



**Strong Roots
Bold Future**

**THE CAMPAIGN TO
GROW VESTERHEIM**

The Business Plan for Growing Vesterheim

Just as Vesterheim began firming up plans for its bold future in early-2020, the COVID-19 pandemic struck, testing the resilience of Vesterheim and many other cultural arts organizations. During this challenging time, the museum's staff and board took it as an opportunity to reaffirm its mission, set a bold vision, adapt programs, and create added value to extend its reach to many more audiences.

Vesterheim's bold future depends on healthy and strong roots. Those roots include being in a strong financial position that affords the museum the opportunity to better utilize the campus, increase access to its collection, and offer enticing folk art and enrichment classes.

The Trustees oversee three components of fiscal activity:

- Invested assets where appropriate levels of assets are held for current operations, cash reserves, and endowment distribution of \$500,000 for operations, self-adjusting for inflation and additional gifts.
- Capital and other on-going concern expenditures approved within a rigid protocol of prudent considerations with earmarked funding.
- On-going operations where annual planning has expanded to a five-year view, shared here, derived from implementation of the 2020 Vision.

The museum carries no long-term debt and operates within a balanced annual budget.

The Five Focus Areas of the Vision

The Vision and its focused priorities are the basis of operating projections, as well as the funding goals of the **Strong Roots | Bold Future** Campaign to Grow Vesterheim.

- **Become a Destination**... all with a continuing elevation and enhancement of the audience experience.
- **Build an Inter-cultural, Intergenerational Community**... characterized by a "radical hospitality" with emphasis on youth and family audiences that connect Scandinavian traditions with today's lifestyles.
- **Use the Collection and Folk Art School as Assets**... creating meaningful access to the historical treasures and better connecting audience interest, the collection, and folk art offerings.
- **Create Deep, Rich and Relevant Digital Access**... through boosting on-line access, along with new on-line exhibitions, and providing a robust interface with the connection and folk art offerings.
- **Become Known as a National Resource on Immigration**... sharing its unique story that continues to have relevance in the national dialog of how individuals become known as "American."

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Operating Projections 2021-2025

These focus areas and the museum's on-going programs are the basis for the projections of sustainable operating cash flows for the next five years leading up to the 200th anniversary of the Great Migration of Norwegians to America that began in 1825 with 52 Norwegians aboard the sloop *Restauration*.

Vesterheim Projected Operating Cash Flow 2021-2025

Revenue	2021	2022	2023	2024	2025
Contributed Income ¹	\$ 1,338,100	\$ 1,195,410	\$ 1,438,831	\$ 1,262,892	\$ 1,321,756
Endowment Distribution	\$ 520,300	\$ 550,060	\$ 587,273	\$ 618,409	\$ 639,264
Earned Income ²	\$ 962,952	\$ 2,186,345	\$ 2,508,354	\$ 3,026,921	\$ 3,638,177
Total Revenue	\$ 1,338,100				

Expenses (Direct)					
Total Programming Services ³	\$ 577,889	\$ 1,350,284	\$ 1,554,320	\$ 1,799,187	\$ 2,147,741
Total Operations Support ⁴	\$ 2,207,455	\$ 2,485,936	\$ 2,824,542	\$ 2,970,415	\$ 3,167,662
Total Expenses	\$ 2,785,345	\$ 3,836,220	\$ 4,378,862	\$ 7,769,602	\$ 5,315,403

Revenue Less Expenses	\$ 36,008	\$ 95,595	\$ 1,338,100	\$ 155,596	\$ 283,794
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- Contributed Income** - unrestricted support for operations through annual fundraising strategies.
- Earned Income** - anticipates a slow pandemic recovery with trips to Norway, museum admissions, special member-only events, and folk art classes made possible by improved technology capacity.
- Program Services Expense** - expresses a focus on the value presented in each area to help drive income growth, leveraging the potential benefit from on-line access to programs, exhibitions, classes, and the collection that will provide more visitor options.
- Operations Support Expense** - as audience reach grows and museum activities add diversity; as cross training and functional depth enhance delivery efficiency; as facility costs reflect added spaces and accelerated use; and as wage levels follow national museum and local Iowa projections for staff breadth and quality.

This plan does not include capital expenses or revenue. Funds for campaign expenses, for developing the Master Plan, and for property purchase are provided through Vesterheim cash reserves. All contributions to the campaign will be directly applied to the construction of Heritage Park and Vesterheim Commons.

For a more detailed breakout of these revenue and expense projections, please contact Diane Wagner, Director of Development at 563-382-9681 ext. 103. or dwagner@vesterheim.org.