Pay-What-You- (Can/Want/Will) Considerations

Evaluating the feasibility of a pay-what-you- (can/want/will…) program is highly contextual for every institution and community. Here are some things to consider in that evaluation and at key points in the planning process.

Should you try it?

- Employ a mission/money matrix to determine where you're starting from. https://artsmidwest.org/resource/mission-money-matrix)
- If the program is high revenue (e.g., admissions, which is also high mission value), what is the financial risk? How much might you lose compared to your current revenue?
- How much of any projected losses could be made up in contributed revenue? Is there a good story to tell about filling a community need?
- Is there an earned revenue program that's ripe to be shifted partially toward contributed revenue? (E.g., a cafe that produces relatively low revenue.)

Once you've decided to move forward…

- **Consider launching it as a pilot project with a public end date.** Once you've granted a perceived benefit, it's hard to take it away. (You can always extend the program.)
- **ADEI goals:** Consider how you'll balance preserving dignity for those who need to pay little to nothing while nudging those with means to pay more to support the program.
    - **What will you call it?** Consider what the various "last words" might mean… can… will… wish… (There's no professional consensus or guide here we know of, but a sense that they all imply subtly different things.)
    - **Will you provide suggested payments/donations?** Suggested prices remove doubt and discomfort for some customers but might create a sense of "not paying enough" for those with less means. Also, from a tax perspective, if no prices are named then payments are technically donations, whereas suggesting a price may have tax implications. Talk to your CFO!

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    - **Will your payment stations be staffed or self-serve?** A staffed station will likely result in higher payments, while a self-serve station can make visitors feel more comfortable to pay what they can.
- **Consider how your business and systems might need to change to accommodate the new pricing plan.** Some examples:

- Pay-what-you-X-admission can decrease membership numbers if members and prospective members view membership as transactional—and the lower admission price diminishes the value of a membership.
- You might need to develop a self-serve station.
- Inventory and sales tracking can be difficult if customers are allowed to simply grab & go without itemizing and/or paying (as in a cafe)
- Evaluation systems and Key Performance Indicators might need to change or broaden—if maximizing revenue becomes less important, how else will you measure success of the model? (e.g., post-visit survey results and/or customer comments about the pricing model, media hits, donations and grants coming in to supplement the program, etc.)

This worksheet accompanied the presentation “Priceless Visits: Pay-What-You-Can Price Models” at InterActivity 23 in New Orleans. The panel featured staff from **Madison Children’s Museum,** Wis.; **Cayton Children’s Museum**, Santa Monica, Cal.; **Tacoma Children’s Museum** (Wash.), and **Little John’s Kitchens** (Fitchburg, Wis.).