



Week of 4 January 2021

ANALYSIS: COVID-19's Impacts on Arts and Culture

Lead Analysts: Greg Guibert (gguibert@anl.gov) & Iain Hyde (ihyde@anl.gov)

Introduction

The arts are integral to the social, civic, and economic wellbeing and vitality of our nation. Arts participation in childhood and youth has been linked to positive academic and social and emotional outcomes later in life.^{1, 2} There are also positive relationships between art-going and other social and civic activities, such as volunteering in communities.³

Economically, arts and culture contribute 4.5% of U.S. gross domestic product (GDP), an amount larger than the share contributed by industries as diverse as construction, agriculture, and transportation. Increasingly, the arts and design are used in healthcare, manufacturing, and local community and economic development initiatives. Therefore, the sector's acute vulnerability during the pandemic has potential repercussions for other segments of the U.S. economy—many of which rely on creative and cultural workers and industries—and society as a whole.

Arts and culture have experienced significant economic setbacks from COVID-19. Across the spectrum of artistic and creative endeavors, restrictions on gatherings, changes in consumer behavior (voluntary or otherwise), and severe unemployment have taken a devastating toll on the sector. The full scope and scale of the impact can be hard to discern, in part because of the size and diversity of the industries and occupations that constitute arts and culture.

This week's analysis is the product of close collaboration between the National Endowment for the Arts, Federal Emergency Management Agency (FEMA), and Argonne National Laboratory. It provides an initial overview of some of these impacts, with a particular focus on the performing arts. It also explores some of the adaptations and resources that are helping arts organizations and artists to survive financially during the pandemic.

¹ Source: National Endowment for the Arts. [The Arts in Early Childhood: Social and Emotional Benefits of Arts Participation](#). Accessed December 18, 2020.

² Source: National Endowment for the Arts. [The Arts and Achievement in At-Risk Youth: Findings from Four Longitudinal Studies](#). Accessed December 18, 2020.

³ Source: National Endowment for the Arts. [Art-Goers in Their Communities: Patterns of Civic and Social Engagement](#). Accessed December 18, 2020.

³ Calculations by the Office of Research & Analysis, National Endowment for the Arts, based on data from the ACPSA, produced jointly by the U.S. Bureau of Economic Analysis and the National Endowment for the Arts and the Economic Census and County Business Patterns, both produced by the U.S. Census Bureau.



Arts in the U.S. Economy

The arts encompass a broad range of industries and occupations. At the federal level, the most comprehensive source of economic data for this sector is the Arts and Cultural Production Satellite Account (ACPSA), made possible through a partnership between the Bureau of Economic Analysis and the National Endowment for the Arts. According to the most recent data, arts and culture contribute 4.5% of the annual national GDP through direct economic activity⁴ and 3.4% of the total work force.⁵ The value the arts add to the U.S. economy (\$877.8 billion in 2017) is five times larger than that added by agriculture, and \$265 billion larger than that of transportation and warehousing (see Figure 1). The sector also contributes to a rising trade surplus: the nation exports \$30 billion more in arts and cultural goods and services than it currently imports.



Figure 1: Value Added to U.S. GDP by Selected Sector, 2017. (Source: [Bureau of Economic Analysis](#). Analysis by the National Endowment for the Arts.)

The arts and cultural sector is composed of myriad industries such as film, advertising, and digital and visual

Table 1: Selected Arts and Cultural Industries, Nationwide in 2017⁶

Category	Businesses	Value Add/GDP (millions)	Employment (thousands)
Performing arts companies	8,836	\$13,957	122
Museums	7,557	\$7,876	149
Architectural and design services	59,852	\$45,880	303
Photographic services	14,629	\$8,444	66
Fine arts schools	14,840	\$2,633	126
Motion picture and video industries	22,118	\$74,060	410
Sound recording industries	3,700	\$14,129	17
Web publishing and streaming services	11,919	\$125,579	175
Publishing	16,384	\$95,681	312
Broadcasting	7,563	\$143,441	431
Art dealers	4,850	\$5,981	18

arts, as well as specific individual occupations like performers, musicians, architects, graphic designers, and curators. In addition to its direct contributions to the economy, the arts and culture sector supports and is supported by other professions, such as nonprofit administrators, promoters, accounting, and finance, further magnifying its economic footprint.

The ACPSA permits an understanding of how many workers are employed at arts and cultural industries,

⁴ Calculations by the Office of Research & Analysis, National Endowment for the Arts, based on data from the ACPSA, produced jointly by the U.S. Bureau of Economic Analysis and the National Endowment for the Arts and the Economic Census and County Business Patterns, both produced by the U.S. Census Bureau. Source: Bureau of Economic Analysis, [Arts and Cultural Production Satellite Account, U.S. and States 2017](#). Accessed 14 December, 2020.

⁵ Source: Bureau of Economic Analysis, [Arts and Cultural Production Satellite Account, U.S. and States 2017](#). Accessed 14 December, 2020.

⁶ Source: NASAA, [Facts & Figures on the Creative Economy](#). Accessed 14 December, 2020.



Arts and Culture Impacts in the News:

- [From Coast to Coast, US Museums Are Closing Again as COVID's Second Wave Takes Hold](#)
- [Museums Closing, Again, Signals the Darkest, Deadliest Wave of Covid-19 Is Inexorable](#)
- [As Music Venues Shutter, Former Owners Describe Devastating Toll](#)
- [Virus-Related Venue Closures Will Affect the Music Business for Years to Come](#)
- [Financially Vulnerable, Independent Music Venues Worry of Having to Sell](#)
- [New York City Misses out on Billions of Tourism Dollars as Coronavirus Keeps Broadway Dark](#)
- [A 'Great Cultural Depression' Looms for Legions of Unemployed Performers](#)

both nationally and at the state level. The Economic Census, meanwhile, makes it possible to estimate the number of businesses in many of those industries. Table 1 provides statistics for a sample of core arts and cultural businesses. For example, 8,836 performing arts companies contribute approximately \$14 billion in value added and employ 122,000 people, while 22,118 motion picture and video businesses contribute approximately \$74 billion in value added and employ 410,000 people.

In policy and advocacy contexts, the terms “creative industries” and the “creative economy” often are used interchangeably with arts and culture—a practice that adds a layer of complexity when analyzing the sector. The creative economy is more often understood to include endeavors whose primary output or function is creative, such as web design, as opposed to more traditional or physical outputs, such as natural resources or manufacturing. According to the most recent data from the ACPSA, arts and culture accounts for half of

the total economic value contributed by all “copyright-intensive” industries in the United States.⁷ Some of the leading arts and cultural industries in this space are broadcasting; web publishing and streaming; publishing; motion pictures; performing arts companies and independent artists, writers, and entertainers; and advertising, specialized design, and sound recording.

There are some inherent structural elements to occupations in arts and culture that make many arts workers particularly vulnerable to the underlying changes in the economy caused by COVID-19. For example, the National Endowment for the Arts’ analysis of American Community Survey data has revealed that artists are 3.6 times more likely to be self-employed.⁸ They also are often employed part-time or in multiple jobs. Long before COVID-19, independent artists and musicians often struggled to secure long-term or consistent income, epitomizing the “gig economy” and sometimes personifying the “starving artist” axiom.⁹ The chronic lack of access to affordable, employer-subsidized healthcare for freelance or “gig” artists has created an even greater vulnerability and financial burden during the pandemic. Finally, the restaurant and hospitality industry—a regular source of second or third jobs—has also been disproportionately affected by the economic impacts of COVID-19, further exacerbating near- and long-term prospects for recovery (see [COVID Outlook](#),

⁷ Source: National Endowment for the Arts. [The U.S. Arts Economy \(1998-2017\): A National Summary Report](#). Accessed December 18, 2020.

⁸ Source: National Endowment for the Arts. [Artists and Other Cultural Workers: A Statistical Portrait](#). Accessed December 18, 2020.

⁹ Source: Harvard Business Review, [Thriving in the Gig Economy](#). Accessed December 14, 2020.



[Week of 2 November 2020](#)). Funding for the arts comes from sources as diverse as the sector itself. Figure 2 shows the estimated breakdown of sources of revenue for nonprofit arts organizations in 2016.¹⁰ Although it is difficult to extrapolate these estimates to the entire sector, the breakdown helps illustrate potential vulnerabilities to macro-scale changes in the economy caused by COVID-19. For example, with well over half of revenue generated from earned income (e.g., ticket sales), reductions in personal disposable income or restrictions on gatherings and events would have a direct impact on these organizations. Similarly, the heavy dependence on philanthropy and individual giving—traditionally 30% of revenue, when taken together—will further expose organizations to major economic downturns and potential reductions in giving.¹¹

Arts and Culture and COVID-19

By their very nature, many of the constituent parts of the creative economy necessitate the congregation of large groups of unrelated people, often in close proximity. Whether the venue is a small local bar, a large outdoor concert venue, or an art museum, many of the protective actions implemented in adherence to the U.S. Center for Disease Control and Prevention (CDC) guidance on social distancing forced the closure of businesses and facilities that directly support artistic endeavors. Art galleries and museums across the country provide an illustrative example. Nearly all were initially forced to close and, if allowed to reopen, were severely restricted by distancing and capacity requirements. As COVID-19 resurged during the late fall of 2020, many were once again forced to close.

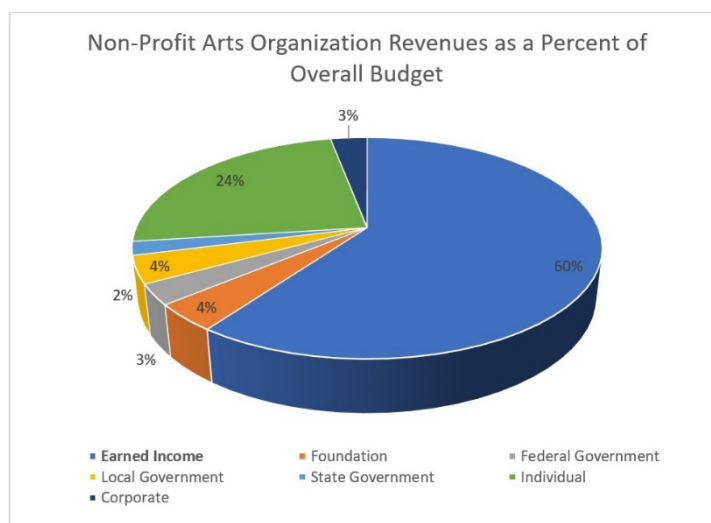


Figure 2: Nonprofit Arts Organizations Revenue Sources, 2016. (Source: Americans for the Arts. [Arts Facts: Source of Revenue for Nonprofit Arts Organizations.](#))

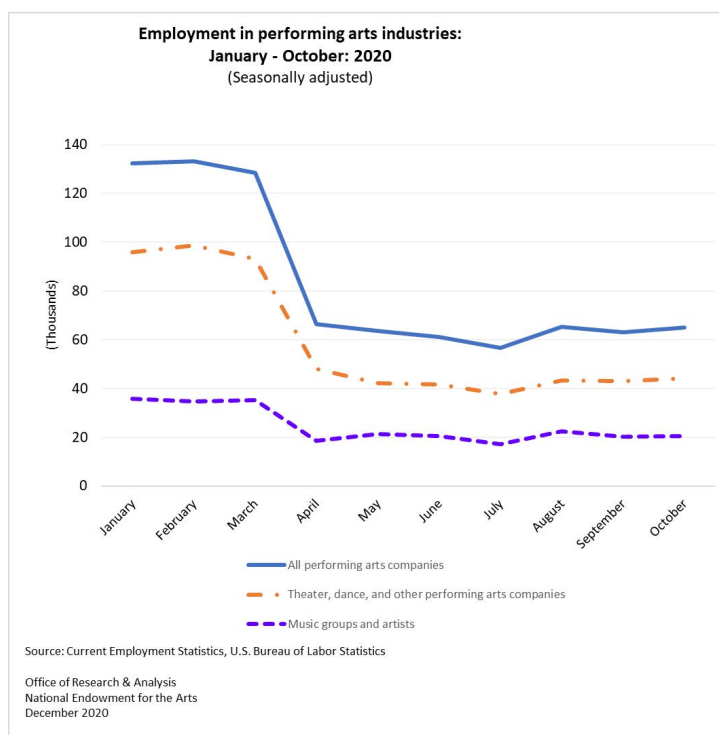


Figure 3: Employment in Performing Arts Industries, January–October 2020 (Analysis by National Endowment for the Arts.)

¹⁰ Source: Americans for the Arts. [Arts Facts: Source of Revenue for Nonprofit Arts Organizations.](#)

¹¹ Source: Inside Philanthropy, [As Individual Giving Drops, Performing Arts Leaders Weigh in on the State of Fundraising.](#) Accessed December 14, 2020.



Table 2: Artist Labor Force, Quarter III (July–September) 2019 and 2020.

Artist Labor Force ^a	2019	2020
Total, 16 Years of Age and Older		
Employment	158,226	146,504
Unemployment	5,377	13,670
Unemployment Rate	3.3%	8.5%
All Artists		
Employment	2,483	2,260
Unemployment	95	-
Unemployment Rate	3.7%	-
Art Directors, Fine Artists, Animators		
Employment	242	249
Unemployment	5	25
Unemployment Rate	2.1%	9.3%
Actors		
Employment	34	26
Unemployment	11	28
Unemployment Rate	24.7%	52.3%
Dancers and Choreographers		
Employment	24	6
Unemployment	3	8
Unemployment Rate	10.7%	54.6%
Musicians, Singers, and Related Workers		
Employment	236	151
Unemployment	3	56
Unemployment Rate	1.1%	27.1%
^a Employment and unemployment measured in thousands. Source: Bureau of Labor Statistics. Current Population Survey . Analysis by the National Endowment for the Arts.		

The effects have been profound. Figure 3 shows the change in employment for performing arts companies, including music, theater, dance, and other performing arts companies.¹² Some unemployment data (including rates) are not reported at a quarterly level, but comparing 2019 Quarter 3 data with that from 2020 reveals a decline in employment of “artists” by nearly a quarter of a million people. As shown in Table 2, 27% of musicians were unemployed in the third quarter of 2020, compared with just 1.1% in 2019; roughly half of all actors and dancers were unemployed in the third quarter of 2020.¹³ The Brookings Institution evaluated impacts

on broader creative occupations, regardless of sector.¹⁴ Of the 20 largest creative occupations, they found that the fine and performing arts account for 26.6% of all employment losses and 28.8% in estimated losses to monthly earnings. Between April and July 2020, they estimate cumulative losses of 2.3 million jobs in creative occupations.

COVID-19 Impact on the Performing Arts

Although the COVID-19 has impacted the entire arts sector, nowhere has the effect been more direct, deep, and immediate than on the performing arts. Figure 4 shows a decline in revenue from tax-exempt performing arts companies of nearly 54% in quarter 3 of 2020 from an all-time high of approximately \$1.9 billion in 2019.

¹² Source: Bureau of Labor Statistics. [Current Employment Statistics](#). Accessed December 8, 2020.

¹³ Source: Bureau of Labor Statistics. [Current Population Survey \(CPS\)](#). Accessed December 8, 2020.

¹⁴ Source: The Brookings Institution. [Lost art: Measuring COVID-19’s devastating impact on America’s creative economy](#). Accessed December 14, 2020.



If the revenue numbers track closely with the unemployment rates through September, that is because the performing arts endured a summer of significant revenue loss during the prime concert and outdoor music season. As the declines in revenue deepen during the course of the year—as is expected as winter months drive even more activities indoors—more venues will likely either close permanently¹⁵ or seek to move more programming online. According to the Census Small Business Pulse Survey, 61% of businesses in the Arts, Entertainment, and Recreation sector reported that COVID-19 continues to have large negative effects as of the last week in November 2020.¹⁶ In comparison, the national average for all sectors is 31%.

On the demand side of the equation, data from the Bureau of Economic Analysis show that spending on performing arts tickets from July through September 2020 was \$10.1 billion—roughly a quarter of the amount spent on tickets over the same period in 2019, as shown in Figure 5. [Pollstar](#) estimates that, compared to 2019, the live music industry saw a 78% reduction in gross revenue in 2020 for the top 100 live music tours in North America due to cancelled events.¹⁷ The ongoing effects on this category of artists are some of the most visible of the pandemic crisis.

How the Arts are Adapting to COVID-19

While they continue to face daunting challenges, arts organizations, artists, and performers are finding innovative ways to adapt and survive during the pandemic. In some cases, this has involved changing the physical environment for safer in-person engagements. For example, some arts organizations have shifted to contactless and digital ticketing, made physical modifications to indoor spaces to allow for more social distancing, or shifted to outdoor performances or experiences when the weather

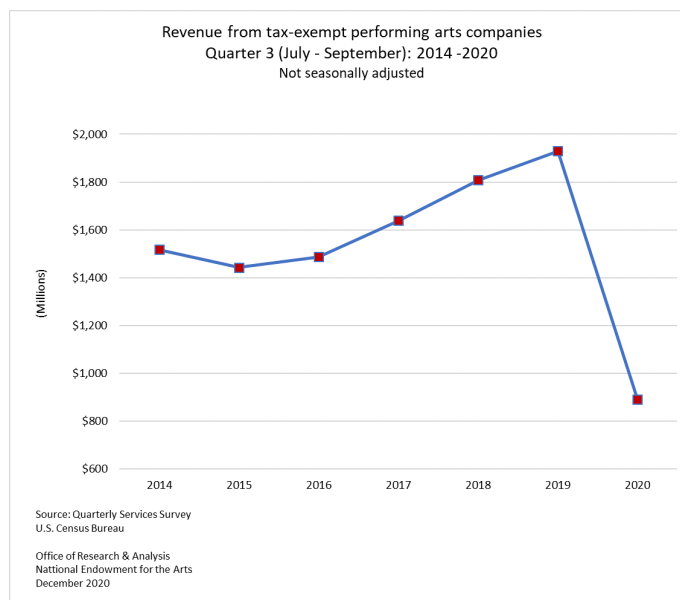


Figure 5: Revenue from Tax-Exempt Performing Arts Companies, July–September, 2014–2020. (Analysis by National Endowment for the Arts.)

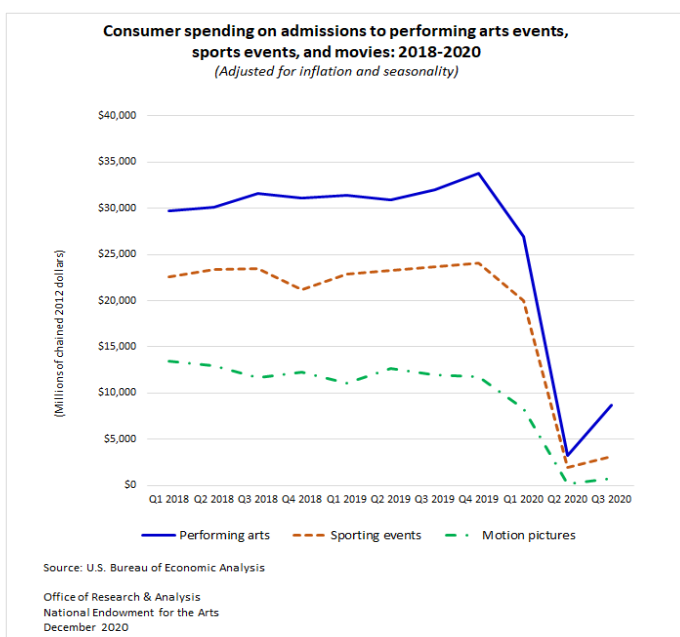


Figure 5: Consumer spending on admissions to performing arts events. (Source: Bureau of Economic Analysis. Analysis by National Endowment for the Arts.)

¹⁵ Source: Billboard. [Venues Closing across America: An Updating List \(And Why It Matters\)](#). Accessed December 8, 2020.

¹⁶ Source: U.S. Census Bureau. [Small Business Pulse Survey](#). Accessed December 8, 2020.

¹⁷ Source: Pollstar. [2020 Business Analysis: What Might Have Been Vs. What Was](#). Accessed December 8, 2020.



allows.¹⁸ Organizations with more significant resources, such as movie theater chains, have invested in upgraded air filtration systems and deployed electronic spraying systems to sanitize theaters between showings.¹⁹

For some live performances, orchestras and theater companies have reduced the size of ensembles to provide more intimate environments that are conducive to smaller crowds. Other adaptive strategies have included frequent COVID-19 testing of artists and staff, maintaining actors and production crew in “bubbles” or “pods” throughout the rehearsal period, and regular consultation of medical experts to inform any reopening plans. Given that many nonprofit arts organizations already will lose revenue because of restrictions on large public gatherings—and because more people are staying at home—these additional costs pose further challenges to an already-strained sector.

Also contributing to costs for arts organizations is the growing need to complement or replace in-person offerings with virtual arts experiences. In some cases, online tools have also provided an opportunity for artists and arts organizations to reach many more audiences during the pandemic than might have been possible otherwise. Of the performing arts organizations surveyed by Americans for the Arts, 72% indicated that they planned to transition some or all programming online by November 2020. For example, the San Francisco Ballet filmed a short film that explored the theme of connectivity during a time of isolation.²⁰ Orchestras, bands, and musicians have used Zoom, Facebook, Instagram, and other web-based resources for live concerts.²¹ Importantly, some virtual platforms enable private performances that allow for more access control, making it easier for artists to sell tickets and generate some revenue for their concerts.²² Some touring musicians have also turned to teaching—in many cases using virtual platforms—as a source of income, while others have taken up freelance or temporary employment in other sectors.²³

While virtual platforms have been one of the most widely adopted adaptations for arts organizations and artists, they come with some severe limitations. For example, many artists and arts organizations had to purchase new equipment and systems, learn new skills such as video and sound editing, and learn how to monetize their offerings in a virtual environment. At the same time, it is not guaranteed that audiences will be able to fully adapt to a virtual environment. Arts Fund, a 501(c)3 non-profit in western Washington, recently surveyed 47 performing art groups and found that 100% had shifted programming online.²⁴

Although this is a relatively modest sample size, the survey results, shown in Table 3, highlight some important indicators of the limitations of a virtual-only environment for long-term viability. It also remains unclear whether virtual arts experiences, if they remain the dominant mode of live arts and cultural

¹⁸ Source: The British Council, [COVID-19: Impact and Innovation in the Americas Arts and Culture Sector](#). Accessed December 8, 2020.

¹⁹ Source: CNBC, [AMC's CEO Describes Coronavirus Precautions, Including Upgraded Air Filtration at Reopened Theaters](#). Accessed December 8, 2020.

²⁰ Source: The Daily Californian, [San Francisco Ballet's 'Dance of Dreams' Is Hopeful Celebration of Dance, Tribute to San Francisco](#). Accessed December 8, 2020.

²¹ Source: NBC News, [COVID-19 Strikes Discordant Note for Music Industry, but Artists Find a Way to Persevere](#). Accessed December 8, 2020.

²² Source: NBC News, [With No Tours or Live Shows, Musicians Have Found Ways to Bridge the Gap Online](#). Accessed December 8, 2020.

²³ Source: Marketplace, [Musicians Adapt with Live Tours Still Canceled](#). Accessed December 8, 2020.

²⁴ Source: ArtsFund, [COVID-19 Impacts on Arts, Cultural, and Scientific Nonprofit Organizations in the Central Puget Sound Region](#). Accessed December 8, 2020.



participation, will carry the spillover benefits—social, civic, and economic—that have been identified with in-person arts events.

Recovery Resources for the Arts

On Dec. 27 2020, President Trump signed into law a coronavirus relief package and government spending bill. The legislation, which originated as the “Save Our Stages” bill, cosponsored by Sens. Amy Klobuchar (D-Minn.) and John Cornyn (R-Tex.), offers \$15 billion in grants relief to operators of live arts and entertainment venues that have lost significant revenue during the pandemic.²⁵

Table 3: Results of Arts Fund Survey Regarding Limitations of a Virtual-Only Environment

What Has Been the Largest Challenge around Shifting to Digital Programming?	%
Audience's access to technical requirements	54
Equipment	54
Technical ability	50
Capacity	48
Artist and staff's access to technical requirements	46
Payment model	37
Other	35
Software	28

Ahead of this new relief effort, some arts organizations have been able to secure recovery assistance to help sustain their operations. For example, as of July 2020, 173,243 loans totaling \$13.7 billion were issued to arts organizations through the Small Business Administration Paycheck Protection Program.²⁶ Of those, nonprofit arts organizations received 9,917 loans worth \$1.8 billion.

So far, public funders and philanthropic groups have tried to address the unique needs of the sector. In 2020, through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the National Endowment for the Arts awarded \$75 million to support staff salaries, fees for artists or contractual personnel, and facility costs for struggling nonprofit arts organizations. Other national efforts have included the Artist Relief fund (an initiative of several arts grant-makers), MusiCares COVID-19 Relief, the Actors Fund emergency financial assistance, and the Andrew W. Mellon Foundation's Crisis Relief Grants.

On the regional level, some states and local governments have set up relief programs targeted at artists, musicians, and other creative occupations. For example, Austin, Texas, recently established the Music Disaster Relief Fund, which provides \$1,000 grants to musicians,²⁷ ultimately supporting nearly 1,600 eligible, COVID-19-impacted residents. Similarly, in November, the state of Massachusetts launched a \$10 million relief fund for cultural organizations, citing “the staggering economic loss in recent months because of COVID-19.”²⁸

Indeed, recognizing the extraordinary needs of the sector, many governors are devoting a portion of their states' CARES Act dollars to grantmaking in arts and culture. The Ohio Arts Council, for example, has announced \$20 million in awards for this purpose.²⁹ According to the National Assembly of State Arts

²⁵ Source: New York Times. [Stimulus Offers \\$15 Billion in Relief for Struggling Arts Venues](#). Accessed January 4, 2021.

²⁶ Source: Americans for the Arts. [COVID-19's Impact on the Arts Research Update: December 7, 2020](#). Accessed December 8, 2020.

²⁷ Source: City of Austin, TX. [Austin Music Disaster Relief Fund](#). Accessed December 8, 2020.

²⁸ Source: Mass Cultural Council. [New \\$10M Grant Program Provides State Cultural Organizations COVID Relief](#). Accessed December 8, 2020.

²⁹ Source: Ohio Arts Council. [Ohio Arts Council Awards \\$20 Million in CARES Act Economic Relief for the Arts](#). Accessed December 18, 2020.



Agencies (NASAA), 22 states have opted to make CARES Act funds (unrelated to those distributed through the National Endowment for the Arts) available via relief support for “nonprofit arts organizations, creative businesses, and artist-led microenterprises.”³⁰

In 2020, state arts agencies (SAAs) and regional arts organizations (RAOs) played a crucial role in distributing state and federal relief funding and in providing financial and technical assistance for arts organizations and artists seeking to adapt rapidly to a post-pandemic environment. NASAA offers current information on related grant funding, research, and technical resources available in each state through its [State Arts Agency Directory](#).

Furthermore, in the wake of COVID-19, the National Endowment for the Arts has posted a number of resources to its website for artist and arts organizations, including:

- [COVID-19 Resources for Artists and Arts Organizations](#), which is a list of “national resources for artists and arts organizations,”
- [The Road Forward](#), a best practices “tip sheet” for arts organizations seeking to re-engage with in-person audiences or visitors,
- [COVID-19-related survey results from national service organizations](#) in the arts, and
- [The Art of Reopening: A Guide to Promising Practices Among Arts Organizations During COVID-19](#), based on surveys and case study interviews.

Conclusion

COVID-19 has taken a deep toll on the arts sector since the onset of the COVID-19 pandemic. The experiential and in-person nature of the arts—whether visual arts, music, dance, or numerous other mediums—has made it especially difficult to sustain as many venues have remained closed, or on limited operations. In the face of those challenges, arts organizations and artists have adapted and innovated in an effort to survive until conditions more conducive to in-person engagement returns. Some of those changes have included:

- Reconfiguring seating and performance spaces to align with social distancing requirements;
- Installing new filtration systems, plexiglass dividers, and hand sanitizer stations;
- Adopting COVID-19 testing protocols and isolation “bubbles” for artists and production crew;
- Securing outdoor spaces for events; and
- Identifying technology solutions that can bring live or recorded performances to those unable or unwilling to attend arts events in person.

All of these additional measures contribute to the economic toll on the sector, especially for nonprofit arts organizations that will lose revenue because of stay-at-home orders, restrictions on public gatherings, and declines in arts-related giving. For many arts organizations, the challenge of adapting in-person arts events to virtual arts experiences—and to monetize these transactions—will remain critical to longer-term stability.

³⁰ Source: NASAA email to National Endowment for the Arts, December 18, 2020.



Moreover, as winter persists and infections continue to rise, some of the adaptations that were available over the summer months may no longer be viable options. This will mean fewer performances, exhibitions, and opportunities for earned income. It may also mean more lost jobs and permanent closures of arts organizations.

Since March, assistance from federal, state, and local government programs, foundations, and the public at large have provided an important lifeline to help sustain arts organizations and artists throughout the course of the pandemic. These emergent means of support are by no means adequate to offset projected losses for the arts and cultural sector. The amount of relief awarded, to date, is disproportionately small when compared with the sector's economic footprint. Given the relationship between the performing arts and the economic output of other industries, ranging from tourism and transportation to hotels and restaurants, the impact of COVID-19 on the arts and cultural sector is likely to register elsewhere in the economy as well.

For the arts and cultural sector itself, changing consumer preferences and behaviors during the pandemic—a protracted period of social isolation for many Americans—may have longer-term effects on audience patterns, and therefore on the livelihoods of artists and arts organizations, even when vaccines become widely available. If the trend continues, then the commensurate loss to the nation's artistic and creative output may prove incalculable. Solutions to sustain the arts and cultural sector—and ultimately to help shape what it looks like post-pandemic—will continue to depend on creative solutions that leverage all that arts organizations, government, the private sector, foundations, and the public can bring together during a time of urgent need.