

7.3 Financial and economic management in the cultural sector

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This chapter presents an economic and financial management model specifically designed to develop artistic and cultural activities. The text includes the definition of objectives and the determination of revenue and expenditure, as well as the budgeting. The nature of the content is basically practical and gives recommendations for cultural managers without a deep knowledge on financial economics.

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1. Introduction

This chapter aims to discuss the characteristics of the economic and financial management of the cultural activity by using theoretical approaches and principles from the economic scope to respond to matters which determine the success of cultural initiatives:

- Which factors determine the economic behaviour of cultural agents?
- How are the financing mechanisms of the cultural activity? What are their characteristics?
- Which principles could be adopted to apply the budgets of cultural activities with principles of economic rationality, effectiveness, and efficiency?
- How could the economic contribution of the development of cultural programmes be measured and justified?

First, it is necessary to mention that not many economic and financial management models could be directly applied to the characteristics of the cultural activity. However, before detailing the specific management mechanisms presented later, some economic and theoretical approaches are reviewed to understand the characteristics of this activity.

The Economics of Culture is a theoretical body which is part of the economic science and uses logic models to explain the complex relationships produced in the management of artistic and cultural activities. Its main task is, on the one hand, to explain the behaviour of cultural agents, and on the other hand, to provide valid management mechanisms to optimise the administration of programmes in this scope. It is, however, a new discipline in which there are many matters without response, an object of academic debate.

Although this chapter is not aimed at providing an exhaustive review of the scientific development presented in this scope in recent decades, it is important to start by mentioning some given explanations, mainly specifying the aspects differentiating the practices of the economic and financial management in the culture industry. In this regard, it is necessary to start with the main differential factor, which comes from the own nature of the cultural activity and determines all the subsequent approaches: cultural objectives.

It is necessary, in this line, to mention that most of the economic and financial management models proposed arise from the assumption, not discussed in many cases, that the objective of the managed institution is the maximisation

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of the economic value. In such way, the financial management systems applied to firms try to optimise the value of members' participations by maximising the economic benefit. Although it is true that most cultural activities are developed by business organisations, this premise cannot be absolute. To a large extent, the cultural activity is managed with objectives not materialised in an economic objective, although the developed activity implied, in most cases, revenue and expenditure.

The characteristics of the economic and financial management of the cultural activity is not widely explained by the literature related to this scope. As Arjo Klamer, the first professor of Economics of Art and Culture, stated out, there is a classic disagreement among cultural economists, programmers, and managers which arises from the inability of economists to provide valid management mechanisms (Klamer 1995, p. 308).

Some economic models give signs of how cultural activities can organise their budgets and provide cost principles: How much should be expended in marketing? What is the maximum quantity for personnel expenses? The response to these questions is in advance complex, but to continue in this sense could provide pathways to understand why some organisations fail in the management of their cultural initiatives, as well as could be useful for managers to take decisions.

2. Economic and financial management model of the cultural activity

Definition of objectives: the model of the Rational Choice

The model of the Rational Choice is considered in many scopes as the most reliable tool to understand the characteristics of the expenditure management in the cultural activity. This approach tries to explain how people react in certain circumstances and what are the reasons of their reaction. The starting point of the model of the Rational Choice is that people try to maximise their usefulness and act according to the objectives focused on the satisfaction of such usefulness. The question lies, therefore, in the way in which the usefulness is defined or the benefit that the person expects to obtain with the development of the activity. As mentioned above, it is necessary to consider that the objectives articulated by the cultural management cannot always be expressed in money terms. It could be even added that, in many cases, and this is particularly true in the development of cultural activities, the activity developed has a negative impact on its financial position. The usefulness that "rewards" the action in these situations is linked to deeper objectives which are not based on the satisfaction of economic needs, but on personal fulfilment and self-fulfilment. If the management model does not consider this reality, it takes the risk of failing in the selection of the efficiency measure model, thus wrongly guiding the management decisions to be adopted. This does not imply, however, that an economic principle is not followed. As the model of the Rational Choice explains, the satisfaction of non-monetary usefulness is also an economic matter which could be addressed by a management model trying to facilitate the obtaining of all objectives.

Based on this premise, it is necessary to articulate another definition of the maximisation paradigm. The personal benefit could not therefore be considered in strictly monetary terms, and the economic benefit could even be considered as a burden for the satisfaction of actual objectives. This matter explains some measures not following a strictly economic criterion. In this sense, the traditional conflict among museum managers could be considered as paradigmatic, with respect to their competition to exhibit certain works of art. As Heilbrunn and Grey (1993) explained, large museums have many reserves in which objects hardly exposed are kept and could even be of greater quality than those exhibited in smaller museums. Would not be managers of these institutions delighted to have some of the museum's rejection, such as The Metropolitan? The problem based on the allocation of social resources is worsened by the fact that museum directors hardly have incentives to get rid of their legacy. This aspect

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could be well explained by considering the matter of the management objectives mentioned above. By applying a strictly economic principle, the reasoning suggested by Heilbun and Grey could be valid to guarantee the optimal distribution which maximises the revenues to be obtained by public museums together. Nevertheless, it is necessary to consider that the objective of museums is not just money, arising from the greatest revenues by selling possible tickets, but also the conservation and the study of the artistic heritage.

As the previous example shows, cultural management objectives are generally numerous, and in some cases, they are opposing. Anyway, what is important is that the objectives are explicit and appropriately communicated. It is also important that the definition of objectives considers those goals with a monetary nature. The articulation of objectives should necessarily be the starting point of the economic and financial management model to be applied.

Income estimation

In the organisation of a cultural event, one of the main financial matters to be addressed is the income estimation which will be obtained. It determines the reach of the initiative suggested and its economic and financial possibilities. In general terms, the possible sources of economic resources are three:

- Direct income from the publics' demand or from art buyers.
- Income from sponsorships or from private donations.
- Public financing by specific aids or by the call for official programmes.

The models provided by the Economics of Culture give tools to estimate the first of the matters, which is crucially important as it is the most uncertain. To anticipate the possible demand of the activity developed is particularly important as it allows budgets to be configured in a more realistic way. However, private donations or sponsorships could be known in advance, as well as public aids. Income from the demand are unknown until the moment in which the activity is offered. The risk implied for organisers is therefore much greater. To know how to anticipate it, as well as to adequately manage it, is one of the basic aspects of the management of cultural initiatives.

In this regard, the economic theory provides models to explain which factors determine the consumption of goods and cultural services. The willingness to pay could be understood from the concept of the price elasticity, which explains what happens when prices are increased or reduced.

The previous models are therefore very useful for managers to determine prices, one of the most delicate aspects of the economic and financial cultural management. So, if tickets for a certain show are reduced by 10%, and consequently there is 10% more of public, then the price elasticity is, in this case, equal to 1. If 10% additional is less sold, the demand is called inelastic. On the contrary, if a greater number of audiences is attracted by reducing the price, then an elastic demand situation takes place. It is difficult to say in advance how potential audiences or buyers will behave. However, it is important to know the demand. The previous experience in the organisation of events and cultural activities in a certain scope and in a specific geographic area provides starting data required to study and to determine the demand elasticity. The elasticity indicator is eminently practical as it allows to reasonably decide the price changes to be applied and to know how to anticipate the effect of the decisions to be adopted in this sense.

By having historic data on price and demand from the activity to be assessed, the elasticity calculation is simple and could be presented by the following formula:

$$(E_t) = \text{Variation in quantity demanded}_t / \text{Variation in income}_t$$

The elasticity (E) could be calculated in a certain period of time (t) by dividing the quantity demanded in the cultural service or good by the variation of income experimented in that period of time. The usefulness of the measure could be crucial to assess the price decision-making. If a certain activity has an elastic demand and it is necessary to motivate a greater audience, the price could be reduced as it will turn into a greater demand. On the contrary, if the demand is inelastic, the reduction would not be effective and could aggravate the financial situation of the activity by generating a reduction in income. The elasticity in culture is characterised by the nature of the activity developed and the quality perceived by the customer. To a large extent, it explains the price differences among various shows or among the work of artists with different recognition levels. The same approach could be applied to the decision of increasing prices. The elasticity calculation allows the effect of the decision on the potential income of the activity to be anticipated.

The econometric studies stated by the Economics of Culture analyse the elasticity indexes in different cultural activity sectors and provide reliable estimations to take decisions related to prices. In such way, tickets demand is, in general terms, inelastic. In various studies, estimations vary between 0.05 and 0.9, but are below 1 in most cases. In other cultural scopes, elasticity measurements have also been considered as similar results are obtained. For example, the influx of museums. As O'Hagan (1995) confirmed, price variations in this sector seemed to not significantly influence audience.

The previous data could make us to think that price variations in this type of cultural activities will not significantly influence the influx of audience according to the results obtained by studies like that conducted by Heilbrun and Gray (1993). As these authors explained, the inelastic nature of the ticket demand for cultural shows could be based on the lack of substitute "products". If the price of any good or service is increased, the natural tendency is to look for alternatives to meet the same need. However, this rational economic behaviour is not possible in the cultural sector as shows, exhibitions, and works of art are unique.

Nevertheless, this result could lead to the conclusion that the price increase is the only measure to increase income. Inelastic prices obviously have a limit which should be considered and measured, and the risk that substitute products emerge should always be considered. Film consumption through television or the replacement of feature films by the serial format could be an example of the emergence of unexpected substitutes, thus making a more elastic demand and increasing the susceptibility in consumer price. Works by Lévy-Garbova and Montmarquette (1996) could be useful to go more deeply into this aspect.

It is also necessary to consider that the general estimations of elasticity are developed for an industry in a global way. The recommendation in this case is to suggest own measures through the mechanisms explained above to obtain predictions closer to reality which provide a more reliable guide for the decision-making in relation to the cultural management.

A valid mechanism to know the demand elasticity could also be the obtaining of direct information on visitors, the public or buyers through assessment surveys or interviews to make a qualitative assessment of the value perceived (Ashworth and Johnson, 1996).

Alternative financing mechanisms

The development of projects in arts and culture requires the continuing search of useful resources to finance initiatives. In most cases, self-financing, grants and public programmes are the most used mechanisms. They are not enough in many cases and, given the limitations to access to the bank credit, it is necessary to use alternative sources:

- **Self-production.** It is the easiest financing way as it implies to address projects with own funds. In this regard, the increasing proportion of cultural and art professionals opting for own productions are worth highlighted.

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- **Crowdfunding.** It implies collective financing mechanisms by platforms designed for such purpose. Websites such as bandtastic.me and idea.me are examples of this type of initiatives. Aside from guaranteeing financing, crowdfunding measures the impact degree of the initiatives suggested. Platforms operates by establishing an objective quantity which is the basis, as well as a term to obtain such financing through the contributions of the public interested. The activity will be developed if the financing level established is achieved.
- **Financing through alliances.** It implies a collective participation effort in which the objectives of various cultural agents support each other.
- **The use of networks.** The New Information and Communication Technologies have provided a wide spectrum of possibilities to develop cultural networks by facilitating access to information, knowledge and contact resources, as well as to project finance resources. Social networks expand the scope of the cultural community and have changed the consumption pattern of cultural goods and services.

Expenditure estimation

After determining the potential income structure, the drawing-up of the budget should be completed by estimating the costs from the cultural activity developed. The budgeting of the activity should be based on the fact that all costs are not the same and are not equally implied in the activity management. To know the various types of costs is therefore very important for the cultural manager. In this regard, various cost classifications are presented below by explaining the implications of each one:

- According to the area to which the cost is linked:
 - Production costs: they are generated as the result of the development of the cultural activity itself (materials, labour, service contract, etc.).
 - Distribution costs: they are generated to make the good or service available for the final consumer.
 - Administration costs: they come from the management of the cultural activity itself.
 - Financing costs: they are generated by the own access to the capital required to organise the cultural activity (interests, fees, etc.).
- According to their identification:
 - Direct costs: they could be easily identified by the good or service.
 - Indirect costs: those incurred but could not be directly linked to any specific offer, they should be divided by a distribution basis.
- According to the moment of time in which they are produced:
 - Historical: they are generated in a moment of time anterior to the celebration of the activity.
 - Predetermined: they are estimated in advance and are used to make budgets.
- According to the control over costs:
 - Controllable costs: the cultural manager has capacity to decide on them.
 - Non-controllable costs: there is no authority to control them, and they must be paid independent of the results of the activity.
- According to their economic behaviour:
 - Fixed costs: they are constant over a certain period of time and do not vary according to the volume of the activity developed. Their total amount should be considered, but it should be divided into the units offered (shows, works sold, etc.) to estimate the cost of the service provision or of the production of the cultural good. Variable costs could be graphically represented as follows:

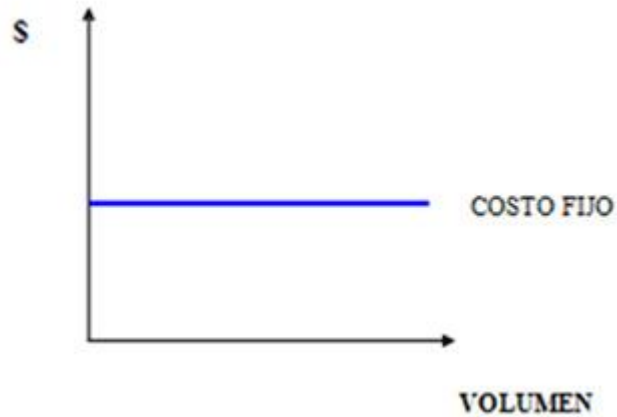


Fig. 1. Fixed costs

- Variable costs: they are modified according to the volume of the activity developed. They are not incurred if the activity is not developed, and if the activity is intensified, then the amount will be higher. In this case, they could be graphically represented as follows:

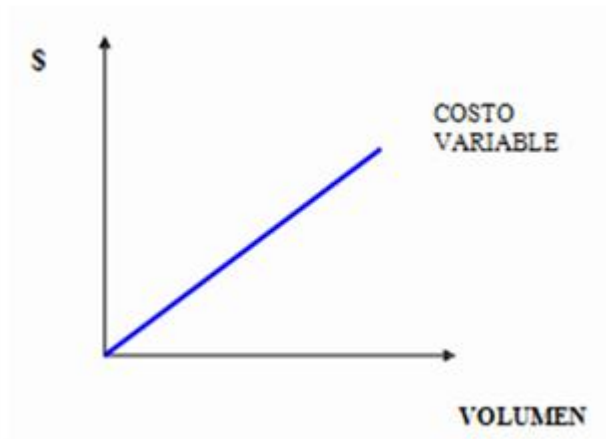


Fig. 2. Variable costs

- Semi-variable costs: they have a fixed part and a variable part, which is modified according to the volume of the activity. Two types of semi-variable costs could in turn be differentiated:
- Mixed: they have a basic fixed component from which they start to increase:

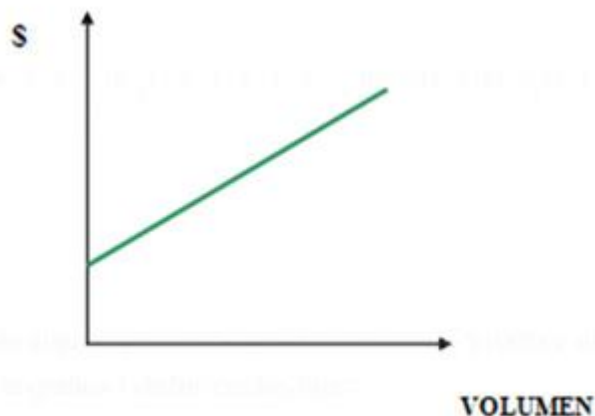


Fig. 3. Semi-fixed mixed costs

- Gradual: they are constant until a certain point and increase in certain activity levels.

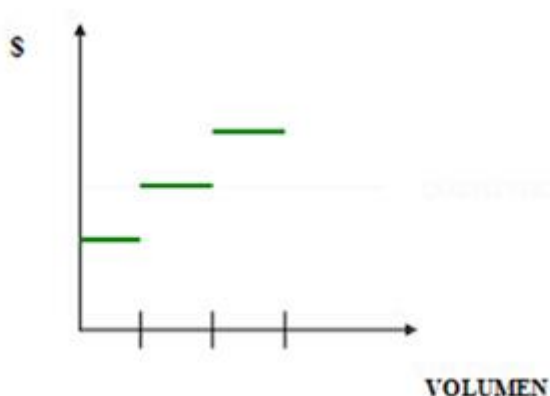


Fig. 4. Semi-fixed gradual costs

The division between fixed and variable costs is particularly useful to take decisions in any activity which includes an economic criterion. The distinction among the types of cost explained above implies:

- To easily analyse the variations produced among different types of expenditure required to develop the cultural activity.
- To facilitate the design of budgets to be useful as an appropriate management tool.
- To guarantee a greater control of costs.
- To calculate break-even points, which is the next step of the economic and financial management model suggested in this chapter.

The calculation of the break-even point

After determining the revenue and expenditure from the celebration of a programmed cultural activity, both concepts should be compared. This analysis is more than a simple comparison and an approximate figure of the

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possible benefit to be obtained. The methodology of the Break-even Point implies a deeper analysis by differentiating costs according to their nature and the possibility of the manager to reconsider them if necessary.

The Break-even Point could be defined as the activity level in which the income obtained are the same as costs, both fixed and variable. This would be the point from which the celebration of the activity or the sale of cultural goods present more income than costs. Data is therefore important to take management decisions.

The Break-even Point represents therefore a minimum limit from which it is possible to operate. However, this does not mean that the activity should be cancelled if the calculation is negative. As explained above, it is necessary to consider that cultural activities are not always presented to obtain an economic benefit. In some cases, it is even anticipated the possibility that the balance is negative. Nevertheless, even in these situations, it is important to know how to calculate the investment required and which are the self-financing possibilities according to the demand elasticity. To calculate the break-even point, two equally valid approaches could be used:

- According to the number of units: when the activity implies the sale of certain units (works, tickets, etc.), it is possible to determine the minimum number to be sold so that the development of the activity does not lead to a negative balance. The formula to apply in this case is as follows:

$$PE_{\text{unidades}} = \frac{CF}{PVq - CVq}$$

- Where: CF = fixed costs; PVq = sales price per unit; CVq = variable cost per unit
- In monetary units, when the nature of the activity does not imply to sell a certain number of products or accesses to the service offered. In this case, the calculation will be made by the following algebraic expression, which is slightly different from the previous one:

$$PE_{\text{ventas}} = \frac{CF}{1 - \frac{CVT}{VT}}$$

- Where: CF = fixed costs; CVT = total variable cost; VT = total income

The following figure graphically represents the Break-even Point and constitutes a second way to determine it by a graphic procedure in which fixed, variable, and total costs are represented, as well as the income estimated, to determine by the junction of the last ones the flat point in which the break-even is produced.

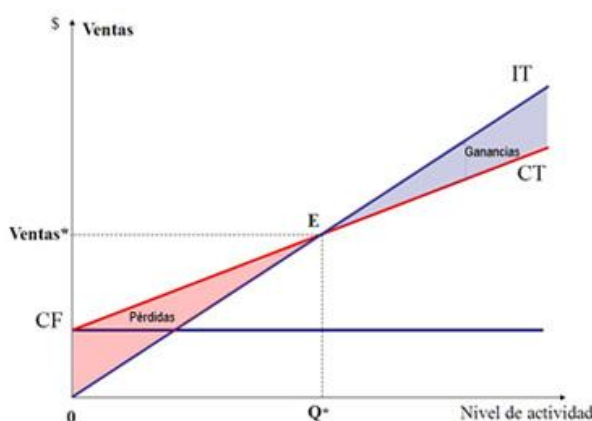


Figure 5: Determination of the Break-even Point

3. The drawing-up of the budget

The process through which the budget of revenue and expenditure of the cultural activity is made is crucial as it is the moment in which the aspects explained above are specified and assessed. A series of guidelines are included below to develop and control a cultural budget, which implies the effective design of the economic and financial dimension of the project.

The budget cannot be made by improvised actions as it is not just a document to apply for financing or rendering accounts. On the contrary, it could be a key element of the project management which allows its development to be assessed, as well as corrective measures to be adopted if necessary. In the process to prepare and develop the budget, it is necessary to start from a clear definition of the objectives of the cultural activity developed, as well as from the economic principles by which it is guided. Is the intention to obtain a direct benefit? Is the organisation willing to assume losses? Which financing sources are used?

The budget is an expression, in economic terms, of the organisation's plans of the cultural activity. It has two main dimensions representing two sides of the same coin which are intrinsically related:

- Funds required to develop the activity.
- The income expected to be obtained with such activity.

The budget is based on the estimations explained in previous sections. It is just a conjecture on which the assessment of possible deviations should be based. In this regard, it can be said that budgets are not:

- A goal which consumes the management time of the cultural activity to be developed.
- Fixed: they should be changed when it is necessary by assessing the consequences of their correction in the activity development.
- A simple record of activities assessed in monetary terms.
- A financial backer's requirement: it should be an alive tool which facilitates the daily management work.
- An optimistic and unreal vision of the programmed activity.

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If the budget is adequately designed, it will be a basic management tool determining the funds available for each stage of the project. It also forces to consider a rigorous reflection on the planning of cultural activities, which should be reconsidered in many cases as the result of the financial evolution of the project. In such way, the budget allows revenue and expenditure to be controlled, as well as the nature of the organisation's problems to be identified. It is also the basis of the financial transparency of the cultural programme developed. If it is appropriately communicated, any agent involved could verify revenue and expenditure, as well as to check the use of the funds provided if any.

In many cases, the previous objectives could not be guaranteed with just one budget format. In some cases, it is necessary to have several budgets. In general terms, a correct financial administration of a cultural programme should have the following formats:

- A survival budget, which describes the minimum required for the survival of the programme.
- A guaranteed budget, which shows the revenue and expenditure which are sure and from which deviations could be assessed.
- An optimal budget in which the optimal levels of revenue and expenditure are included. In such way, it would mean the materialisation of the objectives expected.
- Work budget, in which the actual executions of revenue and expenditure are recorded to assess the deviations of previous budgets.

Given the diversity of activities developed in the cultural sector, it is difficult to provide just one budget format. However, the revenue and expenditure expected for the activity should be simultaneously considered. Both elements should be classified to provide the information as clear as possible.

4. The efficiency measurement in the cultural activity

A basic aspect in the management of any activity with an economic or financial dimension is the efficiency measurement which represents the basic parameter of the management assessment developed. In this sense, literature has suggested many models, although not all of them are appropriate for the characteristics of the cultural activity. For this reason, we propose below a model, which is designed in an ad-hoc way to measure the efficiency of cultural and artistic programmes, trying to deal with the following objectives:

- Precision of the organisation's objectives. Selection of indicators clearly measuring the achievement of such objectives.
- Selection of a reduced number of economic and financial indicators and ratios.
- Definition of a reduced number of measures to assess the activity management, the professional development of the staff recruited, and, if any, the implication of voluntary staff.
- Definition of valid and reliable quality indicators.
- Creation of a presentation as more visual as possible of the results obtained by the efficiency assessment.

STEP 1: Determination of key indicators. The facility to develop this activity mainly depends on the measure in which organisers have their objectives clear. In fact, key indicators are the expression of the activity's objectives, and well as the key element to assess its development.

STEP 2: Selection of financial indicators. The indicators selected in the previous step should be expressed in financial terms. Some examples of this materialisation could be as follows:

- Demand elasticity.

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- Liquidity measures (availability of economic resources to face immediate payments).
- Dependence of external resources.
- Capacity of self-financing.
- Dependence of fixed costs.
- Facility to access to financial resources.
- Dependence of public financing.

STEP 3: Definition of the agents involved. In a cultural activity development, a variable number of agents intervene with different objectives and, in some cases, with opposing objectives. Such objectives are important to be considered in the design of the assessment model, as well as to know how to measure and value their concerns and interests in the event management. Some of such agents could be:

- Customers interested in meeting their artistic and cultural needs.
- Volunteers whose implication level should be measured, as well as the capacity of the organisation to retain them.
- Donors or sponsors, considering not just the number, but the tendency.
- Administrations interested in the public service provided by the organisation.
- Hired workers, whose qualification and professional development degree should be measured, as well as the capacity of the organisation to retain the most qualified.

STEP 4: Determination of a quality measure in management. It is necessary that the organisation of the cultural activity in question defines a specific quality measure referring not just to the quality of the programmed activity, but to own management mechanisms. In this sense, it is very relevant to suggest in an open and participatory way the following questions for the organisation:

- Do we have a mechanism to assess the activity development and to adopt the corrective measures required if necessary?
- Which measure assesses our quality as cultural managers?
- How do we assess our management mechanisms?
- Which measurement error is assumed in our quality assessment of the product or service provided?
- Which are the strengths of our organisational capacity?
- Which aspects require an improvement effort?

STEP 5: Graphic expression of the results of the analysis process. The information obtained from the previous stages is very relevant for the organisation, so it should be presented as transparent as possible. For this purpose, the graphic representation in the form of charts and tables could be useful. The following links include useful models to articulate these representations:

- www.blueavocado.org/content/nonprofit
- www.compasspoint.org/dashboard

5. Social contribution measurement of the cultural activity

As explained in the course of this chapter, the cultural activity has a specific nature which comes from its pursuit of objectives not just focused on obtaining a strictly economic benefit. In this regard, a fundamental dimension of its economic and financial management lies in the assessment of the contribution presented by the social environment in which it is developed. In the scope discussed in this chapter, the economic scope, the capacity of a certain cultural

programme could be assessed to influence its economic and business context. This influence should be measured by cultural managers, as well as the efficiency indicators explained in the previous section. An appropriate estimation of the generated economic impact could even justify and favour the access to public and private financing funds.

However, the analysis of the economic impacts of cultural initiatives is a phenomenon relatively new, although, as Linde Paniagua (1996) stated, culture has, as any human activity, an economic dimension which generates important external economies. It is true, however, that such external effects are difficult to quantify as they are linked to other economic dimensions, such as the tourist activity. In this regard, Luis Bonet (2001) stated that the analysis of the economic impacts of cultural policies is very useful because it is focused on the expenditure made in a certain territory by a set of agents involved in the cultural activity from which the impact is intended to be measured. In such way, a government could assess the economic impact of its investment in a certain activity, in terms of opportunity cost, by comparing it with that from the sum of direct, indirect, and induced expenditure generated by the various agents related to the activity.

In general terms, two types of impact arising from the development of any cultural activity could be described, direct and indirect impacts, which are defined as followed:

- **Direct impact:** it measures the direct increase in the demand of local firms by applying the activity's budget. The development of a cultural initiative necessarily implies a significant number of expenditures, which in turn implies, as a last resort, an increase in firms' sales with a wide spectrum of economic sectors. If the activity attracts publics, it is also necessary to consider the demand increases arising from its audience (costs of board and lodging, accommodation, transport, etc.). So, to estimate the Direct Impact, the following elements should be considered:
 - Expenditure directly made by the activity management as a result of the application of the budget.
 - Other expenditure carried out by the public, aside from their attendance at the event.
 - The capacity of tourist attraction of the programmed activity.
- **Indirect Impact:** the application of the direct impact finally implies an increase in the activity of various firms in the economic context in which the activity is developed. To provide the goods and services demanded both by the organisation and by those present, goods and services should be in turn consumed, thus increasing the local economic activity and indirectly generating wealth. This effect will be continuously repeated, thus increasing the consequences of the paid amounts. The indirect impact will be necessarily and progressively reduced until to be dissolved. To estimate this impact, an input - output analysis framework could be used, as it describes the relationships of sectoral interdependence of the economy. This methodology was proposed by Wassily Leontiev in the thirties, although it was known in Western Europe fifty years later.
- **Induced Impact.** Many cultural activities also require recruiting staff for its development. Through the amounts that these workers perceive, an economic impact is also produced by the increase in the citizens' buying power in the local context. This expenditure will not immediately constitute a greater demand, although the future buying capacity is strengthened. In the models estimating the economic impact of cultural initiatives, the induced impact is generally considered in a different way because of two main characteristics:
 - 1. It has a delayed effect over time.
 - 2. It is conditioned by consumers' buying and saving habits.

6. Conclusions

The various aspects related to the cultural management analysed in this chapter verify the importance to consider the economic and financial dimension in the organisation of artistic and cultural activities. By way of a summary, some practical recommendations showing the aspects discussed up to now could be synthetically specified. These aspects could be considered as a guide to develop the economic and financial management in culture:

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- To clearly define the organisation's objectives, not just economic objectives.
- To know the demand of the cultural good or service provided. To calculate to what extent it could be considered elastic.
- To critically analyse the means by which the activity provided is financed, and to explore alternative mechanisms.
- To specifically determine the activity costs by distinguishing between:
 - Fixed costs
 - Variable costs
 - Semi-fixed costs
- To calculate the Break-even Point
- To define the activity's budgets and to present them appropriately.
- To establish a rigorous mechanism to assess the efficiency of the cultural management under development.
- To analyse the economic impact generated by the activity proposed, as a measure of its social contribution.

For Reflection

- Which indicators should be considered to assess the economic and financial management of the cultural activity?
 - Which economic and financial factors limit the capacity of cultural managers to organise and maintain events?
 - Does the financial dimension affect the creative component? How?
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Documents

1.Cultural management code: www.redescena.net

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