal inefficiency and that the accumulation of reserves indicates that the organization is not doing enough to fulfill its mission. However, rising costs are often the result of strategic investments, and the accumulation of resources is necessary to seize opportunities and respond to unpredictable threats. The absence of such practices can lead to a starvation cycle and the erosion of financial capacity and stability. Similarly, debt accumulation may undermine a nonprofit's reputation and trustworthiness, despite being a valuable tool for investment and growth. While revenue source diversification is frequently recommended, it requires a more nuanced approach, as previously discussed.

3.2.4 Cultural policy system

To varying degrees, cultural organizations rely on public funding to operate, and the cultural policy ecosystem significantly influences their decision-making and financial structures.

Dutch cultural policy aims at ensuring stability and autonomy for the cultural sector. The Cultural Policy Act (*Wet op het specifiek cultuurbeleid*, 1993) provides a legal basis for a policy framework which is revised every four years; the most recent covers the 2025–2028 period.

In the Netherlands, central, provincial, and municipal governments pursue their own cultural policies, funding, and advisory streams. The central government provides the legislative and financial framework, while the latter focuses on distribution and management (ACCPT, 2019).

Direct support is provided by three lines of action (ACCTP, 2019; Betzler et al., 2021). First, the Basic Infrastructure (BIS) supports the main institutions in the sector. National cultural heritage is under the direct administration of the Ministry of Education, Culture and Science (*Ministerie van Onderwijs, Cultuur en Wetenschap*, OCW), which provides support for nonprofit operations. Second, six major public funds provide additional support—among them, the Mondrian Fund and the Cultural Participation Fund serve as key references for museums. Third, specific policy programs are developed, including cultural entrepreneurship, grants, and awards. Among the forms of indirect support, the Gift and Inheritance Tax Act (*Geefwet*) plays a significant role in encouraging philanthropy by offering tax benefits to ANBIs.

An overview of major issues within the Dutch policy system sheds light on possible factors influencing the strategic decisions of museums. Recently, uncertainty about public funding has increased due to the OCW Ministry's announcement of €10 million in cuts starting in 2029, affecting the cultural sector (Education and sports ministry outlines major grant cuts, 2024). Furthermore, the recent debate around increasing VAT on cultural products from 9% to 21% suggests that significant changes may be on the horizon (Boztas, 2025). Another key challenge is excessive bureaucratization, which at times leads to a conflict between policy objectives and legal constraints (van Meerkerk & van den Hoogen, 2018). Also, there is a prevailing tendency to evaluate culture through an economic and rationalized lens, which may restrict diversity by focusing primarily on what the majority of

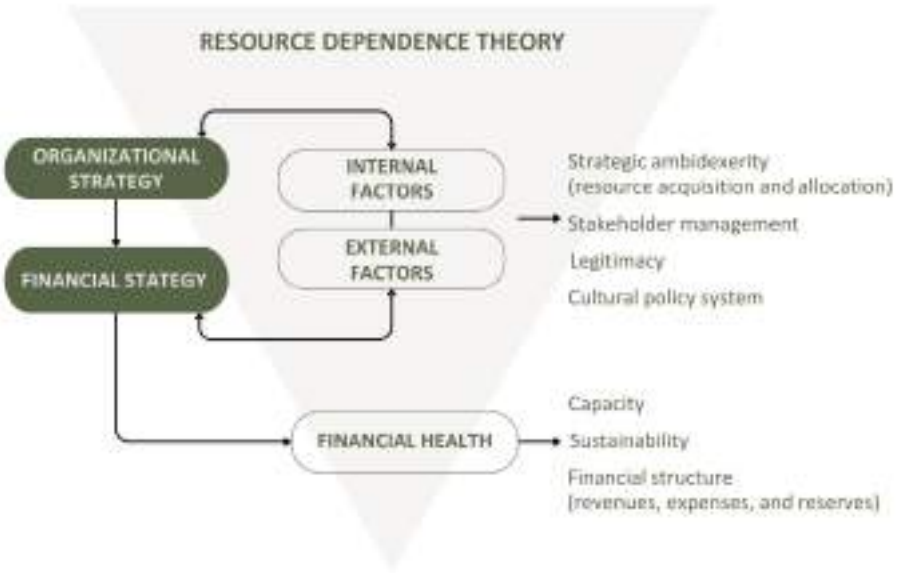
consumers are willing to pay for, favoring commercial over civic values (van Meerkerk & van den Hoogen, 2018).

3.3 Theoretical framework conclusions

For academics, sectoral practitioners, and broader societal interests mentioned in the introduction, the research delves into how museums plan to achieve financial health and currently structure their financial strategies as part of their broader organizational goals. Drawing on resource dependence theory, it examines how cultural organizations build their financial position by aligning internal priorities with external pressures within their strategic planning. The financial status will be assessed using key concepts from the literature: financial health—made up of financial capacity and sustainability—and financial structure, which refers to the nature of revenues, expenses, and reserves. The literature on the nature of financial structural components (Section 3.1.2) and diversification (Section 3.1.3) supports the understanding of the dynamics and financial considerations involved in formulating financial strategies in the case studies and will aid in interpreting the findings. Drawing on specific theories and empirical research, influential factors in strategic decision-making could be divided into four theoretical clusters: strategic ambidexterity related to resource acquisition and allocation, stakeholder management, legitimacy, and the cultural policy system. While the financial and organizational strategies are expressed in qualitative terms, the current financial condition is revealed through the quantitative descriptive analysis. Figure 3.3.1 presents a visual representation to clarify the relationship among these elements.

Figure 3.3.1

Theoretical framework: Correlation between organizational and financial strategy, research focus areas, and main theoretical concepts



Note. Source: Author's elaboration.

4. RESEARCH DESIGN

This section justifies the overall research methods, clarifying the link between the theoretical framework, research questions, and the use of mixed methods. It then briefly outlines the expected results, describes the data sample, and research ethics before moving into the operationalization of quantitative and qualitative methods (Sections 4.1 and 4.2).

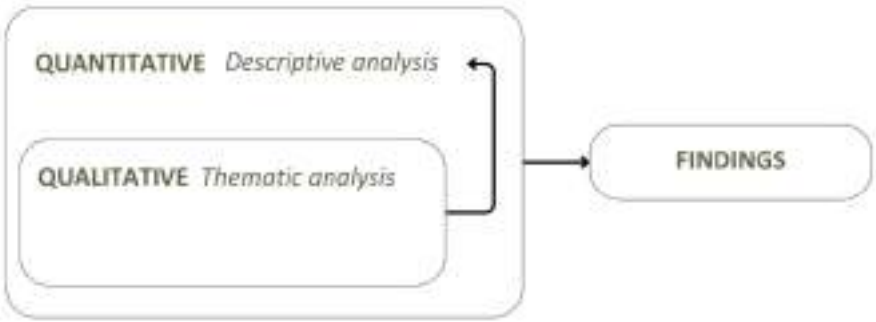
The thesis employs mixed methods to understand how museums plan to achieve financial health and currently structure their financial strategies as part of their broader organizational goals. First, the research focuses on a quantitative analysis of museums' financial structure and health as outcomes of their current financial strategies. Descriptive analysis will be applied to four-year budgetary data (2021–2024) from four case studies to examine their financial status and health. Employing ratios and formulas, this method can uncover complex interrelationships within budgetary data that are not readily quantifiable. Moreover, it allows for comparison across different years within the same case study and among the cases. Analytical concepts are drawn from both profit and nonprofit financial management literature and are adapted to suit a descriptive perspective. This approach makes the method deductive in nature. Secondly, the analysis focuses on the factors that managers consider when developing sustainable financial strategies in line with the broader organizational goals. A qualitative approach is well-suited to pursue two objectives. First, it supports understanding the nuances of each museum's mission and vision, offering insights into the decision-making dynamics that contributed to the financial status previously analyzed. Second, it sheds light on current strategies and causes and consequences of specific financial changes analyzed in the descriptive section, meaning that qualitative data will also support quantitative understanding. Four semi-structured interviews (Bryman, 2015, pp. 465–499) with the museum managers were conducted. With this in mind, key themes reflecting factors that influence decision-making and describe the financial status of the cases will emerge from the thematic analysis (Bryman, 2015, pp. 584–589), thereby guiding the answers to the research questions. Coding is built in two phases and employs first-cycle coding methods (Saldaña, 2009). First, exploratory provisional codes are developed based on what the literature suggests may emerge from the data before analysis (Appendix C.1). The literature will also guide the formulation of interview questions (Appendix C.2). Then, final codes will emerge through elemental structural coding method: codes represent topics of inquiry and categorize the data corpus (Appendix C.3). In this way,

coding will follow a deductive and inductive approach, remaining open to additional factors that may emerge during the interviews.

Among various forms of combining qualitative and quantitative methods, the research prioritizes the quantitative approach (Bryman, 2015, pp. 638 –641). Quantitative methods carry more weight as the primary data-gathering tools. Also, quantitative data collection and analysis precede qualitative methods, with some interview questions based on preliminary budgetary data analysis. Moreover, they are prevalent because the thesis develops around the concept of financial health, which is expressed in quantitative measures. This research adopts the embedded model from Creswell and Plano Clark's (2011) mixed-method designs (Figure 4.1), as quantitative analysis prevails but is not sufficient to fully understand the topic of research. The model allows for a contextual understanding, providing a more complete picture of organizational and financial strategies. It also suits the research's dual focus, first on financial status and then on strategies, addressing different research questions. Integrative qualitative data help explain why certain things are the way they are, revealing uncaptured meanings and reasoning not visible through numerical analysis. Ultimately, the combination is useful to practitioners who find limitations in studies focusing solely on financial components, yet require making decisions based on the museum's mission.

Figure 4.1

Embedded model of mixed method design



Note. Source: Creswell and Plano Clark (2011).

Delving into the nature of the data, the research considers four museums in the Netherlands. The selection of the case studies is guided by their openness to participate

and their similar financial structure[5]. They are exemplifying cases selected to capture the everyday circumstances and conditions that museums consider when planning for financial health (Brynes, 2025, pp. 60–72). Based on the classification of Museumvereniging (2024), the case studies are large museums as their income turnover is higher than 3.2 million euros. In the Netherlands, this type of museum accounted for 16% of all museums in 2023. Section 5.1.6 will compare these cases with national data to better contextualize their position within the sector. The museums involved are the ethnographic Wereldmuseum, in Rotterdam, the art museum of Groninger, the Catharijneconvent museum in Utrecht, and the Zeeuws history museums, in Middelburg. Appendix A.1 provides detailed information on museums' financial data, main characteristics, and missions.

Budgetary data, along with information on financial strategies and museum programming, are collected from financial statements, including income statements and balance sheets, totaling 608 observations (Appendix A.2). Four years, from 2021 to 2024, have been selected to provide a comprehensive overview of the financial status. While the pandemic's effects remain visible[6], this timeframe allows the research to focus on recent and post-pandemic developments. Data analysis involves inputting raw figures into Excel and applying formulas to uncover revenues, expenses, reserves structures, and assess financial health capacity and sustainability (Section 4.1). Four one-hour interviews with five museum employees (Table A.1.5) were conducted to gather insights on business or financial matters, and the transcripts were analyzed using ATLAS.ti 25.

Finally, the research adheres to ethical principles of research[7] (Bryman, 2015, pp. 120–146). Quantitative measurements aspire to validity—as based on previous research indicators or for-profit financial analysis literature—, and reliability—as applicable to any museum financial statement. In qualitative research, validity is supported by consistent

[5] The case studies are recognized as ANBIs (Public Benefit Organizations) under Dutch law. They show similarities in assets, liabilities, net asset volume, and net operating surplus, although the scale of revenues and expenses varies among them. They are all supported by local governments through the BIS scheme, except for the Catharijneconvent museum, which receives subsidies from the OWC Ministry. The contributions are roughly similar, except for the Zeeuws Museum, which receives less.

[6] As some financial statements explain, museums in the Netherlands were forced to close during the first six months of 2021 and again from mid-December of that year until the end of January 2022.

[7] Participants consented to take part in the research under the conditions outlined in the consent form provided by Erasmus University Rotterdam. Participation is voluntary and not harmful, as far as I know; privacy is ensured through anonymity. The author actively minimized deception risks by adhering to scientific methods.

coding and clear explanations of interpretations. Reliability is harder to achieve, as new themes on financial status or strategy may emerge in other case studies.

From this research, I expect to find alignment between the case studies, the literature, and the current status of museums in the Netherlands. I also anticipate that qualitative analysis will reveal both theoretical concepts and additional, previously unconsidered aspects. Ultimately, I hope the findings will support a theoretical reflection that contributes to the development of the framework, clarifying relations between financial decisions and strategic approaches.

The results of the quantitative analysis are first presented by outlining the specific characteristics of each museum, followed by a comparative overview (Section 5.1). The qualitative findings are then introduced to identify common trends and provide deeper insights into the main financial results (Section 5.2). Theoretical implications of the findings are discussed in the conclusion (Section 6).

4.1 Quantitative method operationalization

To describe the financial state for the case studies, budgetary data descriptive analysis will consider key components identified in the literature. First, the analysis focuses on describing museums' revenues, expenses, and revenues' structure, as they form the initial inputs that shape financial health. Second, financial health is assessed using Bowman's (2011) framework as a basis, with adjustments made where data is lacking or where it is necessary to account for additional variables. The case studies will be first addressed individually and then compared.

Changes in the financial components are assessed through the calculation of total growth and mean growth percentages. When it becomes relevant to consider year-to-year changes, a moving-base index analysis is applied, where every year is set as the base index number 100 and the subsequent year is measured relative to this baseline[8] (Subramanyam, 2014, Chapter 1). Common-size analysis, expressing data in percentages, is also applied to provide an overview of the financial structure of the case studies. The mean of the values is used to interpret the general situation and to compare the case studies. Revenues,

[8] The moving-base index is more meaningful than the classic fixed-base comparisons because 2021 was an unusual year due to COVID-19 while the overall trends are already shown by total and average growth.

expenses, and respective sub-categories are normalized to a base of 100 to facilitate comparison across institutions and periods[9]. In case of accounting errors, they are adjusted as if they never occurred to better reflect the financial status.

The analysis of the financial structure begins by considering revenues divided according to the framework into earned income, charitable donations, government support, and other income. Breaking down the revenues into sub-components helps explain the reasons behind changes and provides further insights. Their proportion, fundamental in influencing strategic decision-making, will be determined through a common-size analysis and the calculation of ratios to understand their share of total revenue. Revenue growth is also considered, but to avoid overlooking cost control, net surplus, as the difference between total revenues and expenses, will be included in graphical representations as well. I will also analyze whether revenues and net surplus growth keep pace with the rate of inflation in the Netherlands (Irvin, 2024; CBS, 2025a). Changes both in ratio terms and in euros are analyzed through total growth and mean growth.

Each revenue source's expected return and associated risks are also considered in financial strategy, and modern portfolio theory provides a robust framework for this analysis. Grasse, Whaley, and Ihrke (2016) measure the mean of the past growth of each revenue source as an approximation of future revenue growth and generation. The variance of each revenue stream is analyzed as a predictor of risk and volatility, indicating how much the data deviates from the mean in percentage[10].

To determine diversification level, literature extensively employed Herfindahl-Hirschman Index (HHI) despite its limitations in statistical studies[11] (Chang & Tuckman, 1994; Carroll & Stater, 2009; Chikoto, Ling, & Neely, 2016; Grasse, Whaley, & Ihrke, 2016; Qu, 2019), but in this study it will serve solely as an indicator. Chang and Tuckman (1994)

[9] To allow comparison of volumes across institutions, values, including negative ones, were normalized to a base of 100 within each asset category. As a result, originally negative values are represented on a positive scale, meaning the data serve purely comparative purposes and reflect relative volume rather than absolute financial performance. Normalization was done by identifying the minimum and maximum values for each category over four years and rescaling the data accordingly. Therefore, comparisons are valid only within the same category. In some cases, the mean of normalized values is employed to facilitate comparisons.

[10] Eventually, in the analysis, considering these aspects was unhelpful, as museums lacked the power to base decisions on revenue characteristics. However, volatility effectively highlights challenges in revenue stabilization and acquisition (Caroll & Starter, 2009).

[11] For example, Chikoto and Neely (2014) question its excessive sensitivity and limitation in describing revenue characteristics.

measure it as the sum of the squares of the share of revenue from individual revenue sources to total revenue. The index ranges from 0 to 1, with values closer to 1 indicating a higher level of diversification.

Finally, the spending structure can reveal potential challenges for the museums. Operating expenses, split into direct, personnel, and other administrative costs, are analyzed in their ratio to total expenses. To provide a deeper understanding, expenses are further broken down into smaller components, and common-size analysis is applied. Organizational efficiency is considered by dividing expenses by total revenues (Carrol & Starter, 2009; Chikoto & Neely, 2014). The lower the ratio is favorable, as it means a smaller portion of revenue is being spent on operating expenses, leaving more room for profit or reinvestment into the organization. Expense growth is analyzed similarly to revenues, using total and average growth, and adjusted for inflation to assess real change.

Revenues and expenses are collected from data in the statements of income, while the condition of balance sheet components is analyzed by financial health ratios and net assets analysis. For clarity, the balance sheet includes total assets (the sum of current and fixed assets) and total liabilities (the sum of current, fixed liabilities, and net assets).

Follow the operationalization of financial health. To determine the short-term capacity (liquidity), Bowman (2011) considers months of spending on operations that an organization can sustain before running out of expendable resources. Due to the lack of detailed data required for the original formula, the analysis follows criteria suggested by Subramanyam (2014, Chapter 10). Key components of liquidity include current assets—which are “cash and other assets expected to be realized in cash or consumed within one year”—and current liabilities— “obligations expected to be settled in the short term” (p. 545). The current ratio, calculated by dividing current assets by current liabilities, indicates how effectively an organization's short-term resources can meet its short-term obligations. “The Rule of Thumb” suggests that an organization is considered financially sound if “the value of current assets can, in liquidation, shrink by as much as 50% and still cover current liabilities” (p. 550). The organization's ability to finance short-term obligations and its financial strength are indicated by the working capital: the difference between the current assets and liabilities. The relative amount of working capital to total assets is calculated to understand how much of the organization's total assets are financed by short-term liquidity. The higher the ratio, the lower the risk. While cash flow indicators are important in

assessing liquidity (Subramanyam, 2014, Chapter 10), they cannot be considered in this case due to data limitations.

As an indicator of long-term capacity (solvency), Bowman (2011) considers the equity ratio, which reflects the relative proportion of an organization's assets that are immediately available, free from any liabilities[12]. Equity is an indicator of the nonprofits' ability to secure resources and provide them with greater flexibility during times of crisis (Tuckman & Chang, 1991). A higher equity ratio indicates less reliance on external debt, reflecting greater financial stability and autonomy. If debt is present, a debt ratio is employed to evaluate how much assets are financed through debt, providing insight into solvency status and financial flexibility, which is negatively associated (Keating et al., 2005).

In examining short-term sustainability (margin), Bowman (2011, p. 179) suggests employing markup as "an organization's annual surplus expressed as a percentage of spending on operations." Due to the lack of data on the components required for the original formula, alternative variables are considered. Despite not including depreciation and restricted gift and endowment returns (Bowman, 2011), net surplus, as the difference between total revenue and total expenses, is considered in nonprofit literature and negatively associated with financial vulnerability (Tuckman & Chang, 1991; Hager, 2001) and positively related to financial flexibility (Keating et al., 2005). As aforementioned, its change in comparison with the inflation rate is considered. An efficiency ratio will also determine how much of the organization's revenue remains after covering all expenses as a percentage.

To explore long-term sustainability (profitability), I consider return on assets (ROA), as the net surplus divided by net assets, to establish how efficiently an organization generates surplus for every euro of assets (Bowman, 2011). To maintain growth capacity, an organization should generate enough return to at least match inflation, and therefore, ROA real growth is considered (Bowman, 2011).

Net assets analysis offers additional insight into assessing an organization's capacity to support long-term objectives and growth (Irvin, 2024). Net assets consist of free-use reserves accumulated in the past through tough yearly profit appropriations, and funds that

[12] The term "equity" is often used in the nonprofit, but it would be more accurate to refer to "fund balance," which distinguishes between restricted and unrestricted components, with the former generally unavailable for solvency purposes (Chikoto & Neely, 2014). However, due to the absence of detailed data on specific restrictions, I have chosen to analyze total equity, following the approach adopted by Bowman (2011).

are either strategically designated for specific purposes or restricted by regulations (Irvin, 2024; Irvin & Furneaux, 2021). Net assets are first compared to total liabilities to assess the volume of reserves held by each museum. Common-size analysis allows for examining the proportion of different types of reserves, highlighting the organization's financial flexibility and autonomy. Additionally, a ratio will be applied to indicate what percentage of the net surplus is being allocated to reserves. A higher percentage suggests that the organization can prioritize savings and long-term sustainability by accumulating reserves from its profits.

4.2 Qualitative method operationalization

In the same way as it was presented to the interviewees, the objective of the qualitative section is to identify the key factors that cultural managers consider when formulating financial strategies in line with organizational decision-making. The interviews are structured around three theory-driven thematic clusters, with questions arranged in the following order.

First, the thesis develops around the concept of strategy, from which decisions are derived based on priorities in decision-making. Therefore, some questions will focus on the processes related to the development of organizational and financial strategies, to shed light on what comes first in the processes. This will also clarify the relationship identified in the theoretical framework constructed in Section 3. Information on the criteria used for programming and production selection will help clarify whether certain logics are stronger than others in guiding resource allocation decisions. Based on the literature, I expect one or more of the following concepts to arise in the discussion: social impact (linked to social and educational mission) and financial sustainability (Wacht, 1984), artistic and economic logic (Bourdieu, 1996).

Second, more essential financial decision-making and resource development factors will be explored. Understanding how managers define the multifactorial concept of financial health (Bowman, 2011; Park, Shon & Lu, 2021) and the key financial decisions they made to achieve it will offer insight into how they relate to the framework definition and what contributes to the financial status explored in the quantitative analysis. Also, the descriptive analysis will offer the basis of discussion of resource portfolio composition, as some questions aim to understand what economic considerations were undertaken. I expect topics like revenue characteristics, diversification strategies, and related dynamics

explored in the nonprofit management literature review to emerge (Froelich, 1999; Kingma, 1993; Brooks, 2000; Frumkin & Keating, 2011; Hung & Hager, 2019). Based on benefit theory (Young, 2007), I will invite the interviewees to reflect on the mission- and resource-driven financial structure in museums' revenue composition. Financial decision-making may be subject to legitimacy issues (Mitchell & Calabrese, 2019), which will be explored by asking how external actors interpret these decisions.

Finally, an important component of the external environment is represented by stakeholders that can influence organizational decisions through their interests and needs (DiMaggio & Powell, 1983; Froelich, 1999; de los Mozos, Duarte, & Ruiz, 2016), and also because they are valuable resources (Freeman, Dmytriyev, & Phillips, 2021). This leads to the development of questions about the extent to which government, customers, and donors influence financial and strategic decision-making. Specific attention will be given to the cultural policy system to explore how its evolution is perceived and strategically approached.

5. RESULTS

5.1 Quantitative analysis

This section presents the analysis of financial structure, focusing on the composition and performance of revenues, expenses, and reserves, as well as financial health, divided into four dimensions, and the main strategic choices undertaken by the case studies. The information is built by integrating budgetary analysis and financial statement information with further explanations gathered during the interviews. First, details on the specific case studies will be presented to build an overview of their situations and financial strategies. Then, they will be compared, and findings, as well as deeper insights into interpretation and correlation with the literature, will emerge. At the end, the financial condition of the cases is compared to national data to locate them within the sector. In Appendix B, tables reporting data details are available. Finally, Section 5.2 focuses on qualitative findings, offering further explanation and interpretation of the financial status.

5.1.1 Wereldmuseum Rotterdam

The revenue structure of Wereldmuseum is highly concentrated towards government funding, which represents, on average, 88% of total revenue. While donations and other revenue are fairly marginal, earned revenues cover up to 10% of total revenue. In the period 2021–2024, earned revenue increased by an average of almost 40%, while others experienced a slow increase (around 5%), and donations decreased (by 13%). As explained by the senior financial accountant of the museum, self-generated revenue growth is due to an increase in visitors (from 25,588 in 2021 to 74,329 in 2024) and ticket cost (WR, 2025). The analysis of earned revenue items confirms an average revenue increase from entrance fees (51%) and the restaurant and store (45%). The museum enjoys overall stability and consistent revenue growth (Figure 5.1.1).

Resources are predominantly allocated to personnel (39%) and administrative costs (51%), while expenses for core museum activities are lower (10%). Over the period, expenses increased by 9% more than revenues. The main driver is connected to direct costs (total growth of 274%), and based on the interview, this is due to a rise in production costs rather than an increase in the number of activities delivered by the museum (WR, 2025) (Figure 5.1.2).

Figure 5.1.1

Revenues structure development of Wereldmuseum Rotterdam

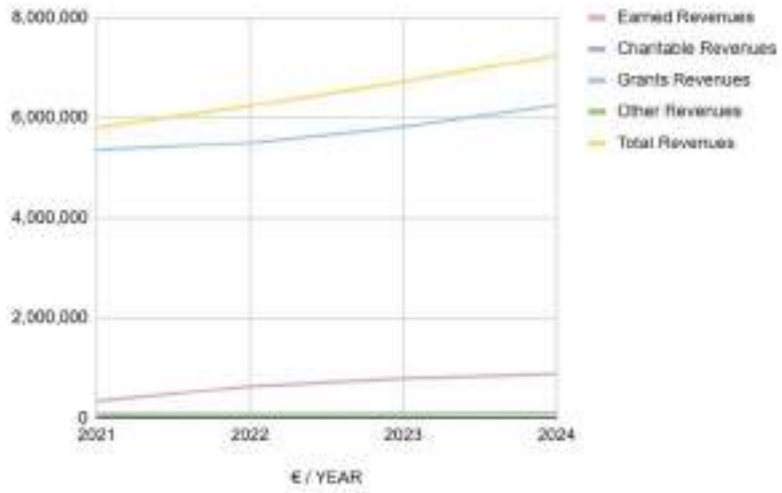
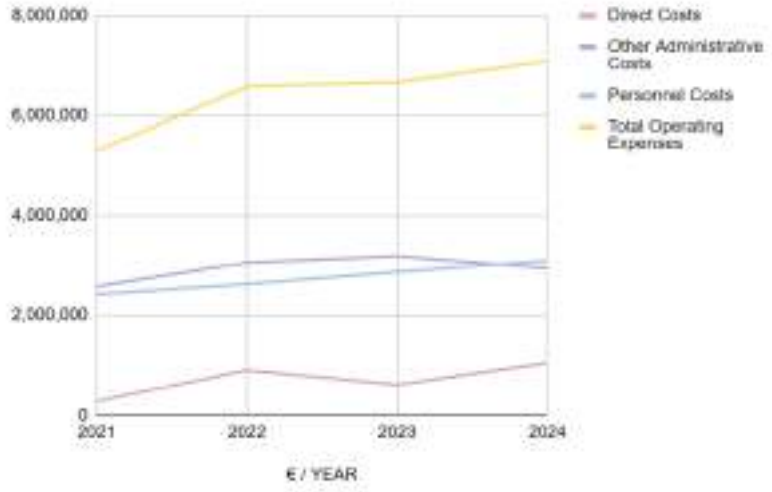


Figure 5.1.2

Expenses structure development of Wereldmuseum Rotterdam



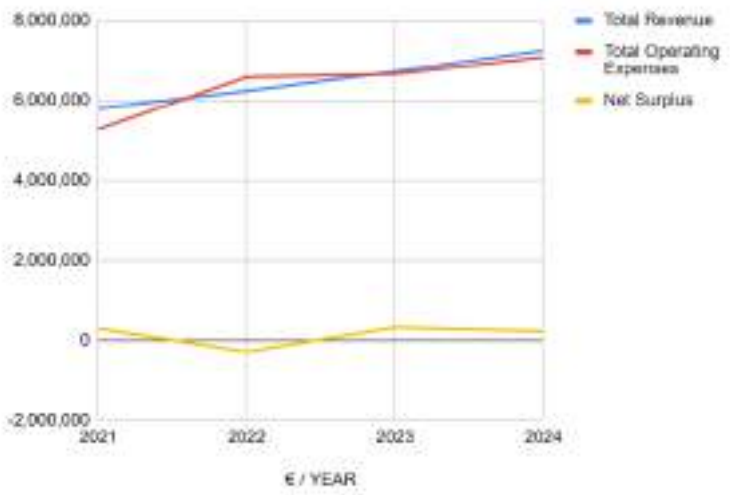
A distinctive aspect of the museum is its partnership with the *National Museum van Wereldculturen* (NMW), which represents an insightful financial strategy. Following a 2017 financial crisis, three institutions, the Tropenmuseum in Amsterdam, the Afrika Museum in Berg en Dal in Rotterdam, and Museum Volkenkunde in Leiden, grouped together. While remaining legally separate entities, they collaborate to share collection management, expertise, and staff resources. This cooperation yields advantages in both museum operations and revenue generation. Within the NMW framework, the Wereldmuseum Rotterdam maintains separate financial and legal risks of commercial activities, primarily coming from rentals for private events, from the core museum's operations (WR, 2025).

The most challenging year was 2022. Although COVID-19 restrictions ended in January and museum visitor numbers increased, the period still saw a decline in margin generation, with the surplus falling to -4.5% of total revenues. In that year, costs rose quickly due to the production of two new exhibitions, representing a significant investment right after a period of instability (with the item "temporary exhibitions" increasing from €163,285 in 2021 to €714,089 in 2022). A similar effort was repeated for two new exhibitions in 2024, which produced better margin results. Housing costs also rose sharply that year, likely due to 10% inflation, contributing to higher overall expenses.

Changes in revenue and expenses present challenges in profit generation, as evidenced by an 8% mean decrease in net surplus (Figure 5.1.3). Overall, the museum managed to generate more than what it spent, despite a limited scale. Stable but modest margin usually limits profitability, meaning there's little ability to build up assets for future growth—as reflected in the negative proportion of reserves built from profit generation over the period (10%). However, the Wereldmuseum's net asset structure is solid, representing 77% of total liabilities, and flexible, as it is mainly composed of free reserves built up over previous years, with only 41% being restricted or already designated. Also, it can rely on solid liquidity reserves, which helps the museum handle short-term needs on its own. This condition supports long-term capacity, with a positive average solvency ratio (0.8), whereas sustainability is less straightforward, as profitability (4%) is not keeping pace with inflation. While this status is advantageous, accumulating funds without reinvestment may lead to missed opportunities in revenue generation and mission fulfillment. Moreover, high reserves could potentially reduce the perceived necessity for government funding, leading to a crowding-out effect (WR, 2025). However, management describes this strategy as fundamental for investing in future projects, such as a new depot shared with other museums within the foundation, collaborations with communities in Rotterdam, research initiatives, and facing future instabilities.

Figure 5.1.3

Development of total revenues, total expenses, and net surplus of Wereldmuseum Rotterdam



5.1.2 Groninger museum

Over the years, the Groninger museum was mainly sourced from governmental funding (60%), earned income (21%), and charitable contributions (11%)[13]. Donations and grants increased on average by 15% and 11.4% respectively, driven by greater support from the municipality and increased contributions from private companies and the Lottery Friends. An even larger rise was seen in earned revenue, which nearly tripled, mainly due to higher entrance fee income (raised by 18%), following an increase in visitors (93,039 in 2021 and 165,922 in 2024) and expanded museum activities (GM, 2025). The museum also received additional government funding (GM, 2025). A slow reduction of revenues from 2023 to 2024 resulted in a limited mean increase of total revenue (4.7%). The museum experienced fluctuating revenues over time, likely due to financial instabilities, which will be explained in the following section (Figure 5.1.4).

While personnel and other administrative costs have a significant weight in overall expenses (respectively 28.4% and 31.4%), direct expenses account for 28.4%, which is higher compared to other museums. Management was involved in cost reduction measures over the period to address the financial difficulties that emerged in 2021, reaching a total decrease of expenses (8%). This was mainly driven by a reduction in direct costs, while the

[13] In 2020, Van Gogh's painting "Spit Garden" was stolen from the Singer Laren museum while on loan from the Goninger museum. In 2021 insurance payment (€2,500,000) was confirmed and here classified under the category "other revenues." This impacts the revenue composition, which results more diversified (index 0.5 instead of 0.4). It also influences the total revenues, which were higher (€6,651,690 instead of €9,151,690), and net result, which was lower (- €1,916,777 instead of - €4,416,777). The assets were not influenced as the amount was passed on to the *Stichting Kunstbezit en Oudheden Groninger Museum*. Despite being an exceptional event that influenced the museum's normal routine, the analysis includes it to provide a more representative view of the museum's actual situation.

other two categories slightly increased, as they represent fixed and less flexible expenses (Figure 5.1.5).

Figure 5.1.4

Revenues structure development of Groninger museum

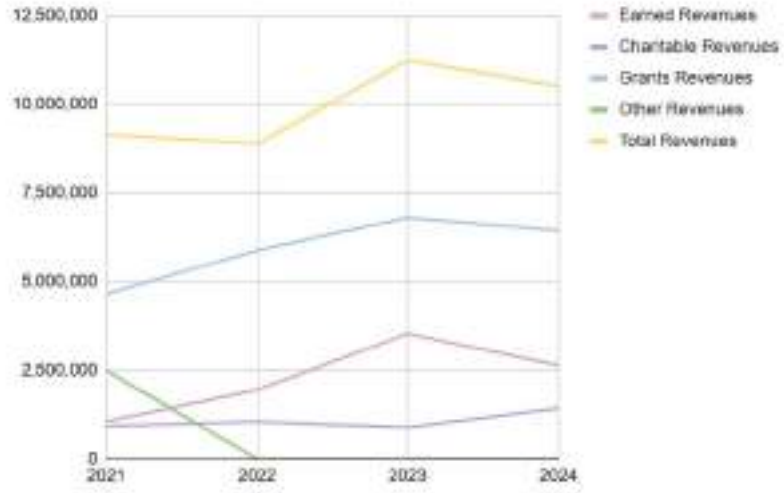
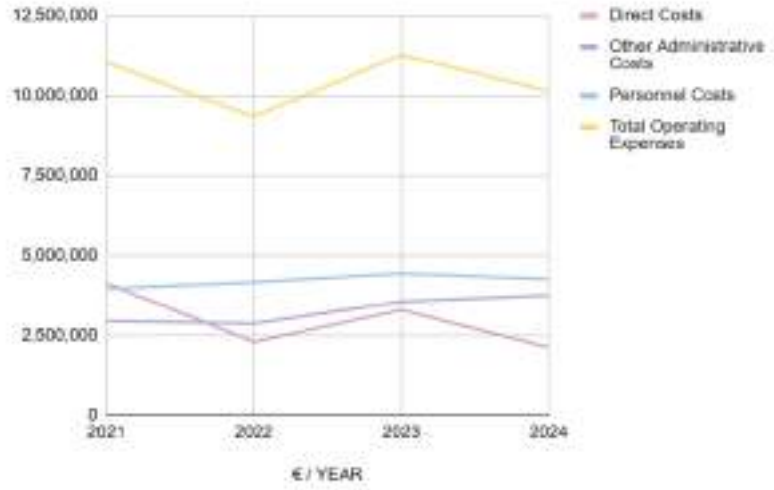


Figure 5.1.5

Expenses structure development of Groninger museum



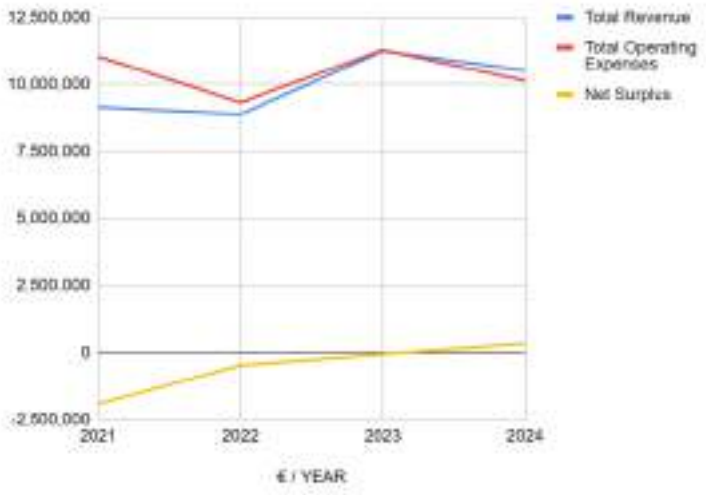
Similarly to Wereldmuseum, the Groninger museum partners with *Stichting Kunstbezit en Oudheden Groninger Museum*, which owns the collection, while the museum pays a usage fee, allowing for the separation of collection assets and operational risks.

The museum faced significant challenges after the COVID-19 pandemic. At the start of 2021, rising operational costs and declining revenues led to a sharp contraction in surplus margins (with spending 20.5% higher than earned). This financial strain weakened liquidity and eroded the organization's net assets by 2022, ultimately resulting in a deficit of

€338,194 by 2023. While past reserves and profit appropriation were negative, restricted and designed funds remained stable. As described in the financial statements, while costs were rising due to increased energy prices and inflation, along with pressure on personnel costs from the labor market, the implementation of “high-risk” artistic projects and a slower-than-expected increase in visitor numbers have further contributed to financial challenges. The financial strain was partially mitigated by government COVID-19 aids and brought under control through a change in strategy. In 2021, the museum implemented visible cost-cutting measures while also experiencing a decline in revenues. By 2022, revenues began growing at a faster pace than costs, steadily narrowing the gap through 2023. Although 2024 saw a decrease in both revenues and expenses, the first remained higher than costs, leading to positive margins (with earning 3.6% higher than expenses) (Figure 5.1.6), profit appropriation in favor of reserves, and, ultimately, improved liquidity by the end of the year—with current assets matching current liabilities (current ratio equal to 1) and streamlined relative working capital (3.4%). However, the organization’s ability to meet short-term obligations is precarious, and net assets have yet to fully recover. Tight margins and an uncertain cash structure further strain financial resilience, long-term capacity (solvency equity ratio in 2024 equal to 0), and sustainability (profitability ROA ratio in 2024 equal to -5,808%) is not guaranteed.

Figure 5.1.6

Development of total revenues, total expenses, and net surplus of Groninger museum



5.1.3 Museums Catharijneconvent

Museum Catharijneconvent relies primarily on public funding (averaging around 70%). According to the financial statements, its strategy aims to expand other revenue streams, with donations accounting for twice as much as earned income (20.7% and 10.5%, respectively). Revenues increased by an average of 5.8%, with charitable and self-generated income leading the growth, despite a slight contraction in 2024. Strengthening the partnership with the Lottery Friends and expanding museum activities supported their growth. Other revenues also increased, though with limited impact on total revenue. Over the period, the museum demonstrates overall stability in revenue generation (Figure 5.1.7).

Expenses are constituted by personnel costs by half, while administrative and direct costs account for 35% and 14% respectively. Expenses rose continuously due to higher direct and operating costs, until they slightly decreased after 2023, when reductions were applied across all cost items in a similar way (Figure 5.1.8). Costs are mainly related to a renovation project (e.g., advisors and architects, setting aside future costs) but also to the expansion of the museum's programming to external locations, providing a framework to open churches and monasteries. The former activities are not only aligned with the museum's mission but will also allow it to continue operating during the two-year closure starting in 2026, while renovation works aimed at enhancing the visitor experience and expanding exhibition spaces take place (CC, 2025).

Figure 5.1.7

Revenues structure development of museum Catharijneconvent

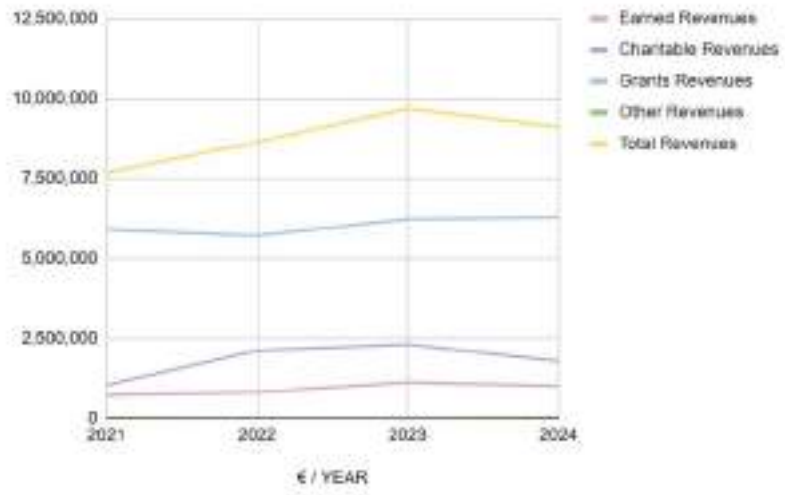
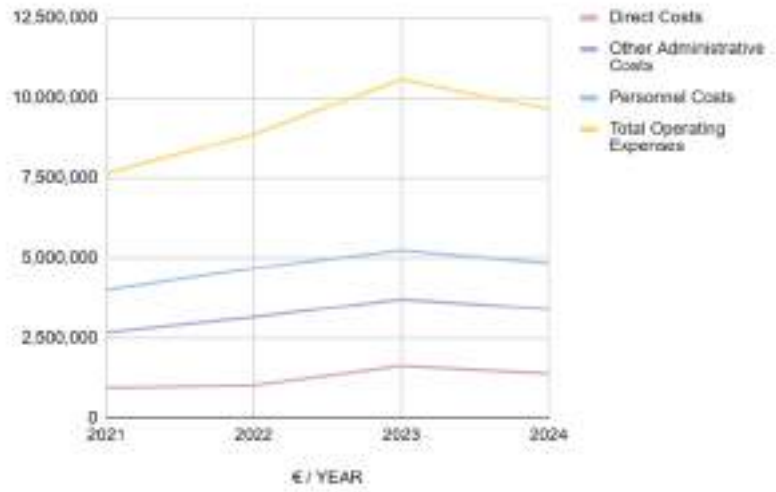


Figure 5.1.8

Expenses structure development of museum Catharijneconvent

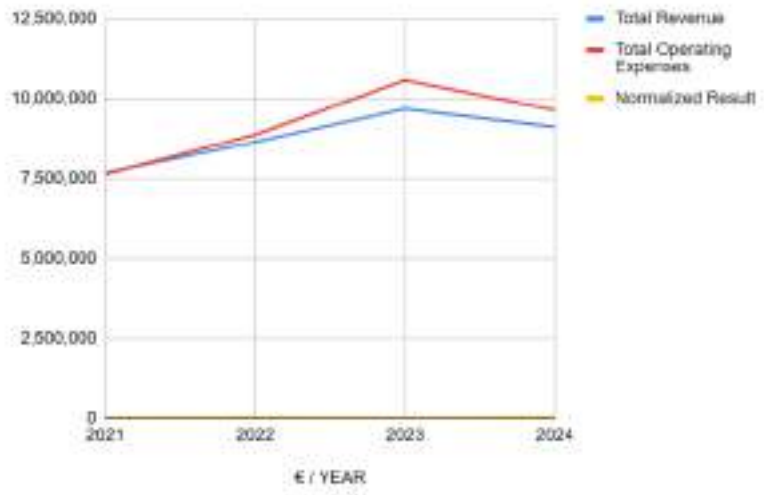


Over four years, expenses increased by 7.5% more than revenues, widening the financial gap significantly, resulting in a negative margin over the last three years. However, poor margin performance is explained by a specific strategy of result normalization: the museum is recording future renovation costs that will be used in the renovation project, and the negative result is being offset using reserves. Figure 5.1.9 clearly illustrates this strategy, where the normalized result approaches zero (mean €23,542). Reserves were accumulated through unspent government support (including during the COVID period), along with special-purpose reserves set aside to fund the renovation, contributing to a net assets structure in which flexible reserves represent only 27% of the total. The margin ratio is low (mean 0.3%), as is profitability, indicating that the organization is generating, on average, €1 of return for every €100 of assets, without real growth due to inflation. This is partly a result of its focus on restructuring the museum. Management plans to ensure profitability in the coming years by expanding collaborations outside the museum's main location, including heritage sites such as churches and monasteries, which already account for a significant share of earned revenue (20%). However, steady government support remains fundamental to sustaining the project. To face the investment, the museum focused on building strong short- and long-term capacity, which is expected to decrease in the future as reserves will be used. The current ratio is structurally high (mean 4.6, concluding with 6.7 in 2024), and the museums can easily cover short-term needs using their asset structure, with a mean working capital ratio of almost 70%. Solvency is above the norm (mean 0.2) but is expected to diminish as equity is reduced. According to the

financial statements, these metrics are expected to remain under control thanks to frequent financial control and budget flexibility, adaptive to changes in costs and revenues.

Figure 5.1.9

Development of total revenues, total expenses and net surplus of museum Catharijneconvent



5.1.4 Zeeuws museum

During the period under analysis, the museum shows low diversification, relying primarily on grants (nearly 80%) and earned revenue (17%), while donations and other revenue sources have a limited impact. While the charitable revenue from the Friends Lottery Fund received in 2020 is not visible in the income statement, it proved essential for maintaining the museum's operations from 2021 to 2025, as it was accounted for on the balance sheet. Total revenues increased (mean 9.4%) with the lead of earned income, with museum activities and entrance fee revenue as drivers. Donations also increased noticeably, mainly due to an agreement with Friends Lottery to buy a painting in 2025, rather than because of active fundraising efforts (ZM, 2025). Fluctuations in individual revenue streams led to slightly greater variation in total revenue compared to other museums (coefficient of variation of 11%) (Figure 5.1.10).

Looking at the expenses, personnel compose more than half of the costs, while other administrative and direct costs follow (30% and 15%). Driven by direct costs, expenses growth was only 1.4% higher than the revenues increase (Figure 5.1.11). The business

manager explained that the rise is related to an expansion of the programming with the support of the OCW Ministry in 2023 and 2024 (ZM, 2025).

Figure 5.1.10

Revenues structure development of Zeeuws museum

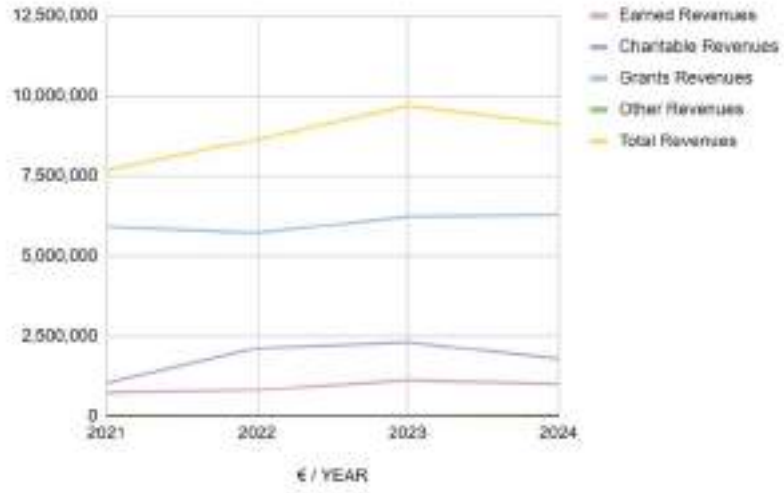
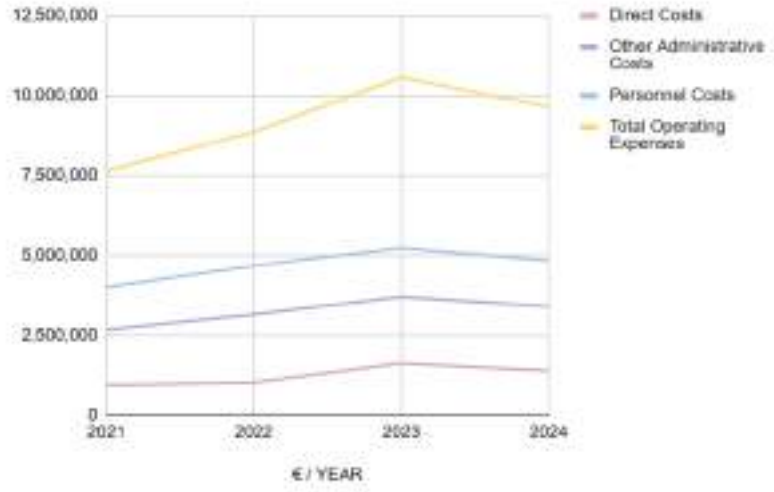


Figure 5.1.11

Expenses structure development of Zeeuws museum

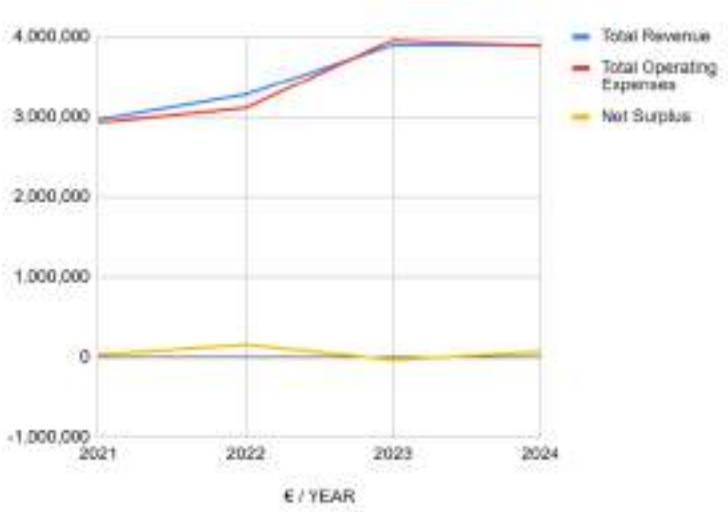


Fluctuations in revenues and expenses impacted margin performances, as well as other contributing factors (Figure 5.1.12). According to the financial statements and the interview (ZM, 2025), the positive results at the beginning of the period were partially due to one-time COVID-related support and delays in spending, which led to the accumulation of reserves. Expenses continued to rise until 2023, when a small deficit was recorded, before returning to a positive result in 2024. The small profit in 2024 resulted from a change in how future maintenance costs are calculated, reflecting a revised accounting policy

rather than actual improvements in profit generation. Museum management explained the consistently low margin ratios (mean: 1.6%) as a choice: they prefer to use their resources effectively rather than keep them idle. When a net surplus is generated, it is set aside as reserves, with a structure that is equally balanced between flexible and restricted or designated funds. Sometimes, negative margin is planned: with the acquisition of a new painting, they will register a gap of around a million in 2025 (ZM, 2025). Nevertheless, the museum is addressing rising costs by requesting additional funding from the government, though discussions are still ongoing (ZM, 2025). The long-term sustainability ratio highlights a low financial return on the museum's assets (profitability mean: 1.7%, with real growth observed only in 2022). While this might typically be seen as a sign of low financial efficiency, from a strategic perspective, it reflects the museum's prioritization of programming and public service (ZM, 2025). Focusing on short-term capacity, the museum enjoys a consistently strong liquidity in terms of working capital, current assets, and liabilities. The solvency ratios also indicate that the museum relies primarily on its capital (mean ratio: 0.7). The director explained that this condition is pursued to prepare for future unforeseen events and to support upcoming investments—for example, the renovation of the depot and museum spaces, even though an actual plan has yet to be developed (ZM, 2025).

Figure 5.1.12

Development of total revenues, total expenses and net surplus of Zeeuws museum



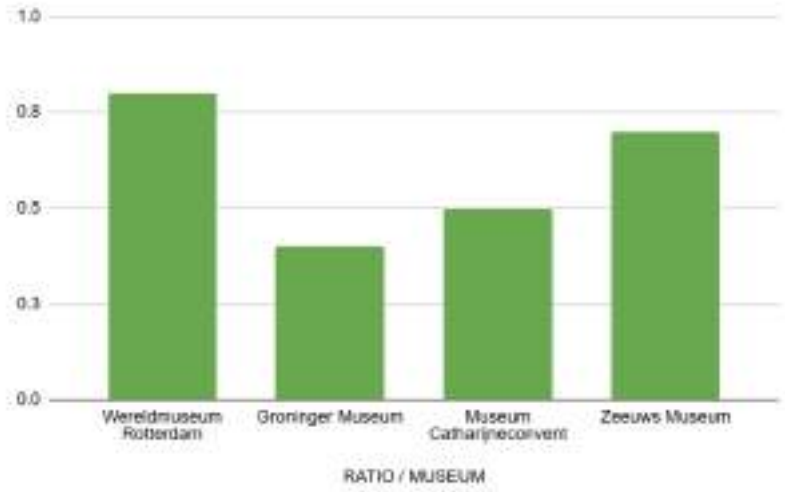
5.1.5 Case studies comparison and key discussion points

After a detailed analysis of each case study, this section provides an overview of the financial structure and status of the museums enriched with considerations supported by the literature.

The museums show a high level of revenue concentration (Figure 5.1.13), with a strong reliance on grant funding. This highlights their dependency status and shows that their financial health is largely based on external sources. While in the for-profit world, this level of dependency would be viewed negatively, in the case of museums, it is the starting point from which financial health must be understood. Given that all museums start from a relatively similar position of dependency, this serves as a starting point to identify common patterns and explore differing management approaches.

Figure 5.1.13

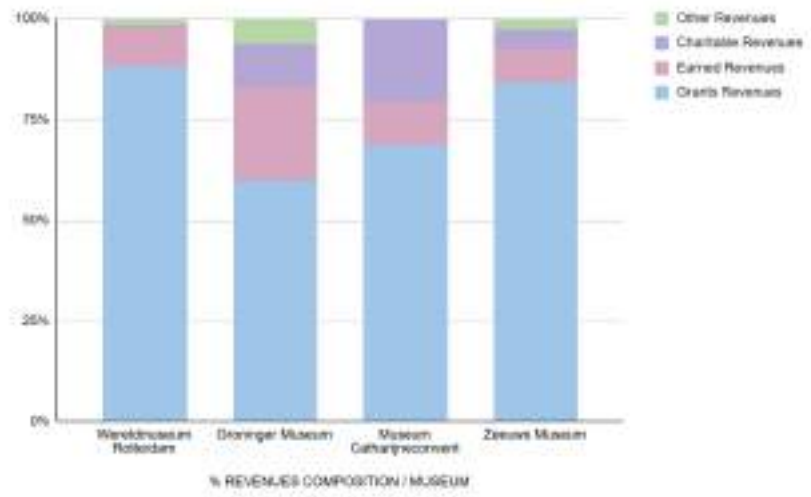
Mean of diversification index (HHI)



Before delving into the characteristics of each revenue stream, Figures 5.1.14 and 5.1.15 present the percentage and normalized weight within each revenue category.

Figure 5.1.14

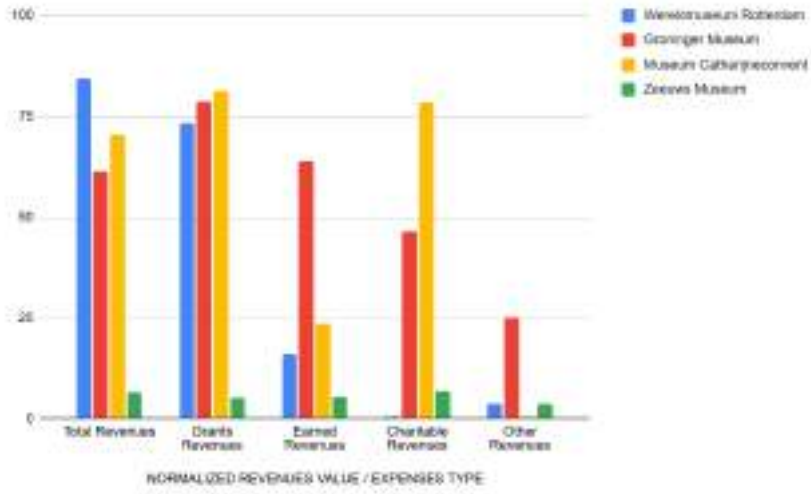
Mean distribution of the source of revenue by percentage



Note. As already discussed, the Groninger museum presents high values in other revenues as a result of the inclusion of an insurance payment in 2021.

Figure 5.1.15

Log-normalized mean distribution of the source of revenue



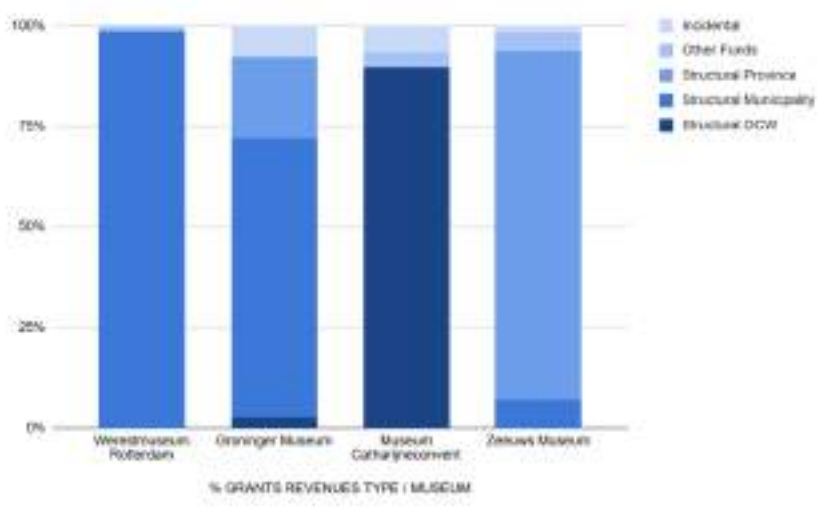
Note. Normalization was done by identifying the minimum and maximum values for each category over four years and rescaling the data accordingly before calculating the mean for each museum. Therefore, comparisons are valid only within the same category.

Concerning the nature of public funding, the case studies received approximately similar amounts, except the Zeeuws Museum, which received less (Figure 5.1.15). Museums rely heavily on this source, which makes up 60% to 88% of total revenue (Figure 5.1.14) and is composed of three main categories: structural, incidental, and other funds (Figure 5.1.16). First, while the Catharijneconvent Museum relies primarily on subsidies from the

OWC Ministry, the others depend on provincial and municipal funding, and therefore also benefit from the BIS scheme. Second, incidental funds often represent adjustments to these core subsidies and include, for example, COVID-related support in 2021 and 2022. Third, additional public funding is frequently tied to specific projects, such as research or Mondrian and Cultural Participation Funds. The former fluctuates more than other forms of funding and often supports the development of additional projects beyond the museum's core operations (CC, 2025; ZM, 2025). The overall growth in grants is driven by increases in structural funding. The presence of incidental funding reflects specific circumstances for each museum, demonstrating the government's flexibility in responding to institutional needs. This is also confirmed in the interviews, where the relationship with funding bodies is described as open and transparent (WR, 2025; GM, 2025). For example, the Groninger museum received substantial incidental funding to address financial difficulties (such as energy support and mold control funding from the municipality, and coverage of rising costs by the province). There is a correlation between the nature of public funding and each museum's history and institutional focus. While the Wereldmuseum and the Groninger museum are more closely connected to their respective municipalities and provinces due to the ownership of their collections, the Zeeuws museum, dedicated to promoting the regional identity, relies primarily on provincial funding. In contrast, the Catharijneconvent museum's collection is part of the national heritage and is therefore funded by the Dutch central government.

Figure 5.1.16

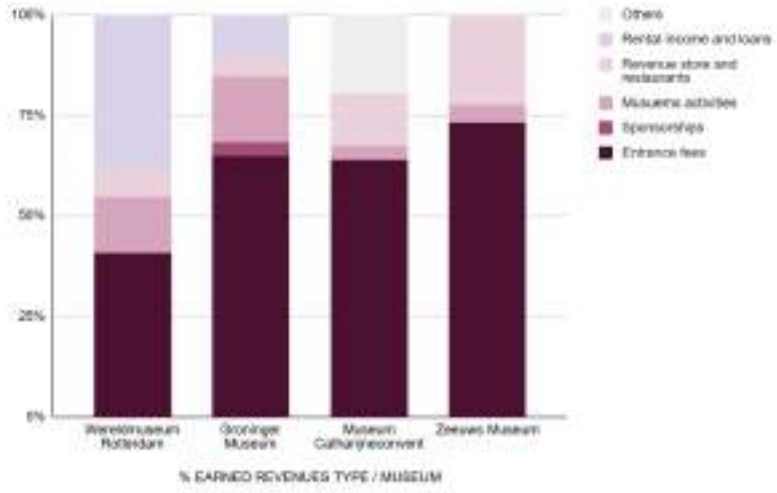
Mean distribution of government revenue by percentage



Earned revenue, generated through core and auxiliary services, represents the second most important revenue stream for most of the museums, ranging from 11% to 23% of total revenue. The Catharijneconvent museum differs slightly, relying more heavily on charitable contributions (Figure 5.1.14). Considering the normalized weight, it is evident that the Groninger museum is more successful than the others in generating earned revenue, relying on entrance fees and museum activities (Figure 5.1.15). Generally, this revenue stream is much more diversified than public funding, with the main component as the entrance fees, accounting for between 41% and 68% of the total earned revenues (Figure 5.1.17). Ticket sales and museum activities, including tours and education, have driven the increase in earned revenue since 2021, when levels were exceptionally low due to COVID-19 (GM, 2025; ZM, 2025), supported by growing visitor numbers and, in some cases, higher ticket prices (WR, 2025; GM, 2025). The case studies also generate revenue from shops and restaurants, either self-managed or rented out, with an average ranging from €45,000 to €117,000 per year, highlighting the marginal role of this income stream, as well as the others discussed in the following. Only the Wereldmuseum and Groninger museum benefit from their special and attractive locations by renting out space for private events. The other two museums reported limited available space and are considering renovations to improve the visitor experience (CC, 2025; ZM, 2025). This may indicate why they are not currently making use of this type of income stream. Sponsorships are uncommon, and collaborations with companies more often take the form of donations. The Catharijneconvent has managed to generate additional income by organizing activities outside the museum premises—a strategy that is set to be expanded further as the museum prepares to close for renovations in 2026. As literature suggests, income diversification seems to enhance visibility and community connection (Hager, Galaskiewicz, & Larson, 2004).

Figure 5.1.17

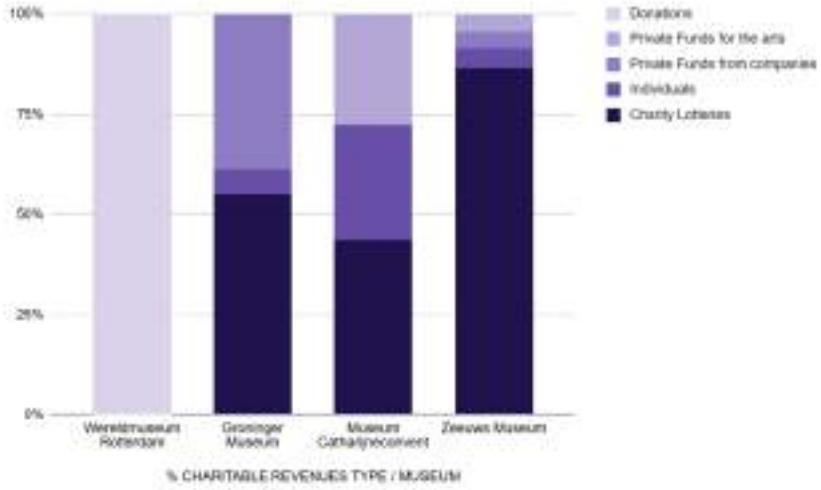
Mean distribution of earned revenue by percentage



Charitable revenue is significant for both the Groninger museum and the Catharijneconvent, both in percentage and normalized weight, compared to the other two museums (Figures 5.1.14 and 5.1.15). Charitable income increased over the period for the other museums, primarily driven by contributions from the Charity Lottery. Generally, the most important source of donations comes from this lottery. Individual giving includes donations from "Friends of the Museum," foundations, and other private donors (Figure 5.1.18).

Figure 5.1.18

Mena distribution of charitable revenue by percentage



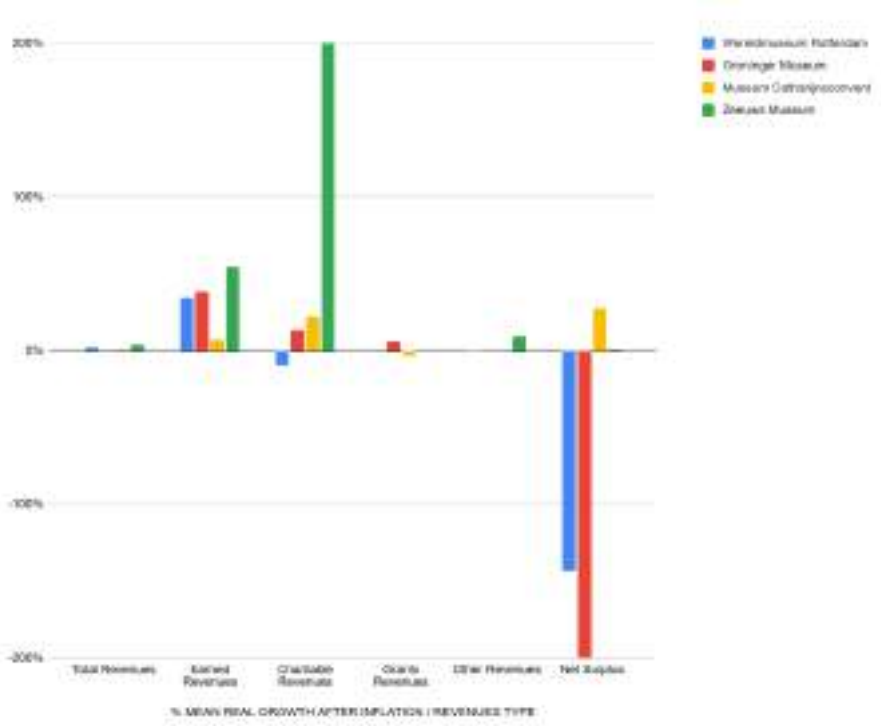
Note. Data on the nature of charitable revenue for the Wereldmuseum is not available. However, the lack of detail is not critical, as charitable income plays only a minimal role in its overall revenue composition (0.3%).

The “other revenues” category includes minor accounting adjustments, such as after-tax benefits and personnel secondments. They are not related to core activities, and their weight in the overall budget makes them irrelevant for the analysis (Figures 5.1.14 and 5.1.15).

In financial analysis, it is important to look at growth within the organization, but it is also necessary to check whether that growth is real by comparing it to inflation (Figure 5.1.19). If the value is positive, the organization is truly improving its performance; if it is negative, it indicates a decrease in revenue or an increase that is not sufficient compared to inflation. By calculating the mean real growth for each revenue type and net surplus, it is clear that in all museums, total revenue growth is mostly just keeping up with rising prices. The growth in earned revenue shows a real increase in value for all museums, while charitable revenue shows real growth in three of them. The increase in grants and other revenues was generally enough to cover higher costs, except for the Catharijneconvent, where they were insufficient. In terms of net surplus, Wereldmuseum and Groninger museum show negative real values. For the Zeeuws museum, the surplus merely kept up with inflation. Although in the case of the Catharijneconvent it appears to represent a real increase, it should be noted that this is the result of a normalization process. Overall, Zeeuws museum is the one that experienced real growth in revenues and managed to keep up better compared to the other museums. While the mean value gives an overview, it is important to note that the inflation rate in 2022 was particularly high (2021: 2.7%, 2022: 10%, 2023: 3.8%, 2024: 3.3%), compromising the general performance.

Figure 5.1.19

Mean real growth of revenues adjusted to inflation



Note. The Zeeuws museum's charitable revenues (+1,128%) and the Groninger museum's net surplus (-247%) show exceptionally high values, exceeding the visual limits of the current chart scale.

Expenses represent the other key dimension through which financial strategies are implemented. Expenses related to the operational routine are captured under total expenses, which include personnel, direct, housing, operating costs, and depreciation. Figures 5.1.20 and 5.1.21 present percentage composition and normalized weight within each expense type.

Figure 5.1.20

Mena distribution of the type of expenses by percentage

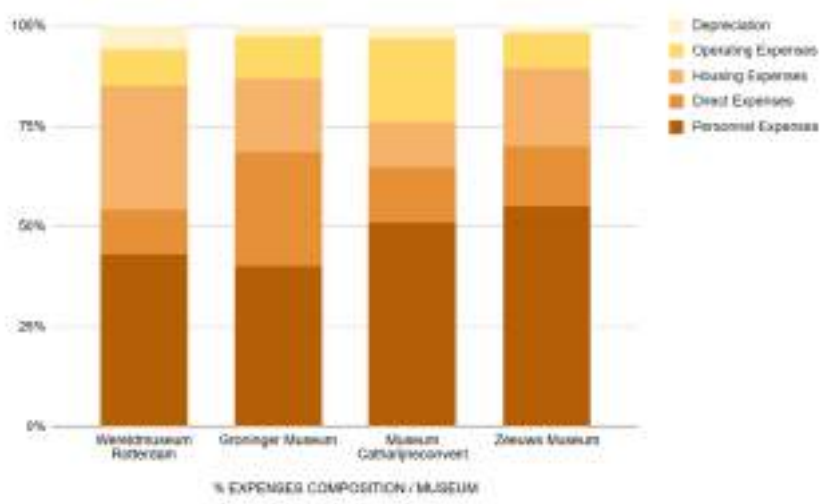
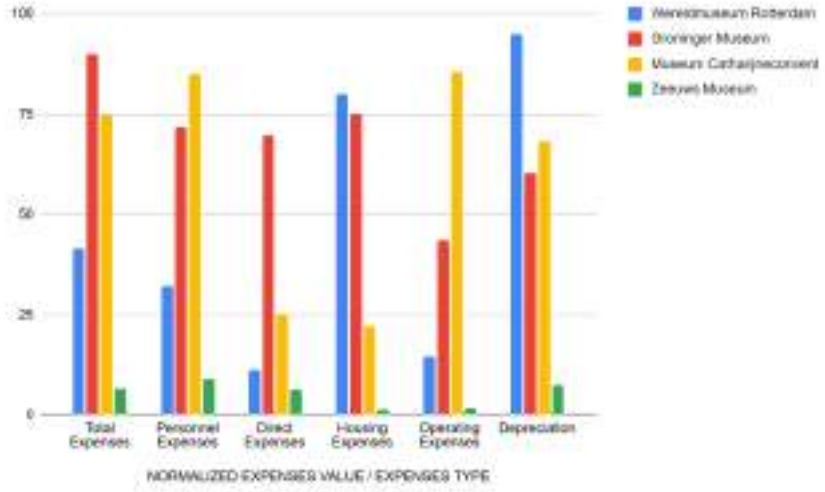


Figure 5.1.21

Log-normalized mean distribution of the type of expenses



Note. Normalization was done by identifying the minimum and maximum values for each category over four years and rescaling the data accordingly before calculating the mean for each museum. Therefore, comparisons are valid only within the same category.

At first glance, it is evident that personnel costs account for the largest share of total expenses (from 40% to 55%) (Figure 5.1.20). The Groninger and the Catharijneconvent museums spend more on personnel than the others, also reflecting a higher number of employees (Figure 5.1.21). High personnel costs are typical of cultural institutions, where labor-intensive activities, such as education, curation, and visitor engagement, are central (Baumol & Bowen, 1966). This explains why, during the interviews, managers flagged personnel costs as a major concern, not for their growth, which was moderate (mean

growth from 12% to 3%), but for their overall weight in the budget (WR, 2025; GM, 2025; ZM, 2025).

Operating expenses include, for example, purchases, administrative, and communication costs. They remain generally contained in the case studies (Figure 5.1.20). Literature suggests that this type of cost is often lower in organizations with a high concentration of resources, which is also the case for the four museums (Figure 5.1.13). Also, the Groninger and Catharijneconvent museums show comparatively higher operating costs (Figure 5.1.21) and greater revenue diversification. However, the relationship between the two cannot be directly proven, as the higher costs may also be attributed to the fact that these museums are similar in size. In any case, literature supports the fact that exploring new income streams may increase these costs and reduce efficiency, as it requires significant time and human resource investment (Frumkin & Keating, 2011; Chikoto & Neely, 2014).

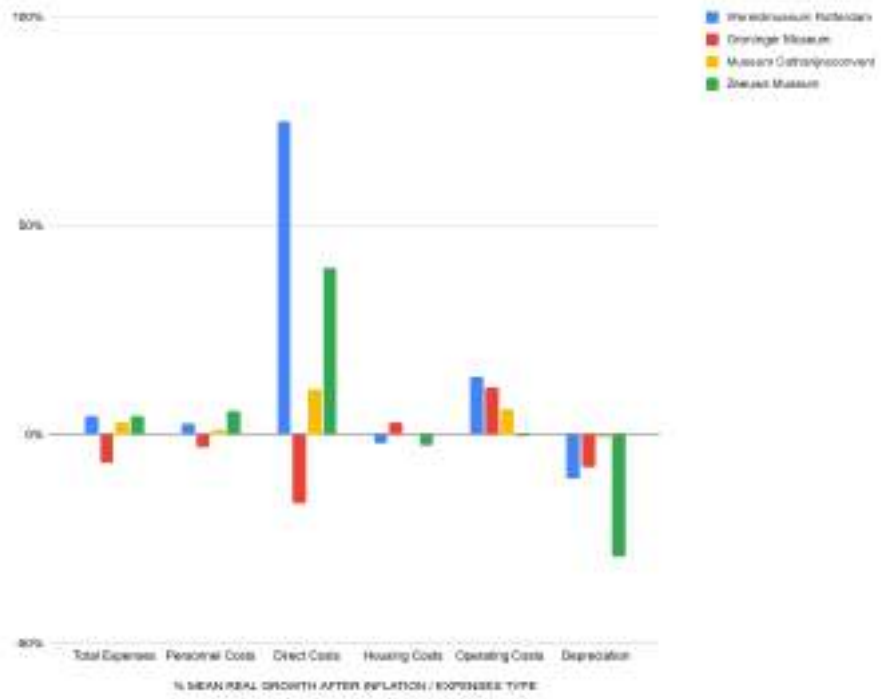
The second-largest category is direct expenses, which include costs related to collection management, educational activities, and exhibition setup. The Groninger museum stands out for allocating 28% to direct expenses, while the others range from 11% to 15% (Figure 5.1.20). This happened despite having cut them by 48% to reduce costs. Literature suggests that efforts to diversify income sources may lead organizations to increase administrative and fundraising expenses, often at the expense of costs more directly related to the museum's core mission (Froelich, 1999). Indeed, allocating sufficient resources to mission-driven activities is essential to fulfilling the institution's purpose. Overall, direct expenses showed the most significant rise (mean growth from 26% to 55%), followed by operating costs (mean growth from 18% to 5%). It appears that production and management costs are increasing at a much faster rate than energy expenses, which are included under housing costs and often blamed to be the main cause of expenses growth. Finally, depreciation remains marginal in all cases, as it reflects accounting practices more than operational decisions.

Considering the mean real growth of expenses helps to understand the organization's spending: if it is negative, expenses have decreased and the organization has managed to contain costs; if it is positive, expenses are rising in real terms. From Figure 5.1.22, it is observable that total expenses increased slightly more than inflation, except the Groninger museum, which successfully reached its strategic cost-cutting objective. When

compared to the real revenue growth, expenses are rising at a faster pace. The main drivers of this trend are direct and operating costs, reflecting the fact that production costs are increasing more significantly than other types of expenses.

Figure 5.1.22

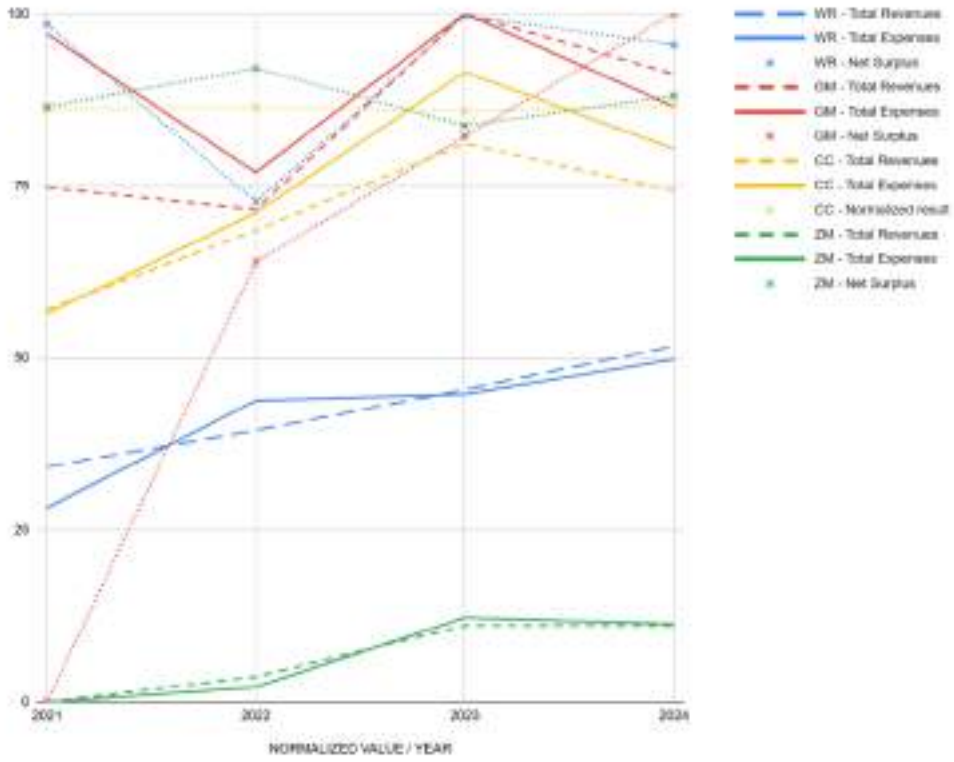
Mean real growth of expenses adjusted to inflation



The changes in total revenues, expenses, and the resulting net surplus have been analyzed using log-normalized graphs to ensure comparability (Figure 5.1.23) and support the advancement of certain discussion points.

Figure 5.1.23

Development of revenues, expenses, and net surplus among the museums

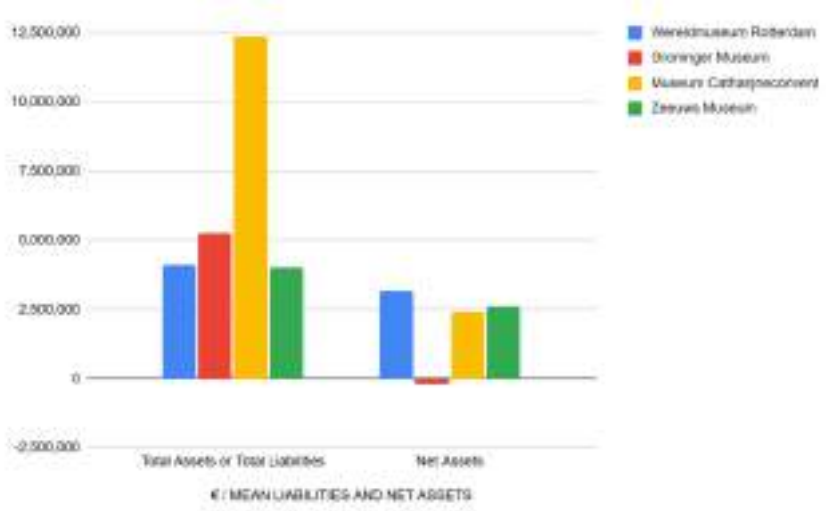


Note. In the normalization, originally negative values are represented on a positive scale, meaning the data serve purely comparative purposes and reflect relative volume rather than absolute financial performance.

First, the Figure reveals that the scale of revenues and expenses does not influence the net surplus, which remains relatively similar across all museums, regardless of their size, because the relationship between expenses and revenues tends to stay consistent when museums operate under normal conditions. This may suggest a shared financial strategy regarding profit generation, which also emerged during the interviews, as explained further in the next section. Similarly to the net surplus, total assets, liabilities, and net assets also appear comparable across museums operating under normal conditions (Figure 5.1.24). The Zeeuws museum's size appears to be related to the amount of government contribution, suggesting that when the government is the main revenue source, smaller investments result in smaller cultural organizations.

Figure 5.1.24

Mean total assets and net assets



Second, all the museums experienced a period where expenses were higher than revenues and coped by either lowering costs or increasing revenues, eventually finding a positive surplus. Only the Catharijneconvent heavily relied on reserves and recorded high costs related to future expenses for the renovation project, applying a normalized result to its losses, which resulted in a positive net surplus every year. Third, all museums experienced a similar increase in both revenues and expenses, probably since COVID marked a starting point when everything was lower (ZM, 2025; GM, 2025). As some financial statements explain, museums in the Netherlands were forced to close during the first six months of 2021 and again from mid-December of that year until the end of January 2022. Inflation, especially related to higher production costs, posed challenges in keeping expenses below revenues, raising the question of what the relationship was like before 2019. Around 2023, most museums showed signs of a slowdown or stabilization in both revenue growth and expense increases for multiple reasons, except for Wereldmuseum. The decrease in revenues was driven by earned income, specifically entrance fees at the Groninger museum and the Catharijneconvent, while the Zeeuws museum saw a drop in donations from the Friends Lottery and individuals. All the museums reduced mission-related expenses, with the first two also cutting personnel costs. This highlights a preference for cutting specific areas during periods of instability. These cuts are often linked to reductions in earned revenue and donations, which are typically more volatile and sensitive to overall spending levels.

Delving into financial health components, the analysis first focuses on capacity and then on sustainability. In terms of short-term capacity, the case studies present sufficient or good levels of liquidity, owning more than enough cash to meet short-term financial

obligations (Figure 5.1.25). According to the 'rule of Thumb,' a good current ratio for for-profit organizations is around 2. The museums show significantly higher ratios, reflecting a more conservative and cautious financial attitude. They show an increase in current ratio in 2024, despite previous fluctuations and instabilities, apart from the Catharijneconvent, which shows a more stable and gradual growth. Looking at long-term financial capacity, none of the museums carries debt; therefore, the debt ratio is not applicable. High equity ratios at the Wereldmuseum and the Zeeuws museum reflect their strong reliance on their funds and financial self-sufficiency (Figure 5.1.26). In contrast, the other two museums show a weaker position. In the case of the Groninger museum, this is linked to past financial instabilities, although improvements are expected in the future. For the Catharijneconvent, the equity ratio is expected to continue decreasing due to the planned use of reserves for the renovation project. Overall, organizations have good capacity levels and enough resources to maintain current levels of production despite unstable periods (Figure 5.1.27).

Figure 5.1.25

Liquidity: Current ratio

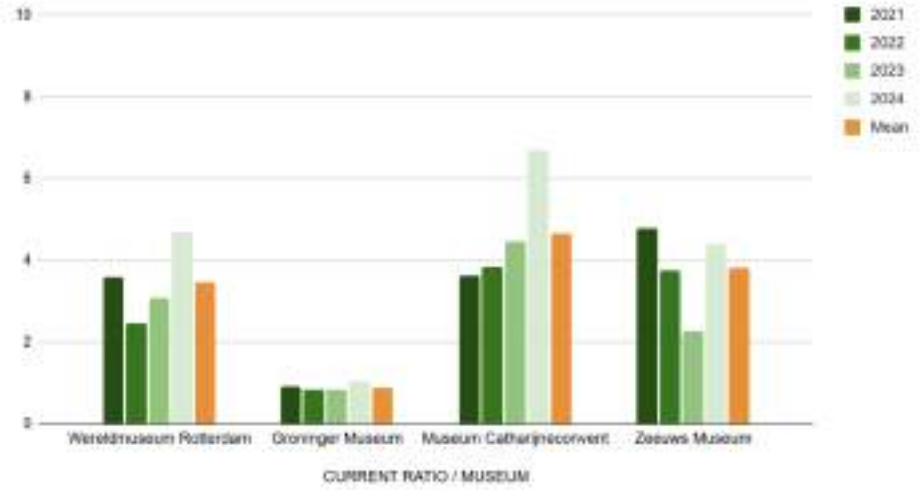


Figure 5.1.26

Solvency: Equity ratio

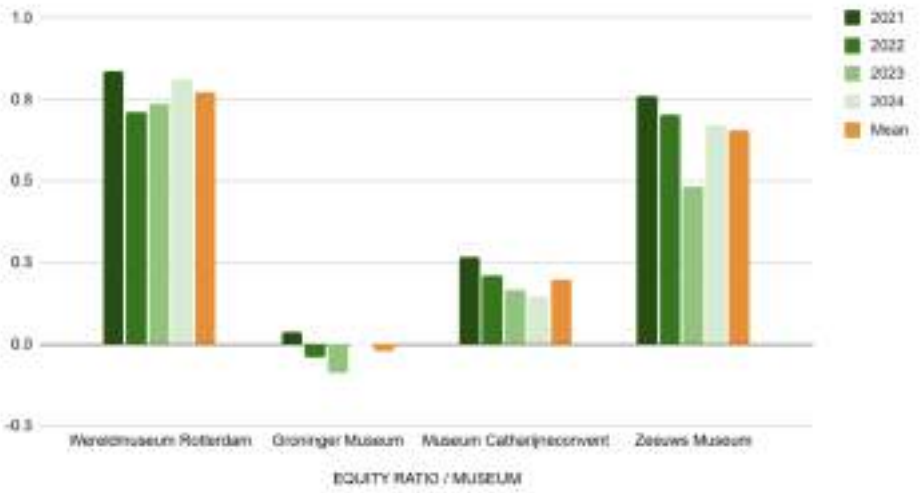
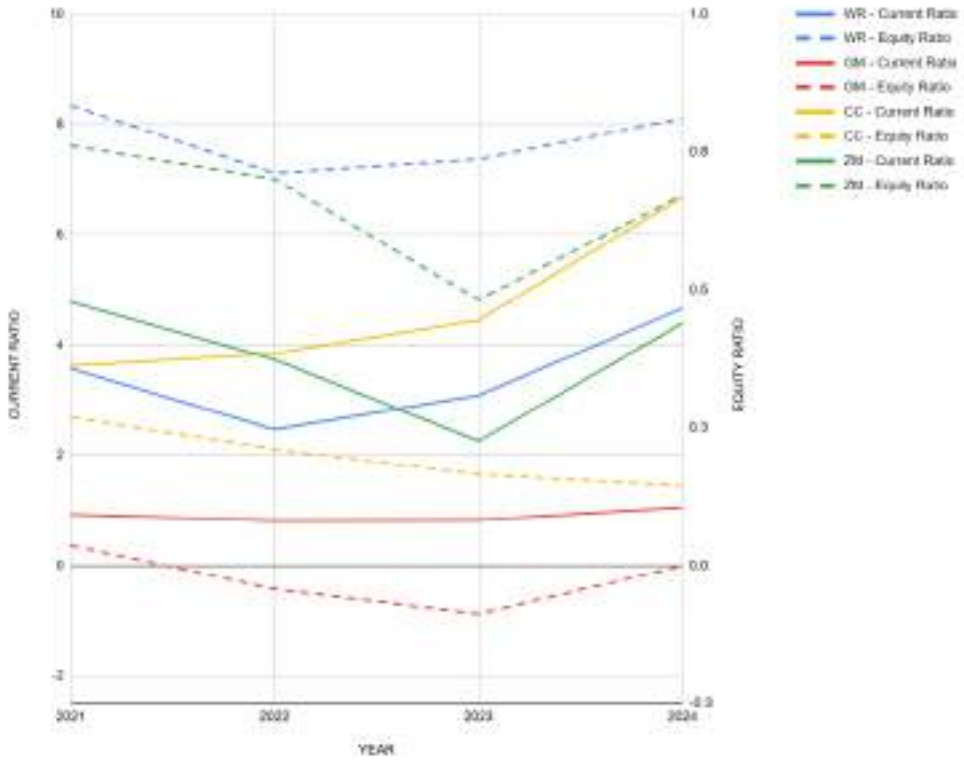


Figure 5.1.27

Financial capacity: Liquidity and solvency trends across museums



Focusing on short-term sustainability, museums' net surplus is limited, allowing them to continue operating but not to set aside much for future investments. Based on the literature, this makes them financially vulnerable and less flexible (Tuckman & Chang, 1991; Hager, 2001; Keating et al., 2005). This is evident from looking at the net assets composition, where profit appropriation is limited (Figure 5.1.27), even though most of the profit is often appropriated—apart from the Wereldmuseum, which is likely undertaking accounting

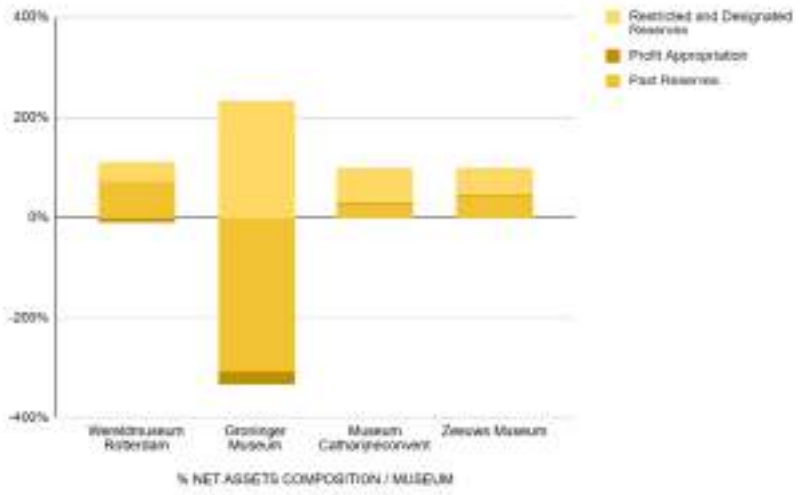
adjustments (Figure 5.1.28). Focusing on the net surplus ratio, museums show positive but modest net surplus to total revenues, with some fluctuation over the years (Figure 5.1.29). The Groninger museum experienced persistent deficits, though it moved into surplus in 2024. The profitability ratios (ROA) reveal variation among the museums in terms of how efficiently they utilize their assets to generate surplus, which in turn affects their stability and autonomy (Figure 5.1.30) (Tuckman & Chang, 1991). The Wereldmuseum shows moderate and improving profitability. In contrast, the Groninger museum displays marked volatility. The Catharijneconvent and the Zeeuws museum maintain low but steady ROA levels, reflecting a conservative approach to asset management and limited surplus generation. However, when adjusted for inflation, the real growth of ROA shows that none of the museums can keep pace, indicating a loss in real value.

Further insights into the museums' capacity to seize future opportunities and respond to unforeseen financial constraints emerge from the analysis of reserves that compose their net assets (Irvin, 2024). Net assets represent a significant share of total liabilities only in the cases of the Wereldmuseum and the Zeeuws museum, while this proportion remains lower for the other two institutions (Figure 5.1.31). This indicates that the former pair may enjoy greater financial autonomy and a stronger capacity to self-finance their activities, invest in new initiatives, and manage risk. However, the composition of reserves is equally important—specifically, the distinction between restricted or designated and unrestricted funds. In most cases, the reserves are already committed to specific purposes, which limits financial flexibility. Only the Wereldmuseum appears to hold a substantial share of unrestricted reserves, which enables genuine potential for growth and stability. That said, it would be inaccurate to assume that museums with primarily designated reserves are at a disadvantage: these institutions may have already incorporated long-term strategic planning into their financial structures. Nevertheless, the predominance of restricted or designated funds certainly reduces their capacity to respond flexibly to external changes (Figure 5.1.27). Overall, the museums show a stable but financially constrained profile, with limited capacity for self-financed growth and a general reliance on external funding. Although the case studies operate under financial concentration, this does not appear to support net asset stability, given their specific conditions and revenue characteristics (Gronbjerg, 1992; Mayer et al., 2014). Based on the literature, it could be concluded that unstable short- and long-term sustainability (Figure

5.1.32) does not guarantee the achievement of long-term objectives or the expansion of services for most museums (Browman, 2011). However, these museums do have future plans, and they can sustain them, navigating financial constraints as described in Section 5.2.6.

Figure 5.1.27

Mean net assets composition



Note. To calculate the percentage composition of each item within net assets (when values can be both positive and negative), a method that maintains the original economic sign of each component is applied. The calculation preserves whether the contribution of each value is positive or negative.

Figure 5.1.28

Profit appropriation to net surplus

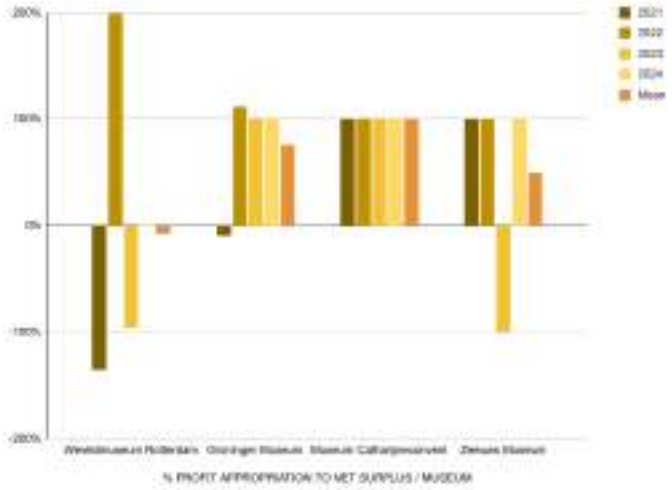


Figure 5.1.29

Margin: Net surplus ratio

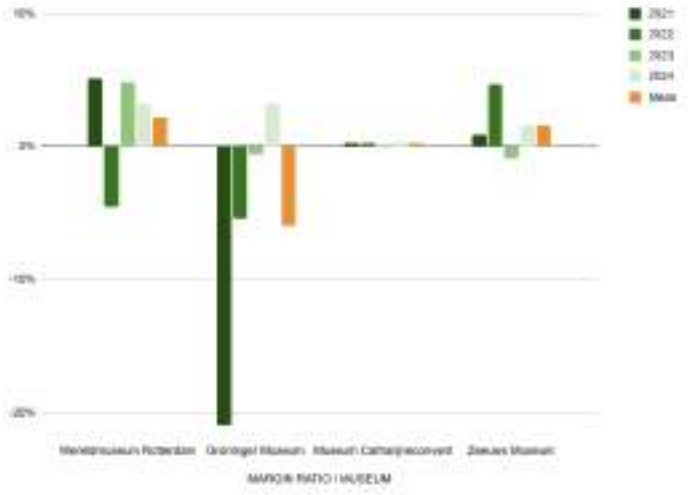
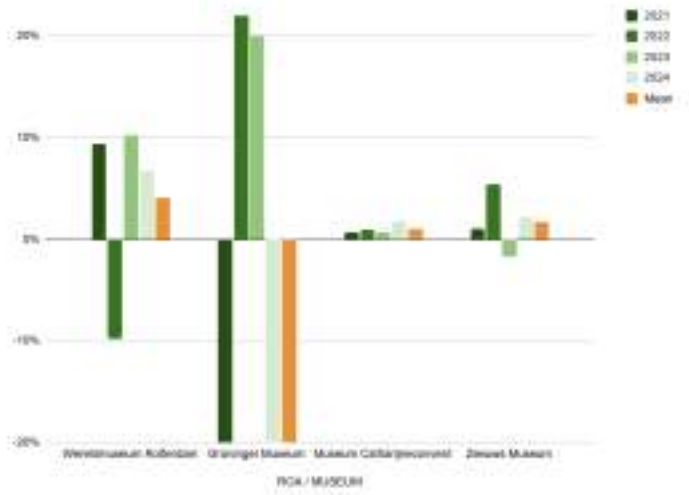


Figure 5.1.30

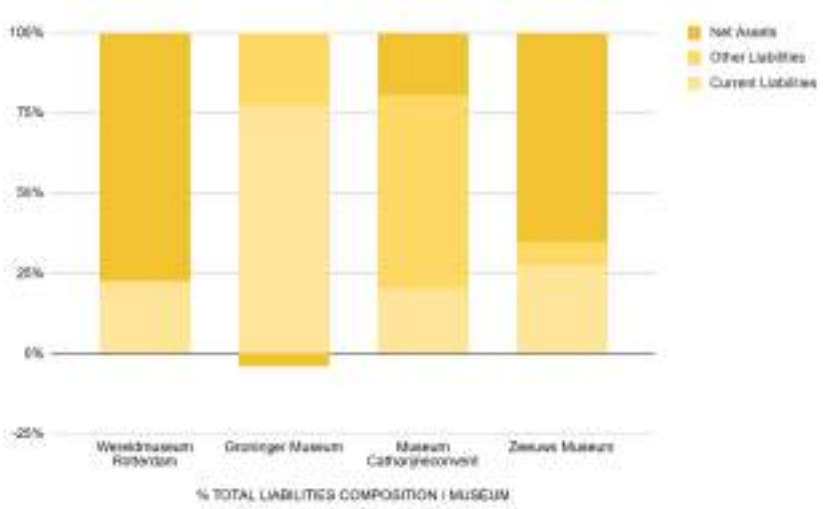
Profitability: ROA



Note. The Groninger museum shows exceptionally low ROA values (up to -5,808% in 2024, mean -1,632%), exceeding the visual limits of the current chart scale.

Figure 5.1.31

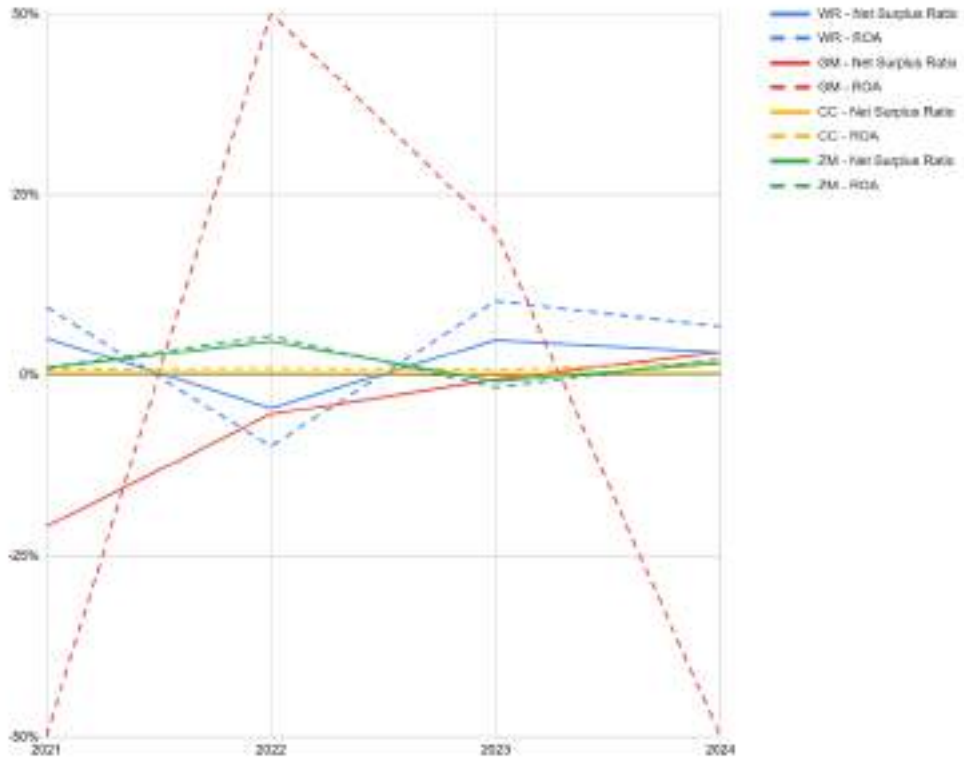
Mean distribution of total liabilities by percentage



Note. To calculate the percentage composition of each item within net assets (when values can be both positive and negative), a method that maintains the original economic sign of each component is applied. The calculation preserves whether the contribution of each value is positive or negative.

Figure 5.1.32

Financial sustainability: Margin and profitability trends across museums



Note. The Groninger museum shows exceptionally low ROA values (up to -5,808% in 2024, mean -1,632%), exceeding the visual limits of the current chart scale.

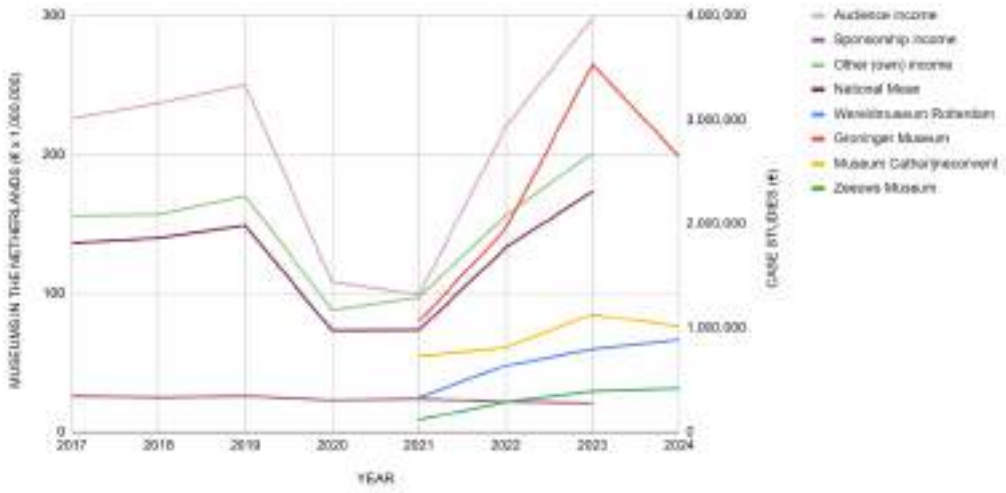
5.1.6 Zooming out to the national level: financial conditions

Comparing the case studies with national data allows for the identification of similarities or differences with national trends. While external validity is limited in case study research, this helps clarify museums' position within the sector.

Similar to the case studies, museums in the Netherlands experienced an increase in both revenues and expenses after the sharp decline in 2020, with total revenues in 2023 even surpassing 2019 levels (Museumvereniging, 2024; Verwey, 2025). The case studies reflect the national revenue trends: the recovery was largely driven by an increase in entrance fees and a rise in visitor numbers (Figure 5.1.33)—nearly back to pre-COVID levels—while government support also increased, although at a lower rate (Museumvereniging, 2024; Verwey, 2025). Government revenues accounted for more than half of total income nationally, making the case studies representative of the national average[14] (Museumvereniging, 2022, 2023, 2024).

Figure 5.1.33

Development of earned revenues of museums in the Netherlands compared with the earned revenue development of the case studies



Note. Data on museums in the Netherlands in 2024 is not available. Source: CBS (2025b).

Expenses increased for all museums in the country: between 2019 and 2023, they rose by 17%, almost matching the 18% growth in revenues, showing how difficult it is for

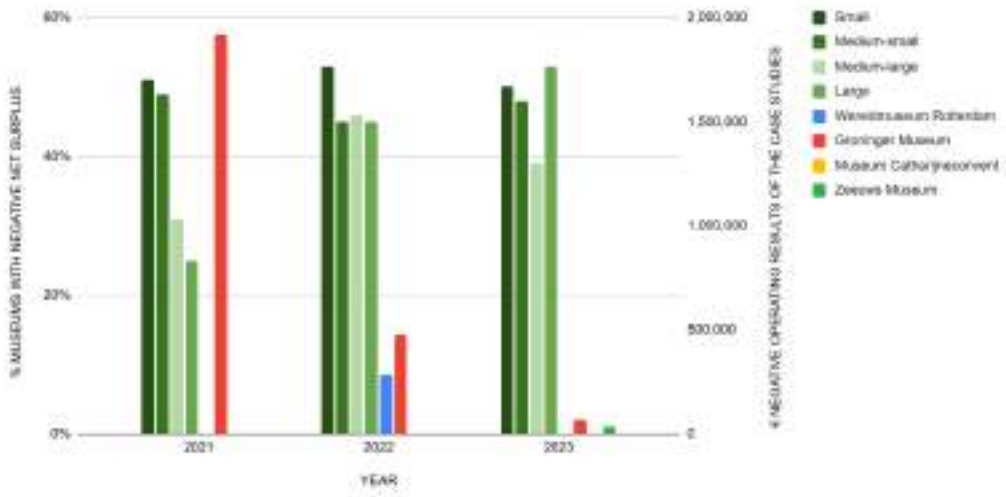
[14] In the case studies, government support from 2021 to 2024 averages 75% of total revenues, while in Dutch museums during the period 2021–2023, it was 74%.

all museums to keep up with rising costs. At the national level, personnel were the main driver of expense growth[15] (Museumvereniging, 2023, 2024), while in the case studies, other costs, including direct and operational expenses, were more significant. Cost distribution is similar overall, with personnel as the main expense, while housing costs are not consistently the highest, as seen nationally.

The national reports highlight that the post-pandemic recovery is not equally complete for all museums, with small museums still facing difficulties and often generating negative operating results (Verwey, 2025). Medium-large museums, such as those in the case studies, are responding better to these changes, but they too recorded negative results (Figure 5.1.34) (Museumvereniging, 2024). This suggests that the museums included in the research represent the more stable segment of the sector, reflecting the best average conditions in the country.

Figure 5.1.34

Share of museums with negative operating results per size class (%) and annual negative result (in euros) of the case studies



Note. Data in 2024 are not available. Source: Museumvereniging (2024).

5.2 Qualitative analysis

After presenting the main findings on how museums structure their revenues and expenses, and to what extent they are financially healthy, the following section aims to understand

[15] Looking at the fastest-growing expenses, personnel costs increased by 15% and housing costs by 12% from 2021 to 2022, while from 2022 to 2023, personnel and other costs rose by 10% and 13% respectively.

the key factors that museum managers consider when formulating sustainable financial strategies, and the principles that guide their financial decision-making. The section examines the reasoning behind strategies and managerial approaches that give rationale to the main financial characteristics derived from the previous financial analysis.

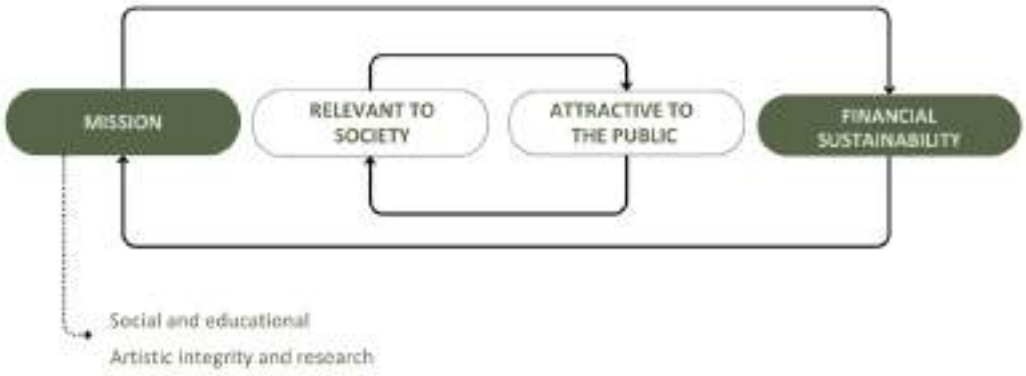
5.2.1 Priorities in decision-making

During the interviews, managers confirmed the existence of tensions between different priorities in developing their programming and deciding on resource allocation. All of them agreed that "it all starts from an idea" (CC, 2025), suggesting that museums prioritize the societal value of their production before delving into the economic reasoning to sustain them. Social and educational priority stands out as the guiding principle: the museums feel a strong responsibility towards society, also in light of the government funding they receive (Frey, 2003, Chapter 7; Towse, 2019, Chapter 2, 7; WR, 2025;). Economic reasoning is not structured towards profit but towards the financial sustainability of the projects. The budgeting process is used to overcome limited financial resources, and in the case of the Zeeuws museum, also a limited staff structure (ZM, 2025). Also, when asked to describe the process behind the development of financial and organizational strategy, broader organizational goals are the starting point of discussion, confirming the framework on the relationship between organizational and financial strategy adopted in this research (Section 3). The artistic imperative of *l'art pour l'art*, as described by Bourdieu (1996)—which emphasizes innovation, authenticity, and the purity of artistic expression—does not clearly emerge from the case studies, as it appears to be more closely associated with creative workers themselves. However, artistic integrity and research are embedded in the museum's mission to preserve and promote its collections (GM, 2025; CC, 2025; ZM, 2025). Therefore, a logic that prioritizes quality and is detached from economic value does exist, despite taking a different form in museums than the one described in the creative industries sector (Lampel, Lant, & Shamsie, 2000; Eickhoff & Haunschild, 2007). Ambidexterity, as the ability to employ multiple logics, is fundamental and often attributed to different people in the staff who are required to find a compromise in a back-and-forth process between the two dimensions (WR, 2025; GM, 2025; CC, 2025). Audiences emerged as an additional component in strategic choices that were not explicit in the literature review (Section 3.2). They appear both as the core mission of the museums and as a source

of revenue—thus reflecting an underlying tension in a different way. Museums aim at delving into topics relevant for society that deserve attention, while also responding to public interests by adopting a commercial orientation to be attractive and generate revenues (Figure 5.2.1) (Prokůpek, Loots, & Betzler, 2023). The balance is often achieved by selecting a program in line with the mission, before diversifying the offer, including exhibitions of different sizes and attracting different audience volumes (GM, 2025; CC, 2025). A logic where the societal mission weighs more than profit helps explain museums' limited net surplus as part of a strategic choice, though it is not the only reason, as will be discussed.

Figure 5.2.1

Relationship between principles of decision-making in the case studies



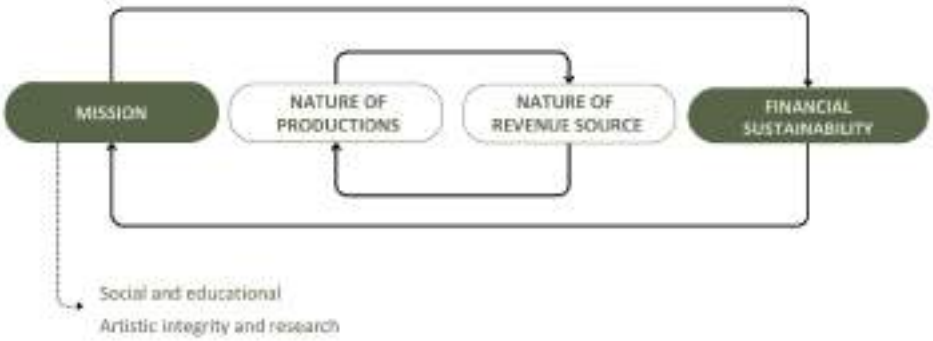
Note. Source: Author's elaboration.

When it comes to resource acquisition, the research investigates the relationship between the nature of goods and services produced and resources. The case studies prioritize cultural production, with revenue composition emerging as a consequence rather than an intentional or easily modifiable outcome, aligning with the benefit theory argument (Young, 2007). On the other hand, the type of revenue can influence institutional orientation and programming (Camarero, Garrido, & Vicente, 2011). For example, museum managers view funding opportunities, like grants, as incentives to act, but pursue them only when they align with the institution's mission and interests (CC, 2025; ZM, 2025). Also, when asked how programming would change if government funding were reduced, managers stated that a stronger market orientation might emerge, potentially compromising their mission: "We can make exhibitions that will draw a lot of people [...],

but they won't be so relevant" (WR, 2025). This sheds light on how managers view their dependency on government support and how they rely on it to fulfill their societal mission. The relationship reflects a framework that balances mission and financial sustainability, as illustrated in Figure 5.2.2.

Figure 5.2.2

Relationship between principles of decision-making and the nature of production and revenue source in the case studies



Note. Source: Author's elaboration.

5.2.2 Dialogue with stakeholders

Literature suggests that resource-dependent organizations are influenced by the stakeholders providing the revenue that sustains them, such as government, donors, and audiences (Froelich, 1999). While this is often seen as a passive relationship and a source of potential mission-drift risk, the case studies' managers see it differently.

In the case of government support, managers noted that policies are broad, and there is considerable freedom, especially regarding the content of programming and activities (WR, 2025; GM, 2025; CC, 2025). Financial decision-making is independent but indirectly influenced by public bodies. For example, the accumulation of reserves often requires justification, as it may lead to a crowding-out effect (WR, 2025; ZM, 2025). Profit generation is not a priority in funding allocation and, therefore, not a concern for museums (WR, 2025). The type of relationship is developed in cooperation with local governments to ensure alignment with the museum's mission. Requirements such as offering free ticket entrance for children (GM, 2025) or maintaining a minimum number of exhibitions per year (ZM, 2025) serve as examples.

Funds from special agreements with partners and donors are often project-based and restricted in use, allowing little profit and reserve accumulation. These grants generally come with flexible spending rules but are tied to specific projects (CC, 2025; ZM, 2025). While projects aligned with the museum's mission are prioritized, managers may also explore available funding and see if it fits their goals. No other kind of external influence and legitimacy issues suggested by the literature emerged from the interviews (DiMaggio & Powell, 1983; Mitchell & Calabrese, 2019).

5.2.3 Revenue-related challenges

All museums saw revenue growth, but their impact was limited by a low post-pandemic starting point and inflation. Only earned revenues showed real growth. Despite efforts to increase resources, museums face challenges that raise doubts about whether portfolio composition is truly a matter of choice.

Several reasons emerged for internal and external issues related to increasing earned revenues. Commercial activities carry a financial risk that is better kept separate from the museum's core activities (WR, 2025). Commercial partners are often limited to the regional level and are involved in short-term projects that can support operations with small, irregular contributions (WR, 2025; GM, 2025; ZM, 2025). These partnerships are limited not only to preserve decision-making autonomy and institutional legitimacy but also due to the difficulty in attracting such funding. Moreover, managers approach ticket price increases with caution, not only due to accessibility concerns but also because of the potential decline in visitor numbers (WR, 2025; GM, 2025; ZM, 2025). Despite the well-recognized price elasticity in the arts sector (Luksetich & Partridge, 1997; Auer & Dominik, 2020), such changes carry uncertain risk. Also, increasing operational costs have uncertain results; for example, more investments in marketing of fundraising do not always guarantee a return (GM, 2025; ZM, 2025). Revenues from shops, restaurants, and exhibitions are often limited by the physical capacity of the building (GM, 2025; ZM, 2025), which is why the Catharijneconvent aims to restructure to welcome more visitors and projects. Predicting these income streams before budgeting is challenging due to the uncertain nature of cultural goods, especially when forecasting growth following a period of recession (Caves, 2020; GM, 2025).

Increasing donations is challenging due to the need for large investments, limited and uncertain results, and the difficulty of appealing to individual donors (WR, 2025; GM, 2025; ZM, 2025). Finally, relying on funds requires entering a highly competitive environment, where funds are restricted by specific requirements (WR, 2025; CC, 2025).

In this scenario, government funding remains the most stable source of income to sustain core museum operations, despite being subject to variation over four-year periods and changes in political priorities (Lindqvist, 2012; WR, 2025; ZM, 2025). Other revenues have increased through one-to-one partnerships and agreements that are resource-consuming and limiting in decision-making. Constraints seem to hinder diversification and exploration of new revenue types, in contrast with what is observed internationally (Romolini et al., 2020; IRAPFM et al., 2025; Liddell, 2025; Prokůpek, 2025). “It's a big puzzle,” the Zeeuws museum’s business manager explained. When managers were asked how they would react to a major cut in government funding, they said it would threaten the museum’s survival and force significant cuts to their activities (WR, 2025; ZM, 2025).

5.2.4 Expense-related challenges

Driven by the rise of production costs, total expenses of museums experienced a real growth, and the cutting choices of management moved towards reducing direct and personnel costs. Direct costs are more flexible, and their reduction does not affect the museum’s core structure—although negative consequences for fulfilling the mission may arise in the future, potentially creating a downward spiral (Frumkin & Keating, 2011; ZM, 2025). A specificity of the museum sector is the high fixed costs associated with exhibitions and collection maintenance, which can be difficult to reduce in the event of unforeseen changes (Frey & Meier, 2002; CC, 2025). This makes museums less flexible in comparison with other organizations in the cultural sector that tend to organize in networks (Powell, 1990). Personnel costs are harder to adjust but can be made more flexible, forming a network that expands or contracts based on the museum’s needs. Managers explained that leveraging on this kind of structure, avoiding rigid commitments by hiring flexible staff, is becoming increasingly difficult due to new labor market regulations, increasing the organization’s vulnerability (WR, 2025; GM, 2025; ZM, 2025). Another option for cost reduction is externalization, as the Groninger museum is considering the management of

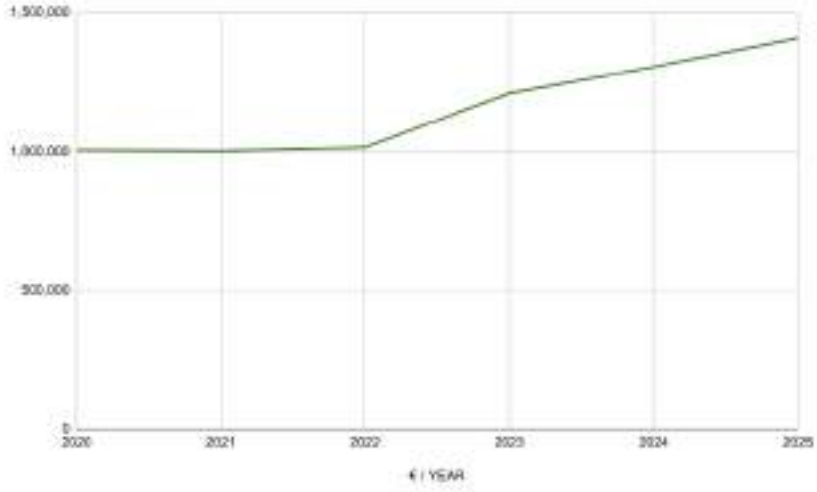
its depot (GM, 2025). The option to focus on the museum's core activities is also relevant in cost control (WR, 2025; GM, 2025).

5.2.5 Government funding

The importance of government funding raised the need to dedicate a separate section to its past and future development. In the Netherlands, public funding has experienced a constant decline after the 2008 financial crisis: the concepts of neoliberalism and participatory society have influenced cultural policy to promote greater autonomy within the cultural sector (van Meerkerk & van den Hoogen, 2018; WR, 2025; GM, 2025; ZM, 2025). On one hand, the support of cultural organizations is increasingly attributed to other societal actors (Schrijvers, 2018); on the other, these organizations are expected to assume societal responsibilities and contribute to welfare creation in order to qualify for government support (van Meerkerk & van den Hoogen, 2018). However, recent years have shown an increase in public cultural spending (Figure 5.2.3 and Figure 5.2.4). The increase is also registered from the case studies, despite being big enough just to keep up with inflation in most of the cases.

Figure 5.2.3

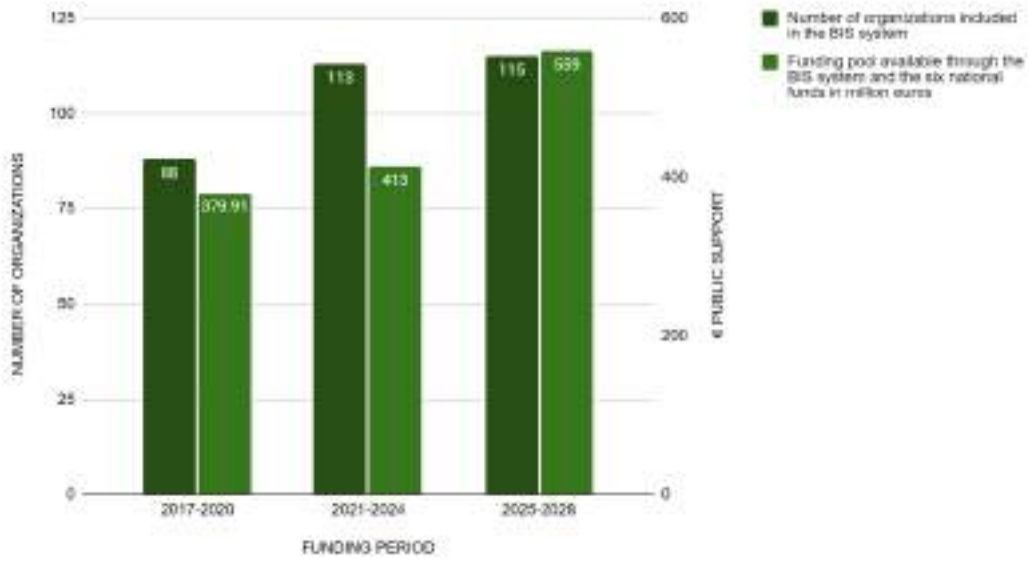
The allocated budget for culture by the Dutch government



Note. This data derives from the Ministry of Finance's declaration on government allocations to culture, as presented in the Budget Statements (including premiums) for the period 2020–2025. Source: Ministerie van Financiën. (n.d.).

Figure 5.2.4

Number of organizations included in the BIS system and budget of funding pool available through the BIS system and the six national funds



Note. Sources: Raad voor Cultuur (2016, 2020, 2024), ACCPT (2019), and OCW (2020, 2024).

In recent times, the OCW Ministry announced a budget cut in 2029 (Education and sports ministry outlines major grant cuts, 2024). The managers were interviewed on whether they felt the uncertainty of funding future development. Overall, most of the case studies are not apprehensive about this scenario. The Catherijneconvent, depending directly on the OWC Ministry, is not concerned, as well as the Zeeuws museum that, despite cuts in the province, does not expect budget reduction in the short term (CC, 2025; ZM, 2025). The Groninger museum hopes for stability or even growth in governmental funding, leveraging the particular relevance of the museum in a region where it is the largest and most important institution for cultural life and local economic and touristic development (GM, 2025). The Wereldmuseum expressed concerns, also given the municipality's difficult financial situation, and emphasized the urgency of strengthening dialogue around their activities (WR, 2025). Other policy issues identified in the literature did not emerge (van Meerkerk & van den Hoogen, 2018).

5.2.6 Financial capacity and sustainability

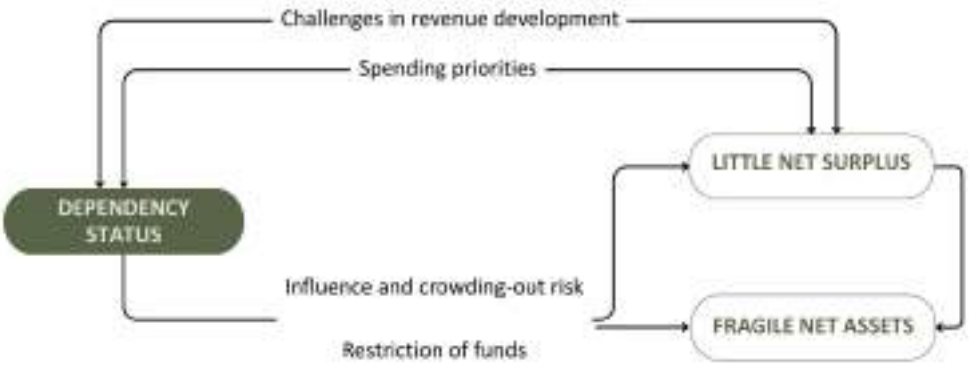
From the analysis, museums appear to have a good level of financial capacity, meaning they can maintain current and future production levels. This aligns with the

definition of financial health provided by managers, who are actively working toward this status through attentive budgeting (WR, 2025; GM, 2025; CC, 2025; ZM, 2025). This is only possible thanks to government contributions, highlighting that financial health must be assessed within a dependency framework. Outside of it, such dependency would signal weak autonomy, instead of stability.

Building financial sustainability, with reserves to handle unexpected events and support future growth, is not always straightforward, due to limits in revenue accumulation and little net surplus generation. First, limited revenue accumulation is due to low net surplus, which reduces the volumes of revenue appropriation; internal or external restrictions on the use of certain funds; and the need to justify reserves to governmental bodies, which may imply that funding levels are too high. Second, the earlier analysis showed that limited net surplus often resulted from internal strategic choice to prioritize the museum's mission (Section 5.2.1), and from the external challenge to increase extra revenues (Section 5.2.3). Moreover, some funds are restricted to specific uses and must be returned if not spent, so museums strategically try to make the best use of what they receive without the possibility of generating a high net surplus. Crowding-out effects of public funders are also linked to high net surplus, which may lead funders to reduce future support (Section 5.2.2). In this context, dependency on government funding both allows and influences the presence of limited net surplus, while the difficulty in increasing other sources of revenue supports the continuation of this condition. The relationships between components are visualized in Figure 5.2.5. This combination of dynamics may explain in more detail why the scale of revenues and expenses does not influence the net surplus volumes in the case studies. Moreover, walking a fine line leads managers to have a "low risk appetite" (ZM, 2025).

Figure 5.2.5

Limited net surplus and reserves in the case studies in relation to resource dependence theory



Note. Source: Author's elaboration.

Limited short- and long-term financial sustainability poses challenges in achieving long-term objectives or expanding the organization—goals that museums continue to pursue. Among them are the desire to expand mission-related activities, reorganize and expand the collection, improve visitor experience and exhibition spaces (WR, 2025; CC, 2025; ZM, 2025). Museums work toward future objectives by accumulating reserves, which is challenging, and by developing close dialogue with government institutions, along with exploring opportunities to expand their revenue base through special funding (GM, 2025; CC, 2025; ZM, 2025). These practices are time- and cost-intensive, have uncertain outcomes, and therefore do not allow for rapid change or growth. In other words, museums pursue future growth by addressing the challenges and constraints that limit their net surplus and reserves. Catharijneconvent presents an interesting example of strategy growth. After years of planning and saving reserves, the museum will start a renovation project to expand its exhibition spaces. This is expected to attract more visitors than the permanent collection. Government funding and staff size will remain the same, but the team will need to secure additional funds to support the expanded program. According to managers, the rise in programming costs will be covered by higher entrance fee revenue and the fundraising efforts of an experienced team. During the restructuring period, government funding remains stable and guaranteed, allowing the museum to sustain the renovation, maintain staff, and off-site projects (CC, 2025).

6. CONCLUSIONS, LIMITATIONS, AND FUTURE RESEARCH

While the previous analysis developed an answer to the sub-questions, this section provides a resume and highlights the answer to the main research question: How do museums plan to achieve financial health and currently structure their financial strategies as part of their broader organizational goals? Then, the theoretical implications of the findings will be outlined. This allows for identifying the research project's limitations, future areas of study, and potential implications for the cultural and research field.

The descriptive analysis provided insights into the structure of museums' revenues, expenses, and reserves, as well as their overall financial health. The case studies revealed a high dependency on government funding, which serves to maintain infrastructure and basic programming. Dependence has proven to be a key starting point for analyzing the financial condition of museums. Other revenue sources are limited but play a role in supporting additional activities and projects. Most expenses are fixed, except for personnel and direct costs, which vary more. Over the four years, museums experienced increases in both revenues and expenses, driven by a low starting point in 2021 and broader economic challenges. However, the real growth of expenses generally exceeded that of revenues, creating a significant challenge for financial balance. Despite this, museums maintain good financial capacity, preserving their ability to meet both current and future spending needs. When it comes to financial sustainability, museums struggle to plan for future growth and respond to potential financial downturns due to limited net surplus and reserve accumulation opportunities. Data showed that the scale of revenues and expenses does not influence the surplus value, suggesting that museums apply similar approaches to manage the relationship between revenues and expenses.

The interviews supported the descriptive analysis by explaining recent financial strategies and changes, and by identifying principles and key factors influencing financial status and strategic decision-making. The funding structure, which relies on government support, serves as a starting point in the decision-making process. First, relying on a stable source allows museums to prioritize their social and educational mission, approaching financial matters with a focus on sustainability rather than profit. Second, government influence is mostly indirect, built through dialogue with institutions and aimed more at

financial direction than cultural content. Contrary to initial expectations, managers believe this revenue source will remain stable in the future. To maintain coherence with their mission, museums tend to pursue funding opportunities that align with their mission. The dependency status is reinforced by challenges in generating alternative revenues, such as limited supply, high competition, scarce resources for development, uncertain outcomes, and difficulties in controlling structurally rigid expenses. Limited revenue accumulation and low net surplus appear to result from a combination of internal, external, financial, and non-financial factors. This condition highlights the limited room for maneuver in decision-making available to museums.

The analysis showed that museum managers plan for financial health—that take the form described in the quantitative analysis—by relying on stable government funding and core principles, while considering the challenges and constraints posed by stakeholders, as well as revenues and expenses characteristics. The findings sustain the main empirical argument of the thesis. First, financial capacity and organizational survival are ensured by government support. Second, financial sustainability is the result of both internal decisions and external constraints as described in the original framework (Figure 5.2.5). Future growth is pursued through small and demanding steps, aiming at addressing current constraints and challenges that limit net surplus generation and reserves accumulation.

The findings raised theoretical implications related to cultural economics and nonprofit financial literature. Moreover, resource dependence theory proves to be an effective framework for analyzing the case studies, which clarified dependency dynamics on governmental bodies. As outlined in the following, cultural economics theories are confirmed in the case studies, providing further insights into two key aspects: the role and influence of public intervention and the relationship between artistic and economic logics within the museum context.

The case studies showed that government funding in the museum sector allows social and educational priorities to prevail by sustaining operations despite limited external funding opportunities, giving museums the flexibility to approach financial sustainability without focusing on profit. Government intervention is often justified by the public nature of cultural goods and services, and their positive externalities (Frey, 2003; Towse, 2019), which are more effectively realized when museums receive the necessary support to develop them. In this sense, dependency appears to support the production of public goods

and has turned out to be a positive condition for museums, proving a further argument for public intervention. On the other hand, although the literature stresses the risks of dependency (Froelich, 1999), the case studies show it is managed with more ease. This may be due to two reasons, further explained below: the structure of the Dutch cultural policy system and museums' consistent mission-driven decision-making. In the Netherlands, the relationship between museums and the government is marked by cooperation, indirect influence, and alignment with museum objectives—fostering a positive and flexible dynamic. The issues arise about the management of surplus and net asset accumulation, and the subtle instability of government funding. Although the case studies show less concern about the future of public funding than expected, empirically understanding the broader national picture of the museum sector remains valuable. To enhance museums' financial sustainability, stable government funding is crucial, as shifts in political priorities or crowding-out effects may weaken their capacity for growth and long-term stability. Alternatively, if such stability is not guaranteed, museums should be freer to adopt entrepreneurial approaches, with fewer restrictions on reserve building and profit generation. Of course, it is also clear that government support alone does not guarantee financial health: what truly matters is how resources are managed. For example, despite facing similar external challenges, some museums prove more efficient than others in generating and managing resources, demonstrating that financial health can evolve in different directions even when starting from the same baseline.

The value-driven logic typical of arts organizations (Throsby, 2001) appears to enable the case studies to remain true to themselves in both resource acquisition and allocation practices, despite their dependency. In the case of resource development, this research clarifies the relationship between opposing viewpoints found in the literature with both benefit theory (Young, 2007) and argument coming from nonprofit financial management (Froelich, 1999; Camarero, Garrido, & Vicente, 2011; de los Mozos, Duarte, & Ruiz, 2016; Mitchell & Calabrese, 2019) that finds confirmation in the case studies. When it comes to resource allocation, concepts also employed in cultural economics are confirmed, and their relationship is clarified within the museum-specific context (Wacht, 1984; Bourdieu, 1996). In museums, the artistic logic takes different forms—being embedded in artistic integrity, research, and societal and educational missions—while economic logic serves organizational sustainability rather than profitability.

Finally, the research collected insights on how the case studies relate to the nonprofit financial literature (from Tuckman & Chang, 1991 to Hung & Hager, 2019) and how theoretical approaches align with or diverge from real-world practices. This research is limited in establishing causal relationships between financial components and instead engages with the literature to interpret the findings, showing that some dynamics are confirmed by the case studies, while others are not. While diversification is known to reduce revenue volatility and financial vulnerability (Carroll & Stater, 2009; Chang & Tuckman, 1994), managers highlighted the instability of non-governmental funds. Instead, the case studies favored concentration to preserve resources and maintain focus on core activities, in line with previous research (de los Mozos, Duarte, & Ruiz, 2016). Crowding-in and crowding-out effects between funding sources remain only partially explored, although resource accumulation may function as a crowding-out factor for government spending. To clarify the dynamic, it would be appropriate to understand to what extent reserves and net surplus accumulation are determined by government influence and rule rather than strategic decision-making. Two theoretical implications came from the results. First, findings highlighted the significance of strategic and environmental factors, as well as the nature of revenue streams in shaping financial decisions. This supports the modern portfolio emphasis on revenue characteristics, while also revealing the literature's limitations in accounting for non-financial factors. The fact that some empirical findings are supported while others are not, combined with the relevance of non-financial factors, reinforces the need for further investigation and inferential research on museums within the European specific context. Second, the findings challenge the common assumption in the literature that museums enjoy full flexibility in shaping their revenue portfolios. The case studies operate in an environment where external opportunities for expansion are limited, and internal decisions are more focused on using available resources efficiently rather than generating new ones. This condition questions the applicability of modern portfolio theory, with Hung and Hager (2019) emphasizing that such a model should be applied within the context of each organization. Museum managers consider risk, volatility, and future revenues when developing financial strategies, yet their strategic orientation and external constraints often limit their economic thinking and autonomy in structuring funding portfolios.

This research project presents some limitations. The short timeframe allowed for conclusions based on a limited period, without the opportunity to assess each museum's historical development. For instance, a comparison with the pre-COVID period could offer valuable insights into whether margin-generation capacity has changed. Secondly, the analysis focused on income statements and balance sheets, whereas including cash flow analysis might have provided a clearer picture of short-term financial capacity. Additionally, limited data on the nature of net asset components restricts conclusions about museums' strategic planning and underscores the need for further research. While the financial conditions of the case studies generally reflect national trends, they may represent a best-case scenario. Since national data suggests a correlation between museum size and financial health, it would be useful to expand the analysis to museums of varying sizes to better understand how this factor influences financial structures and strategic choices.

Overall, this research supports a deeper understanding of the complex dynamics involved in translating museum organizational strategies into financial strategies, contributing to the academic literature. It contributes by clarifying a framework for financial health, aligning different definitions and operationalizations into a coherent system. Additionally, it reveals nuances within the dynamics discussed in previous studies—artistic and economic logics, nature of revenue and products, stakeholder influence—, building connections and highlighting complementarities between them. Drawing on existing literature, it explores the decision-making power behind portfolio composition and diversification, while also questioning some theoretical assumptions within nonprofit financial research. Also, it integrates financial data with qualitative strategic reasoning, establishing a connection between the two and offering a holistic understanding that is often overlooked in existing studies. This research may also be of interest to practitioners, as it presents the experiences of four case studies in the Netherlands, considering the specificities of the sector and national context. For instance, it offers insights for museum managers seeking to better understand the broader implications of their financial decisions and to think more clearly about the complexities involved in their daily decision-making processes. Finally, the study draws conclusions relevant to cultural policy, advancing potential consequences of funding cuts and suggesting approaches to sustain museum operations in line with their revenue-generating capacities and unique institutional characteristics.

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APPENDIXES

A. Data description

A.1 Sample description

Table A.1.1

Information about the case studies

	Wereldmuseum	Groninger Museum	Museum Catharijneconvent	Zeeuws Museum
Official name	Stichting Wereldmuseum Rotterdam	Stichting Groninger Museum voor Stad en Lande	Stichting Museum Catharijneconvent	Zeeuwse Museumstichting
Initialism	WR	GM	CC	ZM
Location	Rotterdam	Groninger	Utrecht	Middelburg
Number of employees in 2024	44	91	66	18
Type of museum	Ethnographic	Art and cultural heritage	Art and cultural heritage	History and cultural heritage

Note. Source: Museums' financial statements and websites (Wereldmuseum Rotterdam, n.d.; Groninger Museum, n.d.; Catharijneconvent Museum, n.d.; Zeeuws Museum, n.d.).

Table A.1.2

Data sample characteristics from income of statement

	Total revenues mean	Grants revenues mean	Total expenses mean	Net surplus mean
WR	€6,499,235	€5,727,412	€6,404,127	€143,185
GM	€9,945,799	€5,944,075	€10,443,785	-€532,763
CC	€8,776,020	€6,033,222	€9,192,618	€23,542

ZM	€3,506,037	€2,941,016	€3,468,304	€53,203

Table A.1.3

Data sample characteristics from balance sheet

	Total assets mean	Total liabilities mean	Net assets mean
WR	€4,095,425	€4,095,425	€3,160,582
GM	€5,269,487	€5,269,487	-€204,819
CC	€12,367,070	€12,367,070	€2,409,376
ZM	€4,015,693	€4,015,693	€2,610,856

Table A.1.4

Case studies's mission statements

Musuem	Mission statement
Wereldmuseum	"Wherever they are in the world, people all face the same questions about life. The answers they give to these questions vary and are often culturally determined. However, we are all bound by universal human emotions and the objects in our collection bear unique witness to this. Each of them tells a human story".
Groninger Museum	"The Groninger Museum is extrovert, quirky and colourful. Its high-quality collections and presentations constitute the foundations upon which the connections between visitors and the museum and visitors amongst themselves are strengthened. The Groninger Museum therefore aims to amaze an audience as broad as possible, prompt to form an opinion, and invite frequent and diverse use".
Museum Catharijneconvent	"Museum Catharijneconvent researches and highlights the aesthetic, cultural and historical values of the art and heritage of Christianity in the Netherlands. The museum does this from the conviction that this is of value to everyone and works in consultation with partners and the public. This allows it to tell stories that are multi-voiced and encourage open-mindedness. By touching and moving people, the museum aims to contribute to a more understanding society".

Zeeuws Museum	“The Zeeuws Museum puts art and heritage to work for a resilient society where everyone matters”.

Table A.1.5

Data on interviewees

	Wereldmuseum	Groninger Museum	Museum Catharijneconvent	Zeeuws Museum
Number of interviewees	1	1	2	1
Role	Senior Financial Accountant	Manager Finance and Business Control	Executive Secretary; Financial Controller	Business Manager
Age	57	46	44; 49	57
Gender	Male	Male	Males	Female
Education	University degree	University degree	University degrees	University degree

A.2 Quantitative observations

Financial statements provided budgetary data for four years (2021–2024). The author categorized financial components from income statements and balance sheets into 38 common categories, resulting in a total of 608 observations (four years across four case studies), as listed below.

From the income statements, it was possible to extract:

- Revenues
    - Earned Revenues
        - Entrance fees
        - Sponsorships
        - Museum activities
        - Revenue store and restaurants
        - Rental income and loans
        - Others
    - Charitable Revenues
        - Individuals
        - Private Funds from companies
        - Private Funds for the arts
        - Charity Lotteries
    - Grants Revenues
        - Structural OCW
        - Structural Municipality
        - Structural Province
        - Other Funds
        - Incidental
    - Other Revenues
    - Total Revenues
- Expenses
    - Personnel Expenses
    - Direct Expenses
    - Housing Expenses
    - Depreciation

    - Operating
    - Total Expenses
- Net surplus and normalized results

From the balance sheets, it was possible to extract:

- Current Assets
- Fixed Assets
- Total Assets
- Current Liabilities
- Other Liabilities
- Total Debts
- Net Assets
    - Past Reserves
    - Profit Appropriation
    - Restricted and Designated Reserves
- Total Liabilities

B. Quantitative method appendix

B.1 Tables Wereldmuseum

Table B.1.1

Raw data on revenues and net surplus by category

	2021	2022	2023	2024
Earned Revenues	€331,465	€637,089	€796,993	€885,345
Charitable Revenues	€25,851	€12,500	€15,500	€17,015
Grants Revenues	€5,351,000	€5,499,000	€5,818,000	€6,241,649
Other Revenues	€88,392	€83,522	€92,496	€101,124
Total Revenues	€5,796,708	€6,232,111	€6,722,989	€7,245,133
Net Surplus	€297,361	-€281,916	€326,497	€230,799

Table B.1.2

Mean, common-size analysis, total growth, and CAGR of revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Earned Revenues	€662,723	10.2%	167.1%	38.7%
Charitable Revenues	€17,717	0.3%	-34.2%	-13.0%
Grants Revenues	€5,727,412	88.1%	16.6%	5.3%
Other Revenues	€91,384	1.4%	14.4%	4.6%
Total Revenues	€6,499,235	100.0%	25.0%	7.7%
Net Surplus	€143,185	-	-22.4%	-8.1%

Table B.1.3

Ratios of revenues categories to total revenues

	2021	2022	2023	2024	Mean
Earned Revenues	0.1	0.1	0.1	0.1	0.1
Charitable Revenues	0.0	0.0	0.0	0.0	0.0

Grants Revenues	0.9	0.9	0.9	0.9	0.9
Other Revenues	0.0	0.0	0.0	0.0	0.0

Table B.1.4

Raw data of earned revenues by category

	2021	2022	2023	2024
Entrance fees	€118,524	€233,210	€318,015	€406,858
Sponsorships	€0	€0	€0	€0
Musuems activities	€51,733	€88,382	€110,111	€124,979
Revenue store and restaurants	€20,908	€34,347	€62,367	€63,308
Rental income and loans	€140,300	€281,150	€306,500	€290,200
Others	€0	€0		€0
Total Earned Revenues	€331,465	€637,089	€796,993	€885,345

Table B.1.5

Mean, common-size analysis, total growth, and CAGR of earned revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Entrance fees	€269,152	40.6%	243.3%	50.9%
Sponsorships	€0	0.0%	-	-
Musuems activities	€93,801	14.2%	141.6%	34.2%
Revenue store and restaurants	€45,233	6.8%	202.8%	44.7%
Rental income and loans	€254,538	38.4%	106.8%	27.4%
Others	€0	0.0%	-	-
Total Earned Revenues	€662,723	100.0%	167.1%	38.7%

Table B.1.6

Raw data of charitable revenues by category

	2021	2022	2023	2024
Individuals	-	-	-	-
Private Funds from companies	-	-	-	-
Private Funds for the arts	-	-	-	-
Charity Lotteries	-	-	-	-
Total Charitable Revenues	€25,851	€12,500	€15,500	€17,015

Table B.1.7

Mean, common-size analysis, total growth, and CAGR of charitable revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Individuals	-	0.0%	-	-
Private Funds from companies	-	0.0%	-	-
Private Funds for the arts	-	0.0%	-	-
Charity Lotteries	-	0.0%	-	-
Total Charitable Revenues	€17,717	100.0%	-34.2%	-13.0%

Note. Financial statement does not provide further details on this revenue type.

Table B.1.8

Raw data of grants revenues by category

	2021	2022	2023	2024
Structural OCW	€0	€0	€0	€0
Structural Municipality	€5,351,000	€5,471,000	€5,685,000	€6,117,500
Structural Province	€0	€0	€0	€0
Other Funds	€0	€28,000	€133,000	€124,149
Incidental	€0	€0	€0	€0
Total Grants Revenues	€5,351,000	€5,499,000	€5,818,000	€6,241,649

Table B.1.9

Mean, common-size analysis, total growth, and CAGR of grants revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Structural OCW	€0	0.0%	-	-
Structural Municipality	€5,656,125	98.8%	14.3%	4.6%
Structural Province	€0	0.0%	-	-
Other Funds	€71,287	1.2%	-	-
Incidental	€0	0.0%	-	-
Total Grants Revenues	€5,727,412	100.0%	16.6%	5.3%

Table B.1.10

Raw data of expenses by category

	2021	2022	2023	2024
Personnel Expenses	€2,424,912	€2,627,450	€2,866,353	€3,097,515
Direct Expenses	€278,548	€902,559	€611,884	€1,044,026
Housing Expenses	€1,748,066	€2,216,870	€2,115,243	€1,895,036

Depreciation	€403,228	€393,123	€401,646	€339,189
Operating Expenses	€429,385	€445,711	€668,468	€707,295
Total Expenses	€5,284,139	€6,585,713	€6,663,594	€7,083,061

Table B.1.11

Mean, common-size analysis, total growth, and CAGR of expenses by category

	Mean	Common-size analysis	Total growth	CAGR
Personnel Expenses	€2,754,058	43.0%	27.7%	8.5%
Direct Expenses	€709,254	11.1%	274.8%	55.3%
Housing Expenses	€1,993,804	31.1%	8.4%	2.7%
Depreciation	€384,297	6.0%	-15.9%	-5.6%
Operating Expenses	€562,715	8.8%	64.7%	18.1%
Total Expenses	€6,404,127	100.00%	34.0%	10.3%

Table B.1.12

Ratios of expenses categories to total revenues

	2021	2022	2023	2024	Mean
Direct Costs	0.1	0.1	0.1	0.1	0.1
Other Administrative Costs	0.5	0.5	0.5	0.4	0.5
Personnel Costs	0.5	0.4	0.4	0.4	0.4

Note. Housing costs, depreciation, and operational expenses are grouped under “Other administrative costs.”

Table B.1.13

Raw data, mean, and common-size analysis of assets and liabilities by category

	2021	2022	2023	2024	Mean	Common-size analysis
Current Assets	€2,175,269	€2,823,653	€3,462,030	€3,644,041	€3,026,248	73.9%
Fixed Assets	€1,604,313	€1,211,190	€877,404	€583,801	€1,069,177	26.1%
Current Liabilities	€610,026	€1,146,201	€1,124,508	€781,817	€915,638	22.4%
Other Liabilities	€18,486	€19,487	€19,274	€19,574	€19,205	0.5%
Net Assets	€3,151,071	€2,869,155	€3,195,652	€3,426,451	€3,160,582	77.2%
Total Assets	€3,779,582	€4,034,843	€4,339,434	€4,227,842	€4,095,425	100.0%
Total Liabilities	€3,779,582	€4,034,843	€4,339,434	€4,227,842	€4,095,425	100.0%
Total Debts	€0	€0	€0	€0	€0	-

Table B.1.14

Raw data, mean, and common-size analysis of net assets composition by category

	2021	2022	2023	2024	Mean	Common-size analysis
Past Reserves	€2,853,710	€2,451,071	€1,889,155	€1,576,652	€2,192,647	69.4%
Profit Appropriation	-€402,639	-€561,916	-€312,503	€2,799	-€318,565	-10.1%
Restricted and Designated Reserves	€700,000	€980,000	€1,619,000	€1,847,000	€1,286,500	40.7%
Total Net Assets	€3,151,071	€2,869,155	€3,195,652	€3,426,451	€3,160,582	100.0%

Note. To calculate the percentage composition of each item within net assets (when values can be both positive and negative) a method that maintains the original economic sign of each component is applied. The calculation preserves whether the contribution of each value is positive or negative. This allows for an accurate interpretation and visual representation of the net assets structure.

B.2 Tables Groninger Museum

Table B.2.1

Raw data on revenues and net surplus by category

	2021	2022	2023	2024
Earned Revenues	€1,061,650	€1,949,270	€3,532,624	€2,645,144
Charitable Revenues	€937,267	€1,054,531	€894,410	€1,431,997
Grants Revenues	€4,652,773	€5,879,151	€6,809,799	€6,434,578
Other Revenues	€2,500,000	€0	€0	€0
Total Revenues	€9,151,690	€8,882,952	€11,236,833	€10,511,719
Net Surplus	-€1,916,777	-€479,084	-€67,655	€332,466

Note. In 2020, Van Gogh's painting "Spit Garden" was stolen from the Singer Laren museum while on loan from the Goninger museum. In 2021 insurance payment (€2,500,000) was confirmed. This impacts the revenue composition, the total revenues, which were higher (€6,651,690 instead of €9,151,690), and net result, which was lower (-€1,916,777 instead of - €4,416,777).

Table B.2.2

Mean, common-size analysis, total growth, and CAGR of revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Earned Revenues	€2,297,172	23.1%	149.2%	35.6%
Charitable Revenues	€1,079,551	10.9%	52.8%	15.2%
Grants Revenues	€5,944,075	59.8%	38.3%	11.4%

Other Revenues	€625,000	6.3%	-100.0%	-100.0%
Total Revenues	€9,945,799	100.0%	14.9%	4.7%
Net Surplus	-€532,763	-	-117.3%	-155.8%

Table B.2.3

Ratios of revenues categories to total revenues

	2021	2022	2023	2024	Mean
Earned Revenues	0.1	0.2	0.3	0.3	0.2
Charitable Revenues	0.1	0.1	0.1	0.1	0.1
Grants Revenues	0.5	0.7	0.6	0.6	0.6
Other Revenues	0.3	0.0	0.0	0.0	0.1

Table B.2.4

Raw data of earned revenues by category

	2021	2022	2023	2024
Entrance fees	€609,234	€1,085,143	€2,755,404	€1,514,309
Sponsorships	€115,416	€166,567	€6,500	€20,091
Musuems activities	€67,560	€301,159	€341,944	€800,686
Revenue store and restaurants	€47,010	€105,253	€197,397	€90,406
Rental income and loans	€222,430	€291,148	€231,380	€219,651
Others	€0	€0	€0	€0
Total Earned Revenues	€1,061,650	€1,949,270	€3,532,625	€2,645,144

Table B.2.5

Mean, common-size analysis, total growth, and CAGR of earned revenues by category

	Mean	Common-size analysis	Total growth	CAGR

Entrance fees	€1,491,023	64.9%	148.6%	35.5%
Sponsorships	€77,144	3.4%	-82.6%	-44.2%
Musuems activities	€377,837	16.4%	1085.1%	128.0%
Revenue store and restaurants	€110,017	4.8%	92.3%	24.4%
Rental income and loans	€241,152	10.5%	-1.2%	-0.4%
Others	€0	0.0%	-	-
Total Earned Revenues	€2,297,172	100.0%	149.2%	35.6%

Table B.2.6

Raw data of charitable revenues by category

	2021	2022	2023	2024
Individuals	€46,700	€102,566	€77,933	€40,177
Private Funds from companies	€292,981	€397,567	€304,481	€675,170
Private Funds for the arts	€0	€0	€0	€0
Charity Lotteries	€597,586	€554,398	€511,995	€716,649
Total Charitable Revenues	€937,267	€1,054,531	€894,410	€1,431,997

Table B.2.7

Mean, common-size analysis, total growth, and CAGR of charitable revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Individuals	€66,844	6.2%	-14.0%	-4.9%
Private Funds from companies	€417,550	38.7%	130.4%	32.1%

Private Funds for the arts	€0	0.0%	-	-
Charity Lotteries	€595,157	55.1%	19.9%	6.2%
Total Charitable Revenues	€1,079,551	100.0%	52.8%	15.2%

Table B.2.8

Raw data of grants revenues by category

	2021	2022	2023	2024
Structural OCW	€269,627	€0	€70,328	€326,899
Structural Municipality	€3,339,018	€4,296,379	€4,451,379	€4,758,379
Structural Province	€1,165,000	€1,184,400	€1,283,300	€1,344,300
Other Funds	€0	€0	€0	€0
Incidental	-€120,872	€398,372	€1,004,792	€5,000
Total Grants Revenues	€4,652,773	€5,879,151	€6,809,799	€6,434,578

Table B.2.9

Mean, common-size analysis, total growth, and CAGR of grants revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Structural OCW	€166,714	2.7%	21.2%	6.6%
Structural Municipality	€4,211,289	69.1%	42.5%	12.5%
Structural Province	€1,244,250	20.4%	15.4%	4.9%
Other Funds	€0	0.0%	-	-
Incidental	€469,388	7.7%	-104.1%	-134.6%

Total Grants Revenues	€6,091,640	100.0%	38.3%	11.4%

Table B.2.10

Raw data of expenses by category

	2021	2022	2023	2024
Personnel Expenses	€3,947,873	€4,154,195	€4,424,577	€4,253,971
Direct Expenses	€4,133,883	€2,305,062	€3,297,192	€2,134,374
Housing Expenses	€1,622,984	€1,718,185	€2,328,422	€1,972,882
Depreciation	€262,542	€254,518	€261,006	€242,605
Operating Expenses	€1,065,391	€899,245	€963,905	€1,533,326
Total Expenses	€11,032,673	€9,331,205	€11,275,102	€10,137,158

Table B.2.11

Mean, common-size analysis, total growth, and CAGR of expenses by category

	Mean	Common-size analysis	Total growth	CAGR
Personnel Expenses	€4,195,154	40.2%	7.8%	2.5%
Direct Expenses	€2,967,628	28.4%	-48.4%	-19.8%
Housing Expenses	€1,910,618	18.3%	21.6%	6.7%
Depreciation	€255,168	2.4%	-7.6%	-2.6%
Operating Expenses	€1,115,467	10.7%	43.9%	12.9%
Total Expenses	€10,444,035	100.0%	-8.1%	-2.8%

Table B.2.12

Ratios of expenses categories to total revenues

	2021	2022	2023	2024	Mean
Direct Costs	0.4	0.2	0.3	0.2	0.3

Other Administrative Costs	0.3	0.3	0.3	0.4	0.3
Personnel Costs	0.4	0.4	0.4	0.4	0.4

Note. Housing costs, depreciation, and operational expenses are grouped under “Other administrative costs.”

Table B.2.13

Raw data, mean, and common-size analysis of assets and liabilities by category

	2021	2022	2023	2024	Mean	Common-size analysis
Current Assets	€4,083,157	€4,534,783	€2,203,556	€3,732,917	€3,638,603	69.1%
Fixed Assets	€1,695,150	€1,773,234	€1,636,874	€1,418,276	€1,630,884	30.9%
Current Liabilities	€4,431,026	€5,613,227	€2,694,786	€3,559,602	€3,955,872	-
Other Liabilities	€1,138,736	€965,329	€1,483,837	€1,597,315	€1,348,827	-
Net Assets	€208,545	-€270,539	-€338,194	-€5,724	-€204,819	-
Total Assets	€5,778,307	€6,308,017	€3,840,430	€5,151,193	€5,269,487	100.0%
Total Liabilities	€5,778,307	€6,308,017	€3,840,430	€5,151,193	€5,269,487	-
Total Debts	€0	€0	€0	€0	€0	-

Note. In 2020, Van Gogh’s painting “Spit Garden” was stolen from the Singer Laren museum while on loan from the Goninger museum. In 2021 insurance payment (€2,500,000) was confirmed. The assets were not influenced as the amount was passed on to the Stichting Kunstbezit en Oudheden Groninger Museum.

Table B.2.14

Raw data, mean, and common-size analysis of net assets composition by category

	2021	2022	2023	2024	Mean	Common-size analysis
Past Reserves	-€156,449	€17,001	-€522,633	-€590,284	-€313,091	-308.5%
Profit Appropriation	€173,450	-€539,634	-€67,655	€332,466	-€25,343	-25.0%
Restricted and Designated Reserves	€191,544	€252,094	€252,091	€252,094	€236,956	233.5%
Total Net Assets	€208,545	-€270,539	-€338,197	-€5,724	-€101,479	100.0%

Note. To calculate the percentage composition of each item within net assets (when values can be both positive and negative) a method that maintains the original economic sign of each component is applied. The calculation preserves whether the contribution of each value is positive or negative. This allows for an accurate interpretation and visual representation of the net assets structure.

B.3 Tables Museum Catharijneconvent

Table B.3.1

Raw data on revenues and net surplus by category

	2021	2022	2023	2024
Earned Revenues	€727,827	€811,428	€1,129,986	€1,012,637
Charitable Revenues	€1,043,799	€2,118,587	€2,311,851	€1,786,332
Grants Revenues	€5,904,145	€5,707,044	€6,234,587	€6,287,113
Other Revenues	€6,283	€0	€0	€22,458
Total Revenues	€7,682,055	€8,637,059	€9,676,424	€9,108,540
Normalized Result	€21,620	€25,495	€14,301	€32,751

Net Surplus	€11,685	-€289,511	-€616,154	-€170,036

Note. The museums apply a normalization of the net surplus to offset the deficit. In the rest of the analysis, the normalized result is always considered, but the actual net surplus is reported here for completeness.

Table B.3.2

Mean, common-size analysis, total growth, and CAGR of revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Earned Revenues	€920,470	10.5%	39.1%	11.6%
Charitable Revenues	€1,815,142	20.7%	71.1%	19.6%
Grants Revenues	€6,033,222	68.7%	6.5%	2.1%
Other Revenues	€7,185	0.1%	257.4%	52.9%
Total Revenues	€8,776,020	100.0%	18.6%	5.8%
Normalized Result	€23,542	-	51.5%	14.8%
Net Surplus	-€266,004	-	-1555.2%	-344.1%

Table B.3.3

Ratios of revenues categories to total revenues

	2021	2022	2023	2024	Mean
Earned Revenues	0.1	0.1	0.1	0.1	0.1
Charitable Revenues	0.1	0.2	0.2	0.2	0.2
Grants Revenues	0.8	0.7	0.6	0.7	0.7
Other Revenues	0.0	0.0	0.0	0.0	0.0

Table B.3.4

Raw data of earned revenues by category

	2021	2022	2023	2024

Entrance fees	€443,687	€534,842	€728,116	€640,268
Sponsorships	€0	€0	€0	€0
Musuems activities	€9,555	€32,038	€57,515	€40,687
Revenue store and restaurants	€76,791	€90,680	€152,153	€150,913
Rental income and loans	€0	€0	€0	€0
Others	€197,794	€153,867	€192,203	€180,769
Total Earned Revenues	€727,827	€811,428	€1,129,986	€1,012,637

Table B.3.5

Mean, common-size analysis, total growth, and CAGR of earned revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Entrance fees	€586,728	63.7%	44.3%	13.0%
Sponsorships	€0	0.0%	-	-
Musuems activities	€34,949	3.8%	325.8%	62.1%
Revenue store and restaurants	€117,634	12.8%	96.5%	25.3%
Rental income and loans	€0	0.0%	-	-
Others	€181,158	19.7%	-8.6%	-3.0%
Total Earned Revenues	€920,470	100.0%	39.1%	11.6%

Table B.3.6

Raw data of charitable revenues by category

	2021	2022	2023	2024
Individuals	€351,873	€723,071	€585,248	€426,962

Private Funds from companies	€0	€0	€0	€0
Private Funds for the arts	€429,777	€661,848	€468,653	€451,098
Charity Lotteries	€262,149	€733,668	€1,257,950	€908,272
Total Charitable Revenues	€1,043,799	€2,118,587	€2,311,851	€1,786,332

Table B.3.7

Mean, common-size analysis, total growth, and CAGR of charitable revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Individuals	€521,789	28.7%	21.3%	6.7%
Private Funds from companies	€0	0.0%	-	-
Private Funds for the arts	€502,844	27.7%	5.0%	1.6%
Charity Lotteries	€790,510	43.6%	246.5%	51.3%
Total Charitable Revenues	€1,815,142	100.0%	71.1%	19.6%

Table B.3.8

Raw data of grants revenues by category

	2021	2022	2023	2024
Structural OCW	€4,650,781	€5,043,147	€5,868,568	€6,060,382
Structural Municipality	€0	€0	€0	€0
Structural Province	€0	€0	€0	€0
Other Funds	€277,528	€187,258	€267,783	€166,320

Incidental	€975,836	€476,639	€98,236	€60,411
Total Grants Revenues	€5,904,145	€5,707,044	€6,234,587	€6,287,113

Table B.3.9

Mean, common-size analysis, total growth, and CAGR of grants revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Structural OCW	€5,405,720	89.6%	30.3%	9.2%
Structural Municipality	€0	0.0%	-	-
Structural Province	€0	0.0%	-	-
Other Funds	€224,722	3.7%	-40.1%	-15.7%
Incidental	€402,781	6.7%	-93.8%	-60.4%
Total Grants Revenues	€6,033,222	100.0%	6.5%	2.1%

Table B.3.10

Raw data of expenses by category

	2021	2022	2023	2024
Personnel Expenses	€4,007,855	€4,678,594	€5,231,409	€4,838,486
Direct Expenses	€957,748	€1,033,254	€1,629,908	€1,392,321
Housing Expenses	€924,745	€919,147	€1,208,976	€1,035,373
Depreciation	€261,693	€277,373	€293,042	€304,176
Operating Expenses	€1,487,520	€1,954,339	€2,205,066	€2,065,450
Total Expenses	€7,639,561	€8,862,707	€10,568,401	€9,635,806

Table B.3.11

Mean, common-size analysis, total growth, and CAGR of expenses by category

	Mean	Common-size analysis	Total growth	CAGR
Personnel Expenses	€4,689,086	51.1%	20.7%	6.5%
Direct Expenses	€1,253,308	13.7%	45.4%	13.3%
Housing Expenses	€1,022,060	11.1%	12.0%	3.8%
Depreciation	€284,071	3.1%	16.2%	5.1%
Operating Expenses	€1,928,094	21.0%	38.9%	11.6%
Total Expenses	€9,176,619	100.0%	26.1%	8.0%

Table B.3.12

Ratios of expenses categories to total revenues

	2021	2022	2023	2024	Mean
Direct Costs	0.1	0.1	0.2	0.1	0.1
Other Administrative Costs	0.4	0.4	0.4	0.4	0.4
Personnel Costs	0.5	0.5	0.5	0.5	0.5

Note. Housing costs, depreciation, and operational expenses are grouped under “Other administrative costs.”

Table B.3.13

Raw data, mean, and common-size analysis of assets and liabilities by category

	2021	2022	2023	2024	Mean	Common-size analysis
Current Assets	€4,083,157	€4,534,783	€2,203,556	€3,732,917	€3,638,603	69.1%
Fixed Assets	€1,695,150	€1,773,234	€1,636,874	€1,418,276	€1,630,884	30.9%
Current Liabilities	€4,431,026	€5,613,227	€2,694,786	€3,559,602	€3,955,872	-
Other Liabilities	€1,138,736	€965,329	€1,483,837	€1,597,315	€1,348,827	-

Net Assets	€208,545	-€270,539	-€338,194	-€5,724	-€204,819	-
Total Assets	€5,778,307	€6,308,017	€3,840,430	€5,151,193	€5,269,487	100.0%
Total Liabilities	€5,778,307	€6,308,017	€3,840,430	€5,151,193	€5,269,487	-
Total Debts	€0	€0	€0	€0	€0	-

Table B.3.14

Raw data, mean, and common-size analysis of net assets composition by category

	2021	2022	2023	2024	Mean	Common-size analysis
Past Reserves	€607,447	€629,066	€654,561	€668,861	€639,984	26.6%
Profit Appropriation	€21,620	€25,495	€14,301	€32,751	€23,542	1.0%
Restricted and Designated Reserves	€2,375,004	€2,059,998	€1,389,093	€1,159,306	€1,745,850	72.5%
Total Net Assets	€3,004,070	€2,714,559	€2,057,955	€1,860,919	€2,409,376	100.0%

Note. To calculate the percentage composition of each item within net assets (when values can be both positive and negative) a method that maintains the original economic sign of each component is applied. The calculation preserves whether the contribution of each value is positive or negative. This allows for an accurate interpretation and visual representation of the net assets structure.

B.4 Tables Zeeuws Museum

Table B.4.1

Raw data on revenues and net surplus by category

	2021	2022	2023	2024
Earned Revenues	€115,196	€290,454	€391,431	€418,378

Charitable Revenues	€39,295	€10,939	€409,743	€205,429
Grants Revenues	€2,736,274	€2,784,942	€3,024,606	€3,218,243
Other Revenues	€77,449	€190,660	€64,135	€46,975
Total Revenues	€2,968,215	€3,276,995	€3,889,915	€3,889,024
Net Surplus	€27,510	€154,404	-€33,227	€64,123

Table B.4.2

Mean, common-size analysis, total growth, and CAGR of revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Earned Revenues	€303,865	8.7%	263.2%	53.7%
Charitable Revenues	€166,352	4.7%	422.8%	73.6%
Grants Revenues	€2,941,016	83.9%	17.6%	5.6%
Other Revenues	€94,805	2.7%	-39.3%	-15.4%
Total Revenues	€3,506,037	100.0%	31.0%	9.4%
Net Surplus	€53,203	-	133.1%	32.6%

Table B.4.3

Ratios of revenues categories to total revenues

	2021	2022	2023	2024	Mean
Earned Revenues	0.0	0.1	0.1	0.1	0.1
Charitable Revenues	0.0	0.0	0.1	0.1	0.0
Grants Revenues	0.9	0.8	0.8	0.8	0.8
Other Revenues	0.0	0.1	0.0	0.0	0.0

Table B.4.4

Raw data of earned revenues by category

	2021	2022	2023	2024
Entrance fees	€91,382	€219,815	€306,347	€336,710
Sponsorships	€0	€0	€0	€0
Musuems activities	€1,628	€24,805	€16,385	€15,525
Revenue store and restaurants	€22,186	€135,162	€68,699	€66,143
Rental income and loans	€0	€0	€0	€0
Others	€0	€0	€0	€0
Total Earned Revenues	€115,196	€379,782	€391,431	€418,378

Table B.4.5

Mean, common-size analysis, total growth, and CAGR of earned revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Entrance fees	€238,564	73.1%	268.5%	54.5%
Sponsorships	€0	0.0%	-	-
Musuems activities	€14,586	4.5%	853.6%	112.1%
Revenue store and restaurants	€73,048	22.4%	198.1%	43.9%
Rental income and loans	€0	0.0%	-	-
Others	€0	0.0%	-	-
Total Earned Revenues	€326,197	100.0%	263.2%	53.7%

Table B.4.6

Raw data of charitable revenues by category

	2021	2022	2023	2024
Individuals	€10,045	€4,439	€14,432	€4,931

Private Funds from companies	€7,500	€6,500	€6,000	€6,000
Private Funds for the arts	€17,500	€0	€0	€13,053
Charity Lotteries	€4,250	€0	€389,311	€181,445
Total Charitable Revenues	€39,295	€10,939	€409,743	€205,429

Table B.4.7

Mean, common-size analysis, total growth, and CAGR of charitable revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Individuals	€8,462	5.1%	-50.9%	-21.1%
Private Funds from companies	€6,500	3.9%	-20.0%	-7.2%
Private Funds for the arts	€7,638	4.6%	-25.4%	-9.3%
Charity Lotteries	€143,752	86.4%	4169.3%	249.5%
Total Charitable Revenues	€166,352	100.0%	422.8%	73.6%

Table B.4.8

Raw data of grants revenues by category

	2021	2022	2023	2024
Structural OCW	€0	€0	€0	€0
Structural Municipality	€198,956	€198,956	€204,825	€211,585
Structural Province	€2,352,928	€2,455,376	€2,630,450	€2,753,634
Other Funds	€86,197	€28,307	€189,331	€253,024

Incidental	€98,193	€102,303	€0	€0
Total Grants Revenues	€2,736,274	€2,784,942	€3,024,606	€3,218,243

Table B.4.9

Mean, common-size analysis, total growth, and CAGR of grants revenues by category

	Mean	Common-size analysis	Total growth	CAGR
Structural OCW	€0	0.0%	-	-
Structural Municipality	€203,581	6.9%	6.3%	2.1%
Structural Province	€2,548,097	86.6%	17.0%	5.4%
Other Funds	€139,215	4.7%	193.5%	43.2%
Incidental	€50,124	1.7%	-100.0%	-100.0%
Total Grants Revenues	€2,941,016	100.0%	17.6%	5.6%

Table B.4.10

Raw data of expenses by category

	2021	2022	2023	2024
Personnel Expenses	€1,584,492	€1,734,673	€2,121,145	€2,197,772
Direct Expenses	€305,902	€313,497	€835,017	€609,686
Housing Expenses	€650,030	€688,057	€652,421	€709,776
Depreciation	€109,217	€55,168	€30,162	€35,413
Operating Expenses	€278,766	€320,575	€316,081	€325,368
Total Expenses	€2,928,407	€3,111,970	€3,954,826	€3,878,015

Table B.4.11

Mean, common-size analysis, total growth, and CAGR of expenses by category

	Mean	Common-size analysis	Total growth	CAGR
Personnel Expenses	€1,909,521	55.1%	38.7%	11.5%
Direct Expenses	€516,026	14.9%	99.3%	25.8%
Housing Expenses	€675,071	19.5%	9.2%	3.0%
Depreciation	€57,490	1.7%	-67.6%	-31.3%
Operating Expenses	€310,198	8.9%	16.7%	5.3%
Total Expenses	€3,468,305	100.0%	32.4%	9.8%

Table B.4.12

Ratios of expenses categories to total revenues

	2021	2022	2023	2024	Mean
Direct Costs	0.1	0.1	0.3	0.2	0.2
Other Administrative Costs	0.4	0.3	0.5	0.3	0.4
Personnel Costs	0.5	0.6	0.3	0.6	0.5

Note. Housing costs, depreciation, and operational expenses are grouped under “Other administrative costs.”

Table B.4.13

Raw data, mean, and common-size analysis of assets and liabilities by category

	2021	2022	2023	2024	Mean	Common-size analysis
Current Assets	€3,377,140	€3,913,142	€3,880,741	€4,171,831	€3,835,714	95.5%
Fixed Assets	€164,528	€153,866	€189,008	€212,517	€179,980	4.5%
Current Liabilities	€707,022	€1,048,894	€1,724,269	€950,308	€1,107,623	27.6%
Other Liabilities	€140,271	€169,337	€387,294	€491,950	€297,213	7.4%

Net Assets	€2,694,374	€2,848,777	€1,958,186	€2,942,088	€2,610,856	65.0%
Total Assets	€3,541,667	€4,067,009	€4,069,749	€4,384,348	€4,015,693	100.0%
Total Liabilities	€3,541,667	€4,067,009	€4,069,749	€4,384,348	€4,015,693	100.0%
Total Debts	€0	€0	€0	€0	€0	-

Note. The financial statements for 2021, 2022, and 2023 contain an accounting error. The Friends Lottery contribution (€919,870) was recorded as a liability in both 2021 and 2022, before being corrected in 2023. For the purpose of this analysis, the author chose to present the data as if the error had not occurred. This involved adjusting net assets and current liabilities for the years 2021 to 2023.

Table B.4.14

Raw data, mean, and common-size analysis of net assets composition by category

	2021	2022	2023	2024	Mean	Common-size analysis
Past Reserves	€1,129,173	€974,455	€1,079,366	€1,131,029	€1,078,506	41.3%
Profit Appropriation	€27,510	€154,404	€33,227	€64,123	€69,816	2.7%
Restricted and Designated Reserves	€1,537,691	€1,719,918	€845,593	€1,746,936	€1,462,535	56.0%
Total Net Assets	€2,694,374	€2,848,777	€1,958,186	€2,942,088	€2,610,856	100.0%

Note. To calculate the percentage composition of each item within net assets (when values can be both positive and negative) a method that maintains the original economic sign of each component is applied. The calculation preserves whether the contribution of each value is positive or negative. This allows for an accurate interpretation and visual representation of the net assets structure.

B.5 Comparative tables of the case studies

Table B.5.1

Diversification level index of the museums

	2021	2022	2023	2024	Mean
WR	0.9	0.8	0.8	0.8	0.8
GM	0.4	0.5	0.5	0.5	0.4
CC	0.6	0.5	0.5	0.5	0.5
ZM	0.9	0.7	0.6	0.7	0.7

Note. In 2020, Van Gogh's painting "Spit Garden" was stolen from the Singer Laren museum while on loan from the Goninger museum. In 2021 insurance payment (€2,500,000) was confirmed. This impacts the revenue composition, which results in more diversified (mean index 0.5 instead of 0.4).

Table B.5.2

Efficiency ratio and profit margin of the museums

		2021	2022	2023	2024	Mean
WR	Efficiency ratio	91.2%	105.7%	99.1%	97.8%	98.4%
	Profit	8.8%	-5.7%	0.9%	2.2%	1.6%
GM	Efficiency ratio	120.5%	105.0%	100.3%	96.4%	105.6%
	Profit	-20.5%	-5.0%	-0.3%	3.6%	-5.6%
CC	Efficiency ratio	99.4%	102.6%	109.2%	105.8%	104.3%
	Profit	0.6%	-2.6%	-9.2%	-5.8%	-4.3%
ZM	Efficiency ratio	98.7%	95.0%	101.7%	99.7%	98.8%
	Profit	1.3%	5.0%	-1.7%	0.3%	1.2%

Note. The efficiency ratio is the result of total operating expenses divided by total revenues, while the profit margin is equal to 100% minus the efficiency ratio.

Table B.5.3

Liquidity measures: Current ratio and working capital ratio

		2021	2022	2023	2024	Mean
WR	Current ratio	3.6	2.5	3.1	4.7	3.4

	Working capital ratio	41.4%	41.6%	53.9%	67.7%	51.1%
GM	Current ratio	0.9	0.8	0.8	1.0	0.9
	Working capital ratio	-6.0%	-17.1%	-12.8%	3.4%	-8.1%
CC	Current ratio	3.6	3.8	4.4	6.7	4.6
	Working capital ratio	62.8%	65.5%	69.1%	76.8%	68.6%
ZM	Current ratio	4.8	3.7	2.3	4.4	3.8
	Working capital ratio	75.4%	70.4%	53.0%	73.5%	68.1%

Note. The current ratio is calculated by dividing current assets by current liabilities, while the working capital ratio is is the result of dividing working capital by total assets.

Table B.5.4

Solvency measure: Equity ratio

	2021	2022	2023	2024	Mean
WR	0.8	0.7	0.7	0.8	0.8
GM	0.0	0.0	-0.1	0.0	0.0
CC	0.3	0.2	0.2	0.1	0.2
ZM	0.8	0.7	0.5	0.7	0.7

Note. The equity ratio is calculated by dividing net assets by total assets.

Table B.5.5

Margin measure: Net surplus ratio

	2021	2022	2023	2024	Mean
WR	5.1%	-4.5%	4.9%	3.2%	2.2%
GM	-20.9%	-5.4%	-0.6%	3.2%	-5.9%
CC	0.3%	0.3%	0.1%	0.4%	0.3%
ZM	0.9%	4.7%	-0.9%	1.6%	1.6%

Note. The net surplus ratio is calculated by dividing net surplus by total revenues. For the Catharijneconvent Museum, the normalized results were considered in the analysis.

Table B.5.6

Profitability measure: ROA

	2021	2022	2023	2024	Mean	Total growth	CAGR
WR	9.4%	-9.8%	10.2%	6.7%	4.1%	-28.6%	-10.6%
GM	-919.1%	177.1%	20.0%	-5808.3%	-1632.6%	531.9%	84.9%
CC	0.7%	0.9%	0.7%	1.8%	1.0%	144.5%	34.7%
ZM	1.0%	5.4%	-1.7%	2.2%	1.7%	113.5%	28.8%

Note. The ROA (Return on Assets) is calculated by dividing net surplus by net assets.

Table B.5.7

Real growth of ROA adjusted to inflation

	2021	2022	2023	2024	Mean (2022–2024)
Inflation rate	2.70%	10%	3.80%	3.30%	5.70%
WR	-	-194.7%	-200.2%	-36.2%	-143.7%
GM	-	-117.5%	-89.1%	-28206.9%	-9471.2%
CC	-	-99.9%	-100.0%	-99.9%	-99.9%
ZM	-	382.6%	-130.2%	-224.3%	9.4%

Note. Real percentage growth is calculated by first determining the nominal growth rate between two years and then adjusting it to remove the effect of inflation. Source for inflation rate: CBS (2025a).

Table B.5.8

Variance of revenues of Wereldmuseum Rotterdam and Groninger Museum

	Wereldmuseum Rotterdam		Groninger Museum	
	Standard deviation	Coefficient of variation	Standard deviation	Coefficient of variation

Earned Revenues	€210,937	31.8%	€907,604	39.5%
Charitable Revenues	€4,970	28.1%	€211,758	19.6%
Grants Revenues	€341,505	6.0%	€815,743	13.7%
Other Revenues	€6,459	7.1%	€1,082,532	173.2%
Total Revenues	€541,140	8.3%	€967,896	9.7%

Table B.5.9

Variance of revenues of Museum Catharijneconvent and Zeeuws Museum

	Museum Catharijneconvent		Zeeuws Museum	
	Standard deviation	Coefficient of variation	Standard deviation	Coefficient of variation
Earned Revenues	€159,211	17.3%	€118,908	39.1%
Charitable Revenues	€483,373	26.6%	€158,952	95.6%
Grants Revenues	€238,779	4.0%	€193,727	6.6%
Other Revenues	€9,183	127.8%	€56,387	59.5%
Total Revenues	€730,987	8.3%	€398,671	11.4%

Table B.5.10

Ratio of profit appropriation to net surplus of the museums

	2021	2022	2023	2024	Mean
WR	-135.4%	199.3%	-95.7%	1.2%	-7.6%
GM	-9.0%	112.6%	100.0%	100.0%	75.9%
CC	100.0%	100.0%	100.0%	100.0%	100.0%
ZM	100.0%	100.0%	-100.0%	100.0%	50.0%

Table B.5.11

Log-normalized revenues of the museums

		2021	2022	2023	2024	Mean
WR	Earned Revenues	6.33	15.27	19.95	22.54	16.02

	Charitable Revenues	0.65	0.07	0.20	0.26	0.29
	Grants Revenues	64.19	67.82	75.65	86.05	73.43
	Other Revenues	3.54	3.34	3.70	4.04	3.66
	Total Revenues	34.21	39.47	45.41	51.72	42.70
	Net Surplus	98.44	72.68	99.73	95.48	91.58
GM	Earned Revenues	27.69	53.67	100.00	74.03	63.85
	Charitable Revenues	40.26	45.36	38.40	61.76	46.44
	Grants Revenues	47.05	77.15	100.00	90.79	78.75
	Other Revenues	100.00	0.00	0.00	0.00	25.00
	Total Revenues	74.78	71.53	100.00	91.23	84.39
	Net Surplus	0.00	63.92	82.21	100.00	61.53
CC	Earned Revenues	17.93	20.37	29.69	26.26	23.56
	Charitable Revenues	44.89	91.60	100.00	77.16	78.41
	Grants Revenues	77.99	73.20	86.02	87.30	81.13
	Other Revenues	0.25	0.00	0.00	0.90	0.29
	Total Revenues	57.01	68.56	81.13	74.26	70.24
	Normalized result	86.18	86.35	85.85	86.67	86.27
ZM	Earned Revenues	0.00	5.13	8.08	8.87	5.52
	Charitable Revenues	1.23	0.00	17.33	8.45	6.75
	Grants Revenues	0.00	1.19	7.08	11.83	5.03
	Other Revenues	3.10	7.63	2.57	1.88	3.79
	Total Revenues	0.00	3.73	11.15	11.14	6.50
	Net Surplus	86.44	92.08	83.74	88.07	87.58

Note. Normalization was done by identifying the minimum and maximum values for each category over a four-year period and rescaling the data accordingly. Therefore, comparisons are valid only within the same category and not across different asset types.

Table B.5.12

Log-normalized expenses of the museums

		2021	2022	2023	2024	Mean
WR	Personnel Expenses	23.04	28.60	35.15	41.49	32.07
	Direct Expenses	0.00	16.19	8.65	19.86	11.17
	Housing Expenses	65.42	93.35	87.30	74.18	80.06
	Operating Expenses	100.00	97.29	99.58	82.83	94.93
	Depreciation	7.82	8.67	20.23	22.25	14.74
	Total Expenses	28.22	43.82	44.75	49.78	41.64
GM	Personnel Expenses	64.80	70.46	77.88	73.20	71.59
	Direct Expenses	100.00	52.56	78.30	48.14	69.75
	Housing Expenses	57.97	63.64	100.00	78.82	75.11
	Operating Expenses	62.29	60.14	61.88	56.95	60.31
	Depreciation	40.84	32.21	35.57	65.13	43.44
	Total Expenses	97.10	76.71	100.00	86.37	90.04
CC	Personnel Expenses	66.45	84.84	100.00	89.23	85.13
	Direct Expenses	17.62	19.58	35.05	28.89	25.28
	Housing Expenses	16.37	16.03	33.30	22.96	22.17
	Operating Expenses	62.06	66.26	70.46	73.45	68.06
	Depreciation	62.75	86.98	100.00	92.75	85.62
	Total Expenses	56.44	71.10	91.53	80.36	74.86
ZM	Personnel Expenses	0.00	4.12	14.72	16.82	8.91
	Direct Expenses	0.71	0.91	14.43	8.59	6.16
	Housing Expenses	0.00	2.27	0.14	3.56	1.49
	Operating Expenses	21.19	6.70	0.00	1.41	7.33
	Depreciation	0.00	2.17	1.94	2.42	1.63
	Total Expenses	0.00	2.20	12.30	11.38	6.47

Note. Normalization was done by identifying the minimum and maximum values for each category over a four-year period and rescaling the data accordingly. Therefore, comparisons are valid only within the same category and not across different asset types.

B.6 Growth of revenues and expenses in the case studies

Table B.6.1

Dynamic growth index of revenues and net surplus year-over-year

		2021	2022	2023	2024
WR	Earned Revenues	-	192	125	111
	Charitable Revenues	-	48	124	110
	Grants Revenues	-	103	106	107
	Other Revenues	-	94	111	109
	Total Revenues	-	108	108	108
	Net Surplus	-	(95)	(116)	71
GM	Earned Revenues	-	184	181	75
	Charitable Revenues	-	113	85	160
	Grants Revenues	-	126	116	94
	Other Revenues	-	0	-	-
	Total Revenues	-	97	126	94
	Net Surplus	-	25	14	(491)
CC	Earned Revenues	-	111	139	90
	Charitable Revenues	-	203	109	77
	Grants Revenues	-	97	109	101
	Other Revenues	-	0	0	0
	Total Revenues	-	112	112	94
	Normalized result	-	118	56	229
ZM	Earned Revenues	-	252	135	107
	Charitable Revenues	-	28	3,746	50
	Grants Revenues	-	102	109	106
	Other Revenues	-	246	34	73
	Total Revenues	-	110	119	100
	Net Surplus	-	561	(22)	(193)

Note. A moving-base index is used to highlight year-to-year changes, setting each year as the baseline (index 100) to compare the following year. This approach is preferred over

fixed-base comparisons, especially since 2021 was atypical due to COVID-19, and overall trends are already reflected in total and average growth.

Table B.6.2

Dynamic growth index of expenses year-over-year

		2021	2022	2023	2024
WR	Direct Costs	-	324	68	171
	Other Administrative Costs	-	118	104	92
	Personnel Costs	-	108	109	108
	Total Operating Expenses	-	125	101	106
GM	Direct Costs	-	143	143	65
	Other Administrative Costs	-	97	124	106
	Personnel Costs	-	105	107	96
	Total Operating Expenses	-	85	121	90
CC	Direct Costs	-	108	158	85
	Other Administrative Costs	-	118	118	92
	Personnel Costs	-	117	112	92
	Total Operating Expenses	-	116	119	91
ZM	Direct Costs		102	266	73
	Other Administrative Costs	-	102	94	107
	Personnel Costs	-	109	122	104
	Total Operating Expenses	-	106	127	98

Note. A moving-base index is used to highlight year-to-year changes, setting each year as the baseline (index 100) to compare the following year. This approach is preferred over fixed-base comparisons, especially since 2021 was atypical due to COVID-19, and overall trends are already reflected in total and average growth.

Tabel B.6.3

Real growth of revenues and net surplus adjusted to inflation

		2021	2022	2023	2024	Mean (2021–2024)
Inflation rate		2.70%	10%	3.80%	3.30%	5.70%
WR	Earned Revenues	-	74.7%	20.5%	7.5%	34.3%
	Charitable Revenues	-	-56.0%	19.5%	6.3%	-10.1%
	Grants Revenues	-	-6.6%	1.9%	3.9%	-0.3%
	Other Revenues	-	-14.1%	6.7%	5.8%	-0.5%
	Total Revenues	-	-2.3%	3.9%	4.3%	2.0%
	Net Surplus	-	-186.2%	-211.6%	-31.6%	-143.1%
GM	Earned Revenues	-	66.9%	74.6%	-27.5%	38.0%
	Charitable Revenues	-	2.3%	-18.3%	55.0%	13.0%
	Grants Revenues	-	14.9%	11.6%	-8.5%	6.0%
	Other Revenues	-	-100.0%	-	-	-
	Total Revenues	-	-11.8%	21.9%	-9.4%	0.2%
	Net Surplus	-	-77.3%	-86.4%	-575.7%	-246.5%
CC	Earned Revenues	-	1.4%	34.2%	-13.2%	7.4%
	Charitable Revenues	-	84.5%	5.1%	-25.2%	21.5%
	Grants Revenues	-	-12.1%	5.2%	-2.4%	-3.1%
	Other Revenues	-	-100.0%	-	-	-
	Total Revenues	-	2.2%	7.9%	-8.9%	0.4%
	Normalized result	-	7.2%	-46.0%	121.7%	27.6%

ZM	Earned Revenues	-	129.2%	29.8%	3.5%	54.2%
	Charitable Revenues	-	-74.7%	3508.6%	-51.5%	1127.5%
	Grants Revenues	-	-7.5%	4.6%	3.0%	0.1%
	Other Revenues	-	123.8%	-67.6%	-29.1%	9.0%
	Total Revenues	-	0.4%	14.4%	-3.2%	3.8%
	Net Surplus	-	410.2%	-120.7%	-286.8%	0.9%

Note. Real percentage growth is calculated by first determining the nominal growth rate between two years and then adjusting it to remove the effect of inflation. Source for inflation rate: CBS (2025a).

Tabel B.6.4

Real growth of expenses adjusted to inflation

		2021	2022	2023	2024	Mean (2021–2024)
Inflation rate		2.70%	10%	3.80%	3.30%	5.70%
WR	Personnel Costs	-	-1.5%	5.1%	4.6%	2.7%
	Direct Costs	-	194.6%	-34.7%	65.2%	75.0%
	Housing Costs	-	15.3%	-8.1%	-13.3%	-2.0%
	Despreciation	-	-11.4%	-1.6%	-18.2%	-10.4%
	Operating Costs	-	-5.6%	44.5%	2.4%	13.8%
	Total Expenses	-	13.3%	-2.5%	2.9%	4.6%
GM	Personnel Costs	-	-4.3%	2.6%	-6.9%	-2.9%
	Direct Costs	-	-49.3%	37.8%	-37.3%	-16.3%
	Housing Costs	-	-3.8%	30.6%	-18.0%	2.9%
	Despreciation	-	-11.9%	-1.2%	-10.0%	-7.7%
	Operating Costs	-	-23.3%	3.3%	54.0%	11.3%
	Total Expenses	-	-23.1%	16.4%	-13.0%	-6.6%
CC	Personnel Costs	-	6.1%	7.7%	-10.5%	1.1%
	Direct Costs	-	-1.9%	52.0%	-17.3%	10.9%

	Housing Costs	-	-9.6%	26.7%	-17.1%	0.0%
	Despreciation	-	-3.6%	1.8%	0.5%	-0.5%
	Operating Costs	-	19.4%	8.7%	-9.3%	6.3%
	Total Expenses	-	5.5%	14.9%	-11.7%	2.9%
ZM	Personnel Costs	-	-0.5%	17.8%	0.3%	5.9%
	Direct Costs	-	-6.8%	156.6%	-29.3%	40.2%
	Housing Costs	-	-3.8%	-8.7%	5.3%	-2.4%
	Despreciation	-	-54.1%	-47.3%	13.7%	-29.2%
	Operating Costs	-	4.5%	-5.0%	-0.4%	-0.3%
	Total Expenses	-	-3.4%	22.4%	-5.1%	4.7%

Note. Real percentage growth is calculated by first determining the nominal growth rate between two years and then adjusting it to remove the effect of inflation. Source for inflation rate: CBS (2025a).

C. Qualitative method appendix

C.1 Provisional coding list

Themes	Theoretical concept	Sub-themes	Provisional coding
Priorities in decision making	Organizational strategy	Relationship between organizational and financial strategy	Organizational strategy vs financial strategy
	---	---	---
	Social impact, financial sustainability, artistic, economic logics (Wacht, 1984; Bourdieu, 1996)	Resource allocation strategies	Priorities: Social-educational mission vs artistic research vs financial sustainability
Financial considerations	Financial health (Bowman, 2011; Park, Shon, & Lu, 2021)	Financial health definition and strategies	Financial health definition
		Resource acquisition strategies	Current financial strategies
	Nonprofit financial management literature [a]		Future financial strategies
	---	---	---
	Benefit theory (Young, 2007)	Revenue composition reasoning	Considerations in shaping resource's structure
	---	---	---
		Legitimacy	

	Financial proverbs (Mitchell & Calabrese, 2019)		Resources vs programming Unpopular financial decisions pressure
External influence	Dutch cultural policy system Stakeholder management (Froelich, 1999; de los Mozos, Duarte, & Ruiz, 2016) Isomorphism and legitimacy (DiMaggio & Powell, 1983) Nonprofit financial management literature [a]	• Government • Consumers • Donors	• Perception of future in cultural policy fundings • Strategies replying to potential government policy shift • Dependence on government • Dependence on customers • Dependence on donors

[a] Froelich (1999), Kingma (1993), Brooks (2000), Frumkin and Keating (2011), Hung and Hager (2019).

C.2 Semi-structured interview guide

INTRODUCTION

- Could you please share your past education, age, gender and where do you live?
- Could you please introduce your role at X museum? How long have you been working for the museum, and has your role changed over time?

PRIORITIES IN DECISION-MAKING

- At the end of each year, the museum defines a new budget for the upcoming year. Could you describe how this process is undertaken? Where do you start when formulating financial decisions?
- What are the main factors or criteria the museum considers when formulating its financial strategy?
- When it comes to deciding whether to invest in a specific project or initiative, what are the main criteria you consider?
- Which kind of arguments or concerns are most often challenged or questioned in strategic discussions? Which perspective shaped the final decision the most?

FINANCIAL DECISIONS

- FINANCIAL HEALTH
    - How would you define museums' financial health?
    - Which financial choices support its achievement?
    - What are the most important decisions and strategies you have made financially in the last few years? What led you to make those choices?
- RESOURCES AND EXPENSES
    - From your financial statements, I saw that your revenue comes from A, B, C and that A is the bigger component. To what extent can the museum decide how to structure its portfolio revenue? What led you to this status?
    - From your financial statement, I saw that your revenue/ expense structure changed in X way. Can you explain what led to this change?
- FINANCIAL CONSIDERATIONS
    - What revenue characteristics and considerations guide your decisions regarding the inclusion and proportional weight of specific revenue streams within your organization’s portfolio?
    - How do you approach diversification and concentration strategies?
- BENEFIT THEORY
    - Let’s delve into the relationship between revenue type and museums’ goods and services as they may influence each other.
    - Decisions about services and activities and the resources type to support them often influence each other. Would you say that in your organization, one tends to drive the other more strongly? For example, do programmatic

goals usually shape funding needs, or do available resources and funder expectations often shape what programs get delivered?

- LEGITIMACY
    - When you share your financial statement to potential donors and governmental bodies, do you think there are certain financial indicators that could be interpreted as signs of poor financial health? For example, literature identifies high debt and administrative expenses, accumulation of reserves or revenue concentration.

EXTERNAL INFLUENCE

- GOVERNMENT
    - What governmental regulations or policies most significantly influence your financial (e.g. tax incentives or reporting obligations) and programming decisions?
    - How do you perceive the evolution of public support for your organization, both in the past and looking ahead?
    - If public support were to change significantly, most likely to less support, how do you think your organization would respond?
        - How would you restructure your resource portfolio?
        - How might your resource allocation strategy be affected?
- CONSUMERS
    - Do you perceive any risks or tensions in fulfilling your mission when relying on earned income from customers? Or, on the contrary, do you see this as a form of support for your mission?
    - Are there specific financial decisions or adjustments in the programming that would be necessary to accommodate an increase in this type of revenue stream?
- DONORS
    - Do you perceive any risks or tensions in fulfilling your mission when depending on earned income from donations and patronage? Or, on the contrary, do you see this as a form of support for your mission?

- Are there specific financial decisions or adjustments in the programming that would be necessary to accommodate an increase in this type of revenue stream?

C.3 Final coding scheme

Code and sub-codes	Definition	Example quote
Strategy development	How the financial strategy is developed, including future cost/revenue considerations, roles and responsibilities, forecasting challenges, and links between organizational and financial strategy	“The annual plan leads to the budget. Let's say for the year”
Organizational structure and history	Team structure, history of the organization	“The new board just started in February, so we'll have to see how that works out in comparison to what we did earlier this year”
* Current financial strategies and approaches • Usual programming	Recent financial decisions, strategic approaches, museum programming	“When it comes to financial health, the most important part is having some means to cope with bad results or risks that show up”
* Past changes in revenue • Donatos • Earned • Government	Causes in growth of revenues in recent years	“We also received compensating extra subsidies from the government, so that was also part of the extra revenue but add extra cost as well”
* Past changes in expenses	Causes in growth of expenses in recent years	“Everything is getting more expensive. The salaries, energy, everything is more expensive”

Priorities • Social-educational mission • Artistic research • Audience focus • Financial sustainability	Priorities in programming and financial strategy development	“If you want to show something that's very relevant to society, but perhaps no visitors would come to see it because they're not interested. So, you have this discrepancy”
Challenges • Structure • Lowering costs • Rising - Earned revenues • Rising - Charitable revenues • Rising - Fund revenue	Challenges in increasing revenues and lowering expenses	“Sponsoring in Zeeland in the province is difficult because [...] there's not that many large companies in this area”
Government funding future • Future government funding perception • What if public funding is reduced	Considerations on government funding development	“And that's always a little bit exciting for us. Because you never know what's going to happen with political developments”
Dialogue • Government • Grants • Donors	Influence of funding sources: spending rules, legitimacy, and general requirements	“A lot of the times we have to defend, that we need this money as a buffer for periods like the COVID time”

* These codes and sub-codes served mainly quantitative analysis.