

COVID-19 Impact on Nonprofit Arts and Culture in New York City

As reported between April 24th and May 8th, 2020



SMU | DataArts

NATIONAL CENTER FOR ARTS RESEARCH

Prepared for the New York City Department of Cultural Affairs

June 25, 2020

Daniel Fonner
Associate Director for Research, SMU DataArts

Zannie Voss
Director, SMU DataArts

Contents

Executive Summary	1
Introduction	3
Financial Impact	7
Employment and Patron Impact	15
Conclusion	21
Appendix A: Sector Definitions	23

Executive Summary

The sudden spread of Coronavirus Disease 2019 (COVID-19) has disrupted industries and caused social and economic shock around the globe. The nonprofit arts and culture sector has been profoundly affected by these developments and faces severe challenges in the coming months and years of recovery. Many organizations have been forced to close their doors and suspend programming while attempting to continue serving their communities and providing resources to their employees.

To understand the direct impact on the nonprofit arts and culture sector in New York City to date, the New York City Department of Cultural Affairs (DCLA), Americans for the Arts (AFTA), and SMU DataArts partnered to survey and report on the financial, staffing, and programmatic effects of COVID-19 felt across New York City.¹ The survey period ran from April 24th through May 8th, 2020 and tracked 810 respondents' self-reported impact estimates. Organizations identified the timeframe of their estimates beginning from the start of the lockdown in March 2020, with about 80% of organizations estimating impact through June 30th, 2020 and others estimating up to January 1st, 2021. It is important to acknowledge that COVID-19-related developments occurring after the close of the survey on May 8th are not reflected in the response data.

Below are the key insights from this report.

For definitions of terms used here, see Appendix A – Sector Definitions.

- Ninety-five percent of organizations **canceled programs**, 88% modified delivery of their programs, and as of May 8th, 11% were not providing products or services to their communities.
- **Small organizations** with budgets under \$250,000 have been hardest hit by the impact relative to their annual financial figures. In three months, they incurred losses relative to 20%-30% of annual revenue and incurred unanticipated expenses equivalent to about 20% of annual expenses.
- By contrast, **larger organizations** incurred revenue losses of about 15% of annual operating revenue and unanticipated expenses equivalent to roughly 2% of annual expenses.
- **Performing arts organizations** reported an 18% loss of revenue (11% from admissions) along with 3% more unanticipated expenses relative to annual expenses. The performing arts are further hampered by lower levels of Working Capital, only having liquidity to cover 2.1 months of expenses at the start of the crisis.
- **Community organizations** (e.g., cultural & ethnic awareness, folk arts, community celebrations) are in a similar situation with reported losses of 12% as of the close of this survey, unanticipated expenses of 12%, and the lowest level of Working Capital relative to expenses at 1.6 months heading into the crisis.
- Over 25% of responding organizations stated that they have **reduced their levels of employment**. This corresponds to 15,149 people being laid off or furloughed at these organizations due to COVID-19, or 21% of the staff and artist workforce.
- **Artist staffing** levels have borne the brunt of employment decreases relative to regular annual employment. Some of the greatest reductions to artist employment have come

1. The Department of Cultural Affairs press release for this project can be viewed here:
<https://www1.nyc.gov/site/dcla/about/pressrelease/PR-2020-04-24-COVID-Survey.page>

from Arts Education organizations, which collectively reported decreases of over 2,100 artists, or 78% of artist staffing, during this period.

- Nearly 100% of responding organizations stated that **in-person attendance has dropped**, for an aggregate loss in attendance of 16,439,818 patrons, or 35% of annual attendance.
- Additional research conducted by SMU DataArts projects that from March 2020 to February 2021, the average arts and culture organization can expect a deficit of 26%.
- 11% of organizations indicated that they **do not think they will survive the COVID-19 crisis**, with smaller organizations (budgets under \$250,000) and performing arts organizations feeling greatest likelihood of insolvency.
- The full negative financial impact of **revenue losses** and unanticipated expenses reported by respondents totaled roughly \$550,000,000.

The overall picture is dire with regard to both the short- and long-term stability of arts and culture organizations in New York City. But there have also been some glimmers of hope. Across digital platforms, arts and culture organizations are finding new ways to interact with audiences, and people are creating art in new ways in our new socially distanced world. Cultural organizations have also risen to the occasion to prove that cultural groups are resource hubs for their communities.

As we continue to navigate through daily COVID-19-related difficulties, the arts and culture sector must also address disparate impact faced by certain communities. Whether the disproportionate health impact of COVID-19 on communities of color, fears of organization insolvency, or hiring and layoff decisions making staff at institutions less diverse, our sector, policy-makers, and all those who contribute to the vibrant arts and culture scene in New York City must come together to protect the sector and give it a chance to thrive in a post-COVID-19 world.

Introduction

The sudden spread of Coronavirus Disease 2019 (COVID-19) has disrupted industries and caused social and economic shock around the globe. Over the course of one month, stock market indices lost upwards of 30% of their value, falling from all-time highs. Businesses and schools closed and employees have been left to confront telecommuting or layoffs. Shelter-in-place orders and mandated social-distancing guidelines have been enforced by all levels of governments, with some states and regions beginning to reopen. According to data from Johns Hopkins University, as of June 2020, the United States has had over 2 million confirmed cases of COVID-19 and over 100,000 deaths.²

In addition to local measures, a combination of fiscal actions taken by the Federal Reserve and federal relief packages have aimed to limit the economic fallout caused by the virus. Since the outbreak of the pandemic in the United States, over 40 million individuals have filed for unemployment benefits.³ In March, Congress passed and the President signed into law the \$2 trillion *CARES Act* that included provisions directing cash payments to taxpayers and offering low interest loans to small businesses, including nonprofit organizations, with loan forgiveness for some entities that retain their workforces. However, it should be noted that experiences in applying for and receiving government funds through the Small Business Association varied with larger organizations with long-standing relationships with banks more easily navigating the funding process than smaller organizations.⁴

The public health crisis has also exacerbated deep divisions within American society, with communities of color experiencing far higher rates of COVID-19 infection and mortality.⁵ Though it occurred after the survey period for this study closed, the killing of George Floyd by a Minnesota police officer set off national waves of protest which further highlighted that communities of color, and African American and Black people in particular, were dealing with the public health crisis compounded by centuries of entrenched racism. Of the cultural organizations surveyed for this report, 9.5% state they primarily serve culturally specific audiences, so examining the impact on their organizational health is key to making sure these groups are able to recover from and support their communities through the multipronged crisis.

The nonprofit arts and culture sector has been hard hit by these developments and faces dire challenges in the coming months. Many organizations have had to suspend programming while attempting to continue serving their communities and providing resources to their employees. Layoffs and furloughs are being utilized by some organizations to minimize expenses as income has vanished in the wake of quarantine orders. With the economic outlook still uncertain at best, many groups are not sure when or if they will be able to rehire staff, indicating a diminished cultural workforce for months or even years to come. What's more, there are early indications that the cultural workers most affected by layoffs and furloughs tend to come from the more racially diverse categories of the workforce, such as education departments and visitor services. It will be important to monitor this troubling trend.

2. Please view the Johns Hopkins COVID Dashboard here:

<https://www.arcgis.com/apps/opsdashboard/index.html#/bda7594740fd40299423467b48e9ecf6>

3. See <https://www.cnbc.com/2020/05/28/jobs-data-shows-millions-went-back-to-work-but-unemployment-rate-for-may-is-still-expected-at-20percent.html>

4. See <https://nonprofitquarterly.org/the-ppp-the-experience-of-it-all-and-advice-for-new-nonprofit-applicants/>

5. See: <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/racial-ethnic-minorities.html>

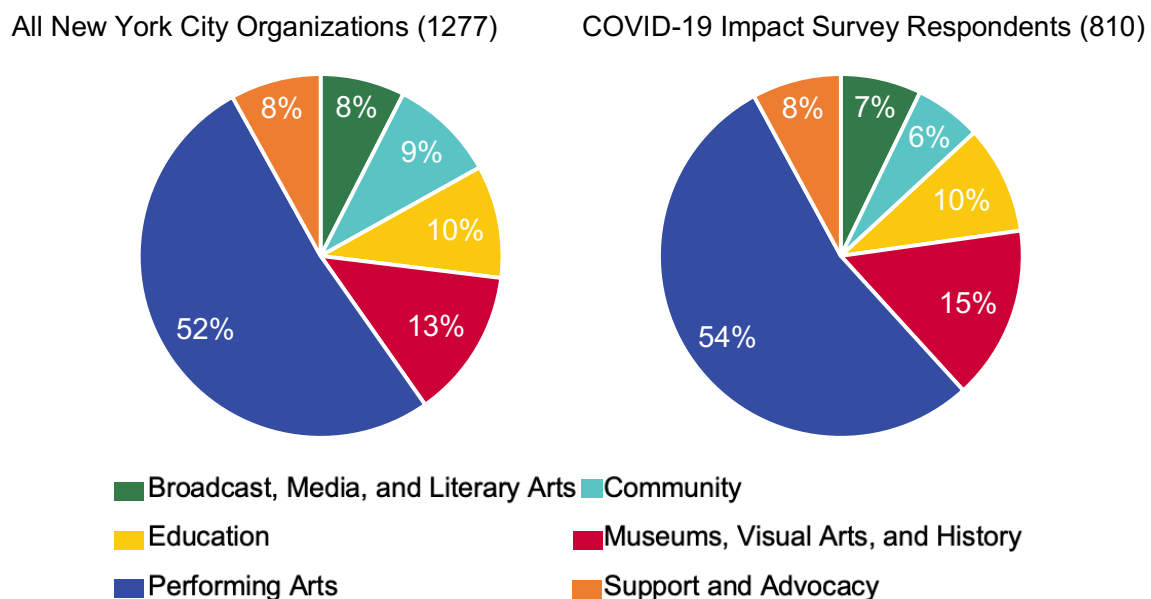
In the sections that follow, we provide an overview of the data collection and a description of organizations in this study, then provide insights into survey findings.

Methodology

To begin to understand the direct impact on the nonprofit arts and culture sector in New York City to date, the New York City Department of Cultural Affairs (DCLA), Americans for the Arts (AFTA), and SMU DataArts partnered to survey and report on the financial, staffing, and programmatic impacts felt across New York City.

From April 24th through May 8th, organizations that applied for DCLA funding in recent years were encouraged to complete the Economic Impact of COVID-19 survey created by AFTA, which captures responses from arts and culture organizations across the United States. Of the 1277 DCLA applicants and grantees, 810 completed the survey, constituting a 63% response rate, representative of the broader sector as shown in Figure 1.⁶ During the survey period, respondents indicated the date through which their estimates covered with about 80% of respondents estimating impact through June 2020.

FIGURE 1
Breakdown of Organizations by Sector⁷



6. All analyses are significant at a confidence level of 95% and margin of error of ±5% unless otherwise noted.

7. Broadcast, Media and Literary Arts sector organizations work in print, sound, or visual media. Community organizations provide arts and cultural programs to a specific community - including geographic, linguistic, or ethnic communities. Education organizations provide arts instruction. Museum, Visual Arts, and History organizations create exhibits or display visual arts, advance or present science and the natural world, or preserve and present history and/or heritage, historical collections, or artifacts. Performing arts includes organizations performing dance, music, theater or performing/presenting work not described solely by one of these categories. Support and Advocacy organizations support artists, organizations in a specific discipline, or the whole sector.

The sectors shown in Figure 1 were determined by National Taxonomy of Exempt Entity (NTEE) codes supplied by organizations when completing their Cultural Data Profiles. Appendix A provides NTEE code components of each sector.

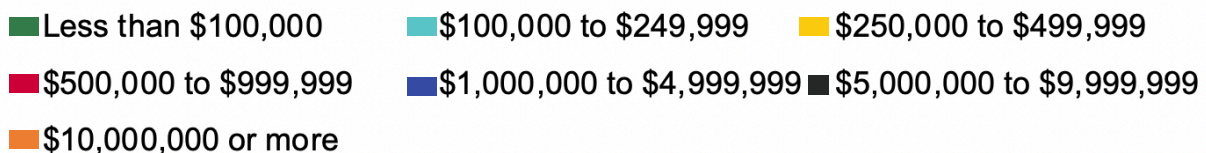
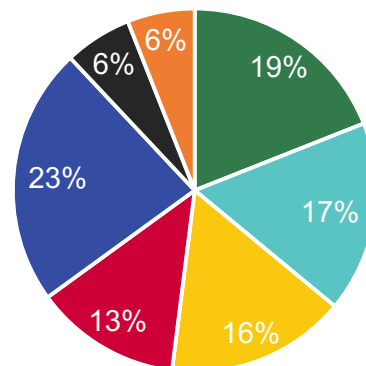
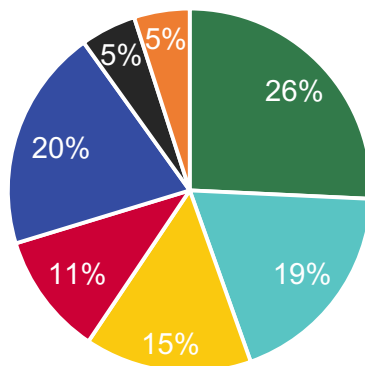
Along with responses by sector, responses by borough were identical (rounding to the nearest percent) to the dispersion of organizations across the city: Bronx – 4%, Brooklyn – 22%, Manhattan – 63%, Queens – 8%, and Staten Island – 3%. Of note, organizations classified as community organizations were represented at a higher rate in the Bronx (8%) and Queens (17%) with a lower rate of community organizations in Manhattan (48%).

Responses by budget grouping are compared in Figure 2 below, showing that a slightly smaller percentage of organizations with budgets under \$100,000 were represented in the survey responses.

FIGURE 2
Breakdown of Organizations by Budget Grouping

All New York City Organizations (1277)

COVID-19 Impact Survey Respondents (810)



Social Impact of the Arts in New York City

In 2017, researchers at the University of Pennsylvania released a report detailing the Social Impact of the Arts (SIAP) in New York City. The three-year study aimed to probe the “relationship of cultural ecology to social wellbeing across New York City neighborhoods.”⁸ This work included assessments of cultural amenities, well-being dimensions, diversity, and cultural

8. Please view the SIAP report here: <https://repository.upenn.edu/siap/>

participation throughout the city. Two of the areas defined by these characteristics, Civic Clusters and Low Resource areas, were a focus of relating COVID-19 impact to the Social Impact of the Arts in New York City.

Civic Clusters were defined as “neighborhoods with higher concentrations of cultural assets than their economic status would lead [one] to expect. These civic clusters are points of the strength in the city’s social fabric.” Low Resource communities are areas defined by “lower-income neighborhoods with fewer cultural resources.”

However, due to the small sample size and large variation of responses from organizations in these areas, this study could not draw many conclusions about specific impacts to these organizations relative to organizations in other parts of the city. In examining survey responses, organizations’ size and discipline had far more correlation with negative impacts from the COVID-19 crisis than did their location in low-resource or civic cluster community. It is worth noting that many of the indicators – such as working capital and admissions revenue – may not be the best approach to understanding how organizations in SIAP-identified communities have been impacted by the crisis. Admissions revenue may not make up significant amounts of their annual budgets, for instance, and over 40% of organizations are too small to report on working capital. While the data in this report on smaller organizations and community-based groups provides valuable insights both in SIAP-identified communities and citywide, more efforts are needed to develop a better understand and/or quantify the impacts on organizations located in low income neighborhoods and communities of color.

Results

In general, **95% of organizations have canceled some programs, 88% have modified delivery of their programs, and 11% were not currently providing products or services to their communities as of survey submission.** The following sections of this report dive into specific impact areas including:

- Financial Impact
 - Operating revenue: Admissions and non-admissions revenue losses
 - Unanticipated expenses
 - Working capital
- Employment and Patron Impact
 - Employment decreases
 - Decreases in in-person attendance

To probe these topics, all analyses provide breakdowns by sector and budget size. Survey responses included textual responses from these organizations and others, which are included in this report to help add context and will be highlighted throughout this report. (Note that textual responses may have been edited for length or to ensure respondent anonymity.)

Financial Impact

One of the primary areas of impact recognized by arts and cultural organizations during this crisis is on organizational finances including loss of total operating revenue split by admissions and non-admissions revenue, unexpected total expenses, and low working capital.

Operating Revenue

Sixty-eight percent of responding organizations identified revenue losses due to COVID-19 based on their knowledge as of May 8th, 2020. (Note that many organizations may not have had reliable projections for revenue loss during the survey period, and so would not be included in these projections; however, it should not be assumed that this means they didn't experience financial losses.) Across these organizations, the average loss to operating revenues totaled roughly \$725,000, or about \$525,000,000 in aggregate, with about 30% of that loss coming from admissions revenue and 70% coming from non-admissions revenue, both earned and contributed. This loss accounts for 14% of average annual operating revenues.

Some organizations are attempting to counterbalance losses with new revenue streams associated with modified programming. As one arts leader commented, “[We’re] trying to figure out how to charge for on-line programming without the expertise on how to do so.” The following comments shed some light on why admissions revenue losses are lower than non-admissions revenue losses:

- “During these unfathomable times, we've seen our community come together and support us in many ways. From exchanging their unused tickets for a charitable contribution to renewing their subscription without knowing the shows.”
- “Our other supporting revenue stream, space rental, has dried up because of quarantine and lack of funds to rehearse, mount performances and hold social events. [We have] applied for emergency funding but so far has not received anything from PPP funds or other sources such as stimulus checks. [We] lost two members of [our] arts community, so not only has the pandemic been economically devastating, it is also personal.”

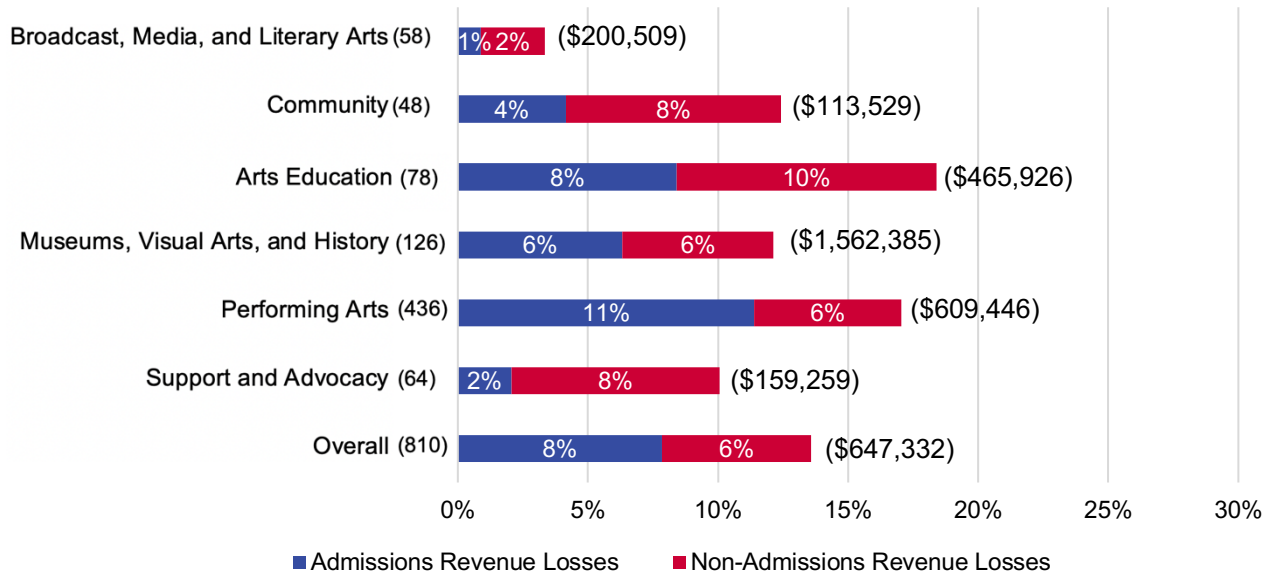
Even organizations that received PPP funds have only a temporary reprieve. An arts leader shared:

- “We are weathering the COVID crisis as best we can. While we are struggling with a lack of income, we have received help from the SBA, allowing us, for now, to maintain our staff. But this may not be sustainable beyond the end of June. We are exploring, as best we can, long-term solutions to keep our doors open.”

These losses varied by organizational sector and budget size as indicated in Figures 3 and 4, respectively.

FIGURE 3

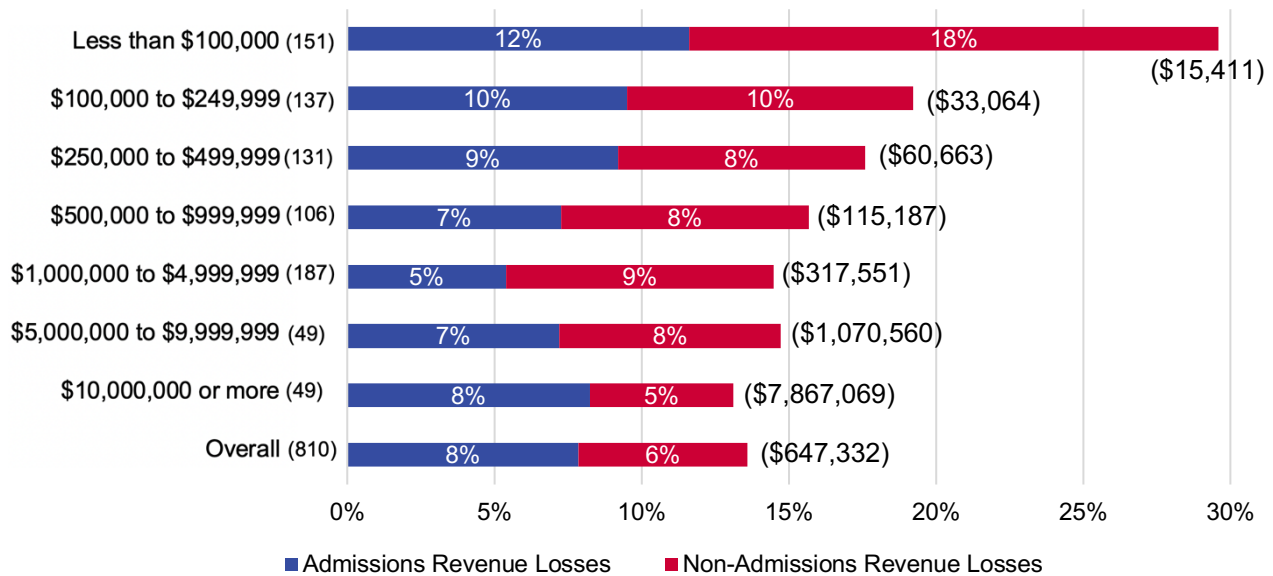
Revenue Losses as Percentages of Annual Operating Revenue by Sector (Avg \$)



Arts Education-focused organizations have experienced the most severe income losses to date as percentages of annual operating revenue (18%, an average of \$465,926), followed closely by Performing Arts organizations (17%, an average of \$609,446). Performing Arts organizations have experienced losses to admissions revenue that have outpaced their losses to non-admissions revenue, whereas all other sectors had comparable losses or experienced more loss to non-admissions revenue. The overall aggregate revenue loss for respondents totaled \$524,339,227.

FIGURE 4

Revenue Losses as Percentages of Annual Operating Revenue by Budget Group (Avg \$)



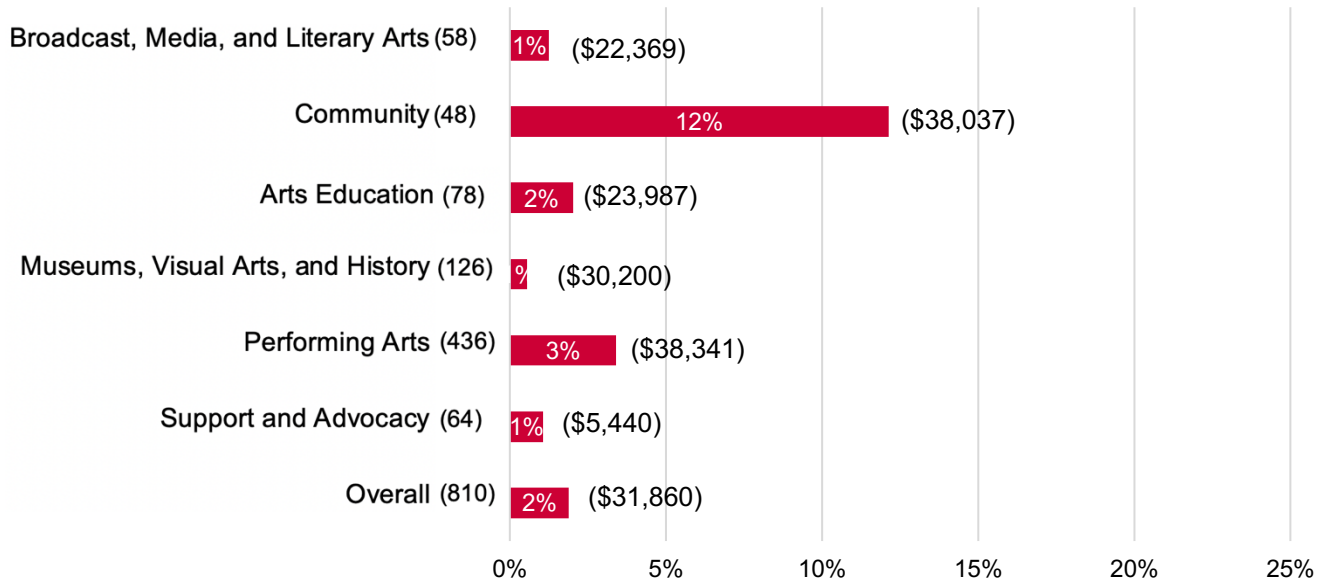
Generally speaking, the larger the organization, the lower the percentage of annual operating revenue lost to date. When viewing findings by budget groups, **small organizations recognized the highest relative revenue losses. Organizations with budgets under \$100,000 have been most severely impacted, with losses totaling 30% of annual operating revenues (an average of \$15,511).** Twelve percent of these small organizations with budgets under \$100,000 serve a culturally specific audience as compared to 9.5% of organizations of all sizes stating they serve those audiences. With the exception of the smallest organizations, losses were generally equally distributed between admissions and non-admissions revenue.

Unanticipated Expenses

Organizations have also realized unanticipated expenses due to COVID-19, with 35% of respondents stating they have incurred additional expenses such as those related to the adoption of new cleaning protocols, new technologies, cancellation fees, or marketing expenditures to inform attendees about schedule changes. Of those respondents, the average of unanticipated expenses reached roughly \$90,000, or about \$25,000,000 in aggregate, which accounts for 2% of total annual expenses of respondent arts and cultural organizations in New York City. Culturally specific organizations reported a somewhat higher average level of unanticipated expenses relative to budget – i.e., 6% rather than 2% -- but the difference is not statistically significant. Figures 5 and 6 show the variation of unanticipated expenses by sector and budget size.

FIGURE 5

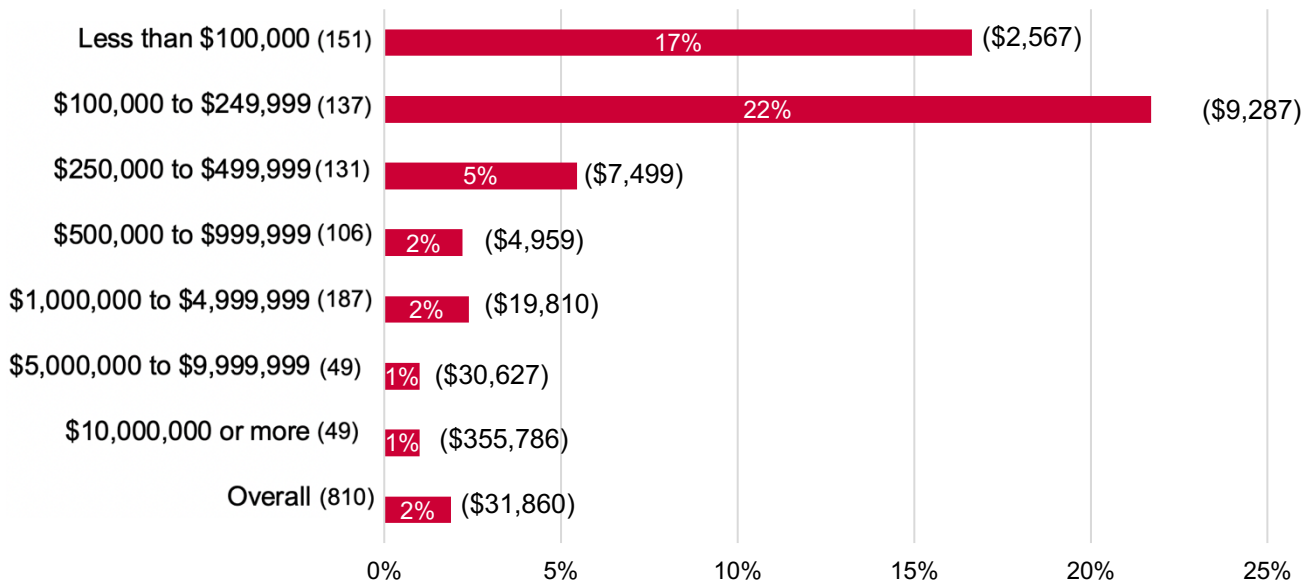
Unanticipated Expenses as Percentages of Annual Expenses by Sector (Avg \$)



Community-based organizations have experienced the brunt of the unanticipated expenses relative to their budgets (12%, an average of \$38,037), while all other sectors identified about a 2% level of unanticipated expenses for an aggregate of \$25,806,648 in unanticipated expenses. For additional context around community-based organizations, 19% of community-based organizations serve culturally specific audiences compared to 9.5% of all organizations stating they serve culturally specific audiences.

FIGURE 6

Unanticipated Expenses as Percentages of Annual Expenses by Budget Group (Avg \$)



Small organizations with budgets under \$250,000 recognized the greatest impact, with unanticipated expenses equivalent to about 20% of normal annual expenses, or an average of \$5,744. As budget size increased, unanticipated expenses as a percent of annual expenses dropped significantly.

Working Capital

When analyzing the financial health of the arts and culture sector in New York City, it is important to think about the impact of revenue losses and unanticipated expenses in the context of an organization’s financial liquidity heading into the crisis. If revenues dry up or expenses balloon in a short period of time, does the organization have the ability to sustain itself?

One of the primary ways to measure liquidity is through Working Capital, which is the difference between unrestricted current assets and unrestricted current liabilities recorded on an organization’s balance sheet. It represents an organization’s unrestricted resources available to meet day-to-day obligations. The impact of Working Capital is made clearer when compared to an organization’s expenses, answering the question “What percent of my organization’s annual expenses could be covered by our Working Capital?” This metric can be extended one calculation further to estimate the number of months of Working Capital an organization has available to cover expenses.⁹

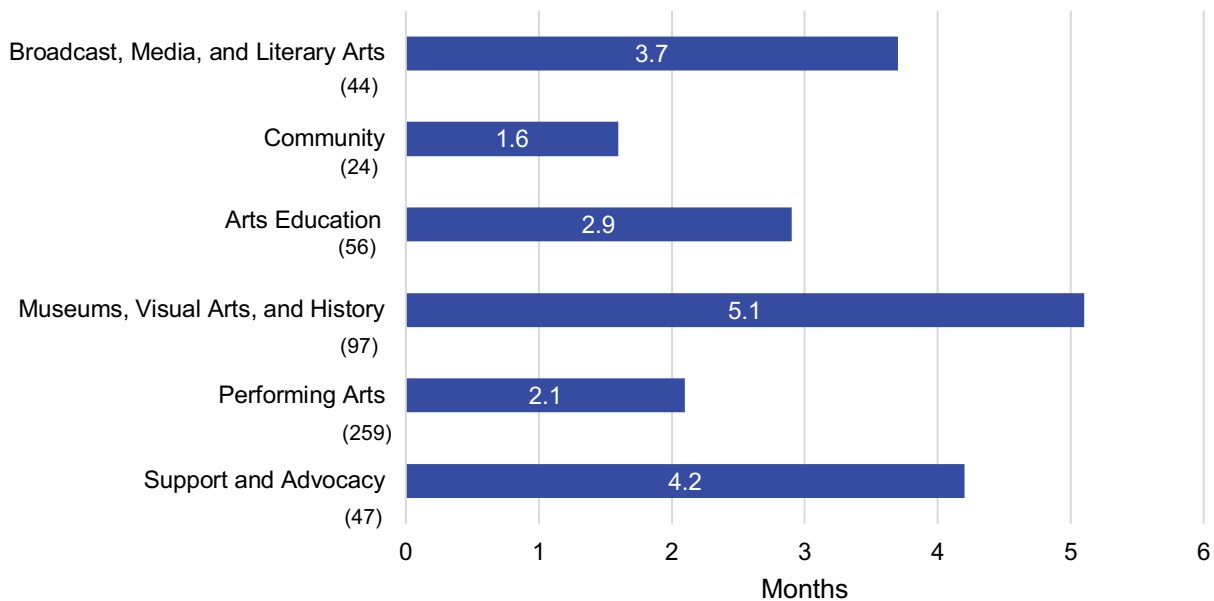
Working Capital information comes from balance sheet data submitted by audited organizations in their Cultural Data Profile, which covers 57% of organizations in New York City. (Note that the

9. To learn more about Working Capital, please see “Five Steps to Healthier Working Capital” at: <https://sites.smu.edu/Meadows/WC-532018-Final.pdf>

remaining 43% of organizations have budget sizes of less than \$250,000 and thus are not required by New York state law to conduct an audit or independent financial review.)

Figures 7 and 8 detail the median months of Working Capital by sector and budget group. Median values – the midpoint in a range -- are shown to minimize the impact of large outliers on the field that skew the mean values.

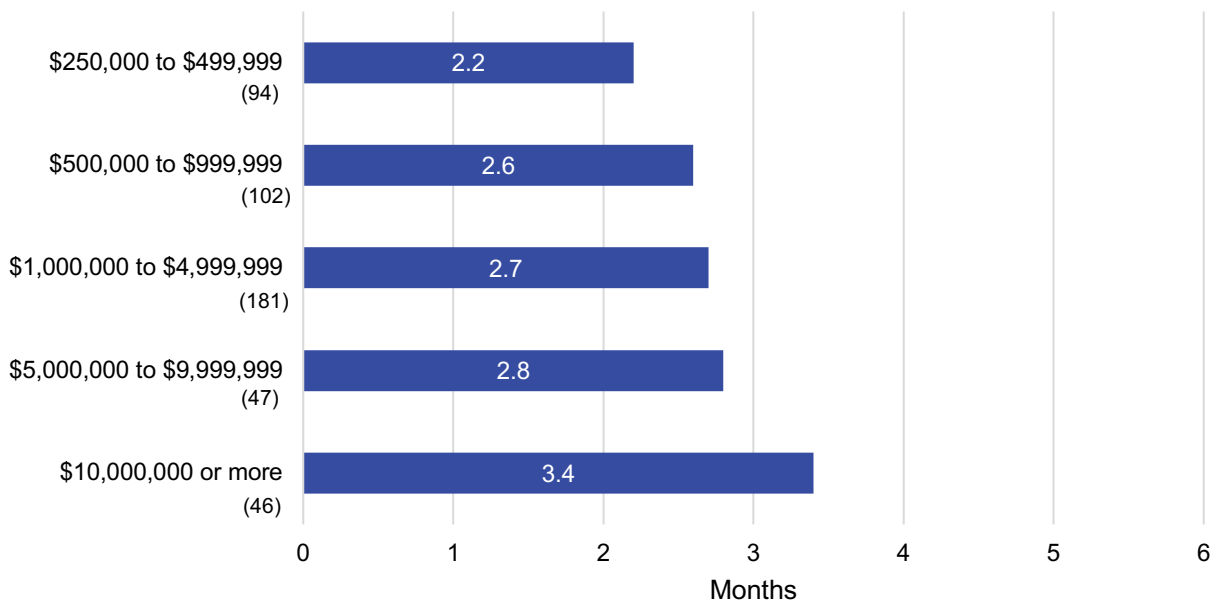
FIGURE 7
Median Months of Working Capital by Sector



By sector, Museums tended to have the highest level of Working Capital with the ability to cover over 5 months of expenses heading into the crisis, while Community organizations had the least, with only 1.6 months of liquidity to cover expenses. Performing Arts organizations were also on the low end, with 2.1 months of Working Capital.

FIGURE 8*

Median Months of Working Capital by Budget Group



*Note that the two smallest budget categories are not reported here as very few of these organizations supplied balance sheet data via the Cultural Data Profile due to their size, resulting in non-significant results by their budget groups.

The differences between budget groups show that, generally, larger organizations have higher levels of Working Capital relative to their expenses. This demonstrates that if organizations had to rely solely on their liquid net assets to cover expenses from the start of COVID-19-related closures, generally, they will have depleted those resources in June 2020, assuming expenses could not be reduced. Cuts to personnel and non-personnel expenses prolong the amount of time an organization can sustain itself on its working capital alone. However, those cuts do not account for the human toll of furloughs and layoffs on member of the workforces.

Financial Summary

When looking across the impacts of revenue losses and unanticipated expenses, **small organizations with budgets under \$250,000 have been hardest hit.** Revenue losses of 20%-30% of annual figures and unanticipated expenses adding about 20% to annual expenses, all being incurred over the course of three months, combine to create the severely compromised financial position of these organizations.

Performing Arts organizations reported an average 18% loss in revenue (11% from admissions) coupled with an additional 3% in unanticipated expenses. The Performing Arts are further hamstrung by lower levels of Working Capital, only having liquidity to cover 2.1 months of expenses heading into the crisis.

Community-based organizations, especially those with small budgets, are in the greatest financial distress. They reported average revenue losses of 12%, unanticipated expenses of

12%, and the lowest level of Working Capital relative to expenses at 1.6 months. Additionally, community-based organizations are represented by larger percentages of organizations that serve culturally specific audiences and are located in the Bronx and Queens at higher levels compared to the dispersion of organizations overall. This also aligns with a higher percentage of community organizations being located in SIAP Low Resource areas (10.3%) compared to representation of organizations in Low Resource areas overall (3.6%).

The full negative financial impact of revenue losses and unanticipated expenses reported by respondents totaled roughly \$550,000,000.

We now turn to an examination of the pandemic's effects on both employment and patronage of arts and cultural organizations.

Employment and Patron Impact

The financial impact of COVID-19 on nonprofit arts and cultural organizations tells one part of the story. The impact on people, both through employment and engagement as patrons, contributes to a more complete understanding of COVID-19's impact on arts and culture organizations in New York City.

On June 9, 2020, *Crain's New York Business* highlighted disparities in those laid off from museum workforces, especially in relation to systemic racism in our society and sector stating:

"Museums looking to show solidarity with the Black Lives Matter movement now must reckon with cuts they made in the heat of the pandemic, which quietly made their already disproportionately white workforces even whiter."¹⁰

This article is based on public statements made by museums in New York City about their layoffs in conjunction with data collected by SMU DataArts in 2018 analyzing the demographics of workforces at 65 institutions in New York City, including all members of the Cultural Institutions Group.¹¹ Crain's notes that some of the roles hardest hit at organizations are security and visitor services, which are two of the most diverse roles at these institutions.

While the demographics study cannot be generalized to all New York City organizations, or all those who responded to the AFTA survey, the context is important as the sector addresses racial equity and the coronavirus pandemic.

Employment

Respondents to AFTA's COVID-19 impact survey were asked to detail changes to their staffing in response to the pandemic, separating out "staff/employees," "artists/creative workforce," and "other workforce." This section uses the terms "staff," "artists," and "other" to report on the data. For each of those three categories, the impact survey broke employment impact into those laid off versus those furloughed. Those values are combined for the purposes of this report as we cannot assess the unique situation present at each organization in defining those terms.

Over 25% of responding organizations stated that they have reduced their levels of employment. This corresponds to 15,149 people being laid off or furloughed at these organizations reported as of May 8th due to COVID-19, or 21% of the aggregate staff and artist workforce. About 25% of organizations stated they have reduced salaries at their organization, and 24% have instituted hiring freezes.

Survey respondents noted in particular that artists have been under considerable duress during this crisis. Comments include the following:

10. Please see the Crain's article at: <https://www.craigslist.com/arts/reckoning-over-race-museums-confront-their-pandemic-layoffs>

11. View the DCLA Workforce Demographics pilot study at: <https://www1.nyc.gov/assets/dcla/downloads/pdf/NYC%20DCLA%20Full%202018%20WfD%20Report%207-24-19.pdf>

- “Our organization's leaders and volunteers are working with our low-income [artists] to help [them] apply for individual emergency grants and to file taxes (for the first time) to access stimulus checks. We are creating an emergency fund to help [them] with wifi bills, tripods (for online rehearsals and dance works), however we really need free resources for learning about digital fundraising.”
- “Many artists in our community work part-time in the box office, freelance as designers, or as a stage technician over-hire, and all those jobs are gone for the time being. Some have gotten unemployment, but others are ineligible, have language barriers, or can't reach anyone at the unemployment office.”

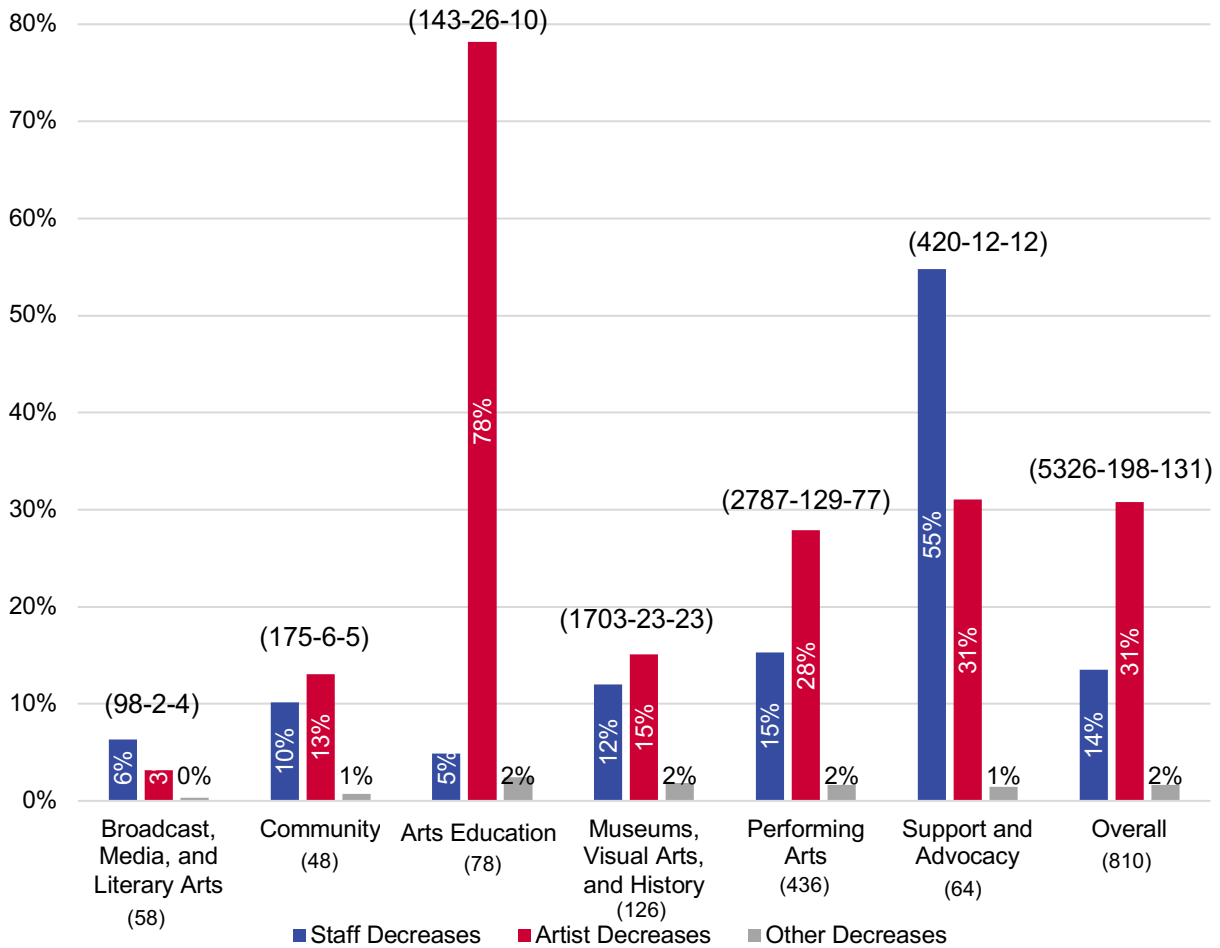
Layoffs and furloughs add stress for those who remain employed, as reflected in these comments by survey respondents:

- “My staff needs to grieve and pause themselves but they can't. I am worried about their health as well. We are [a] tiny staff. If someone needs a break, we don't have any spare folks to step up.”
- “The coronavirus has been particularly hard on the health and morale of our essential staff. This is especially true for our security staff who are responsible for protecting our facility and collection. They have regularly been working 12-hour shifts under difficult circumstances and commuting on public transit.”

The employment decreases vary by sector and budget size as shown in Figures 9 and 10.

FIGURE 9

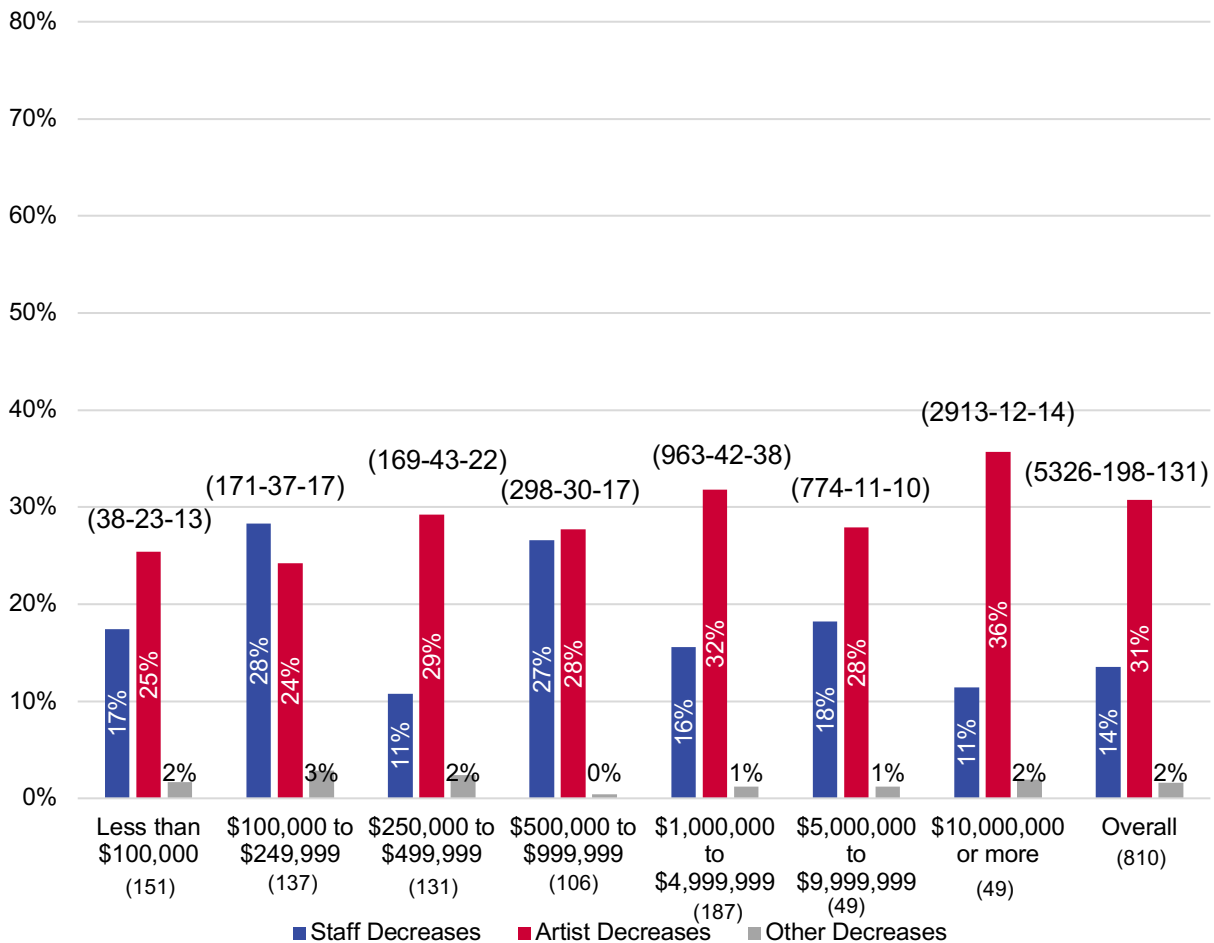
Employment Decreases as Percentages of Annual Employment by Sector (Aggregate #s by employment group)



The above figure shows that **some of the greatest impact to artistic employment comes from Arts Education organizations, which reported a collective decrease of over 2,100 artists (average of 27 artists), or 78% of artistic staffing reported as of May 8th.** Support and Advocacy organizations reported severe staff cuts of 55% (average of 6 staff). Broadcast, Media, and Literary Arts organizations reported the lowest decreases as a percent of their total workforce size.

FIGURE 10

Employment Decreases as Percentages of Annual Employment by Budget Group (Aggregate #s by employment group)



Cuts to artistic staffing by budget size were generally consistent across the board, with the largest organizations reporting the largest decreases in artistic staffing. Staff employment has decreased more drastically for organizations with smaller budgets.

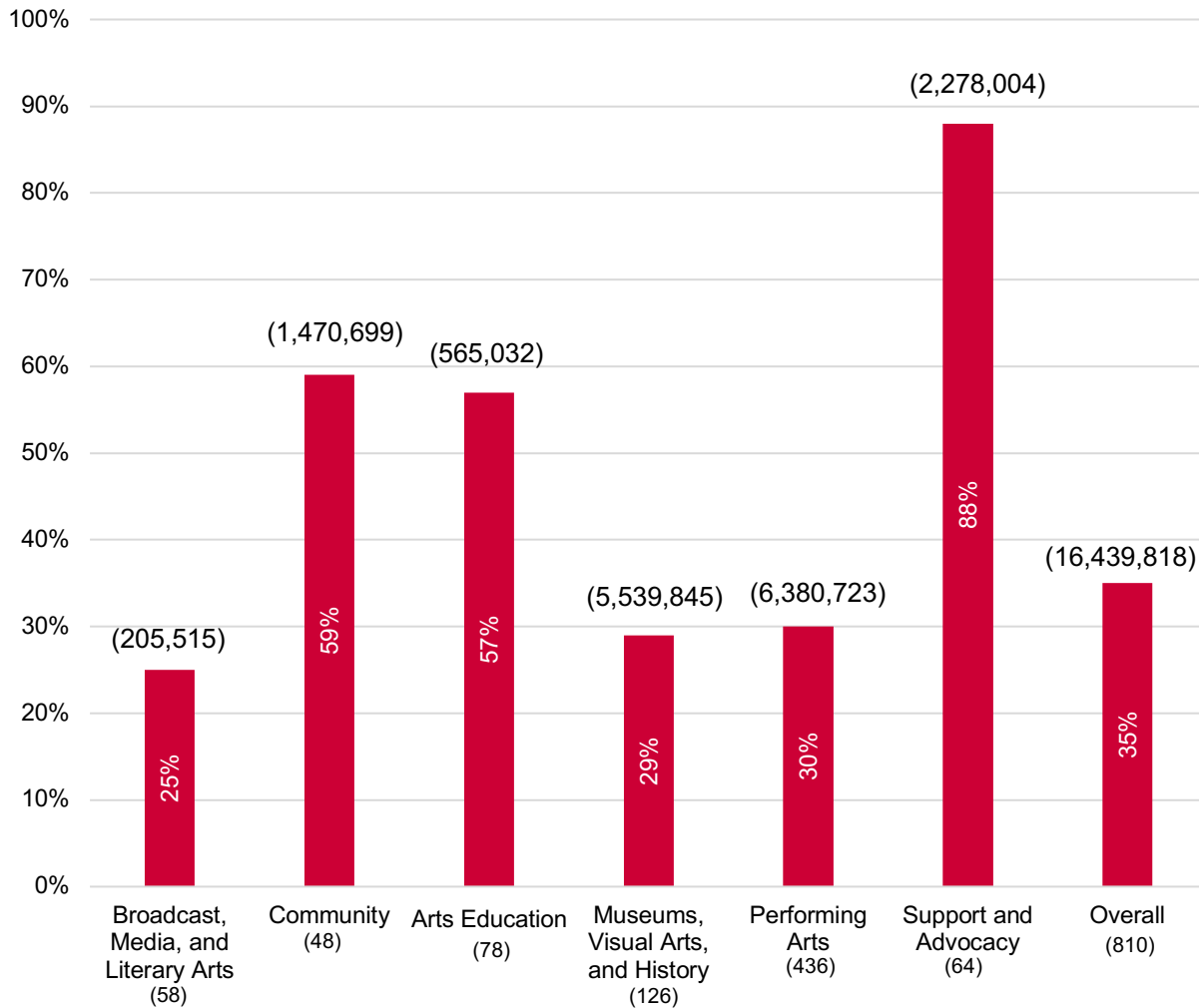
Figures 8 and 9 reveal that **artist staffing levels have borne the brunt of employment decreases relative to regular annual employment**. As mentioned earlier, any COVID-19-related developments occurring after May 8th are not reflected in the response data.

Patrons

The following analysis looks at decreases in the number of patrons due to COVID-19. **Nearly every responding organization reported that in-person attendance has dropped, for an aggregate loss in attendance of 16,439,818 patrons, or 35% of annual attendance.** Figures 11 and 12 detail the decreases by sector and budget.

FIGURE 11

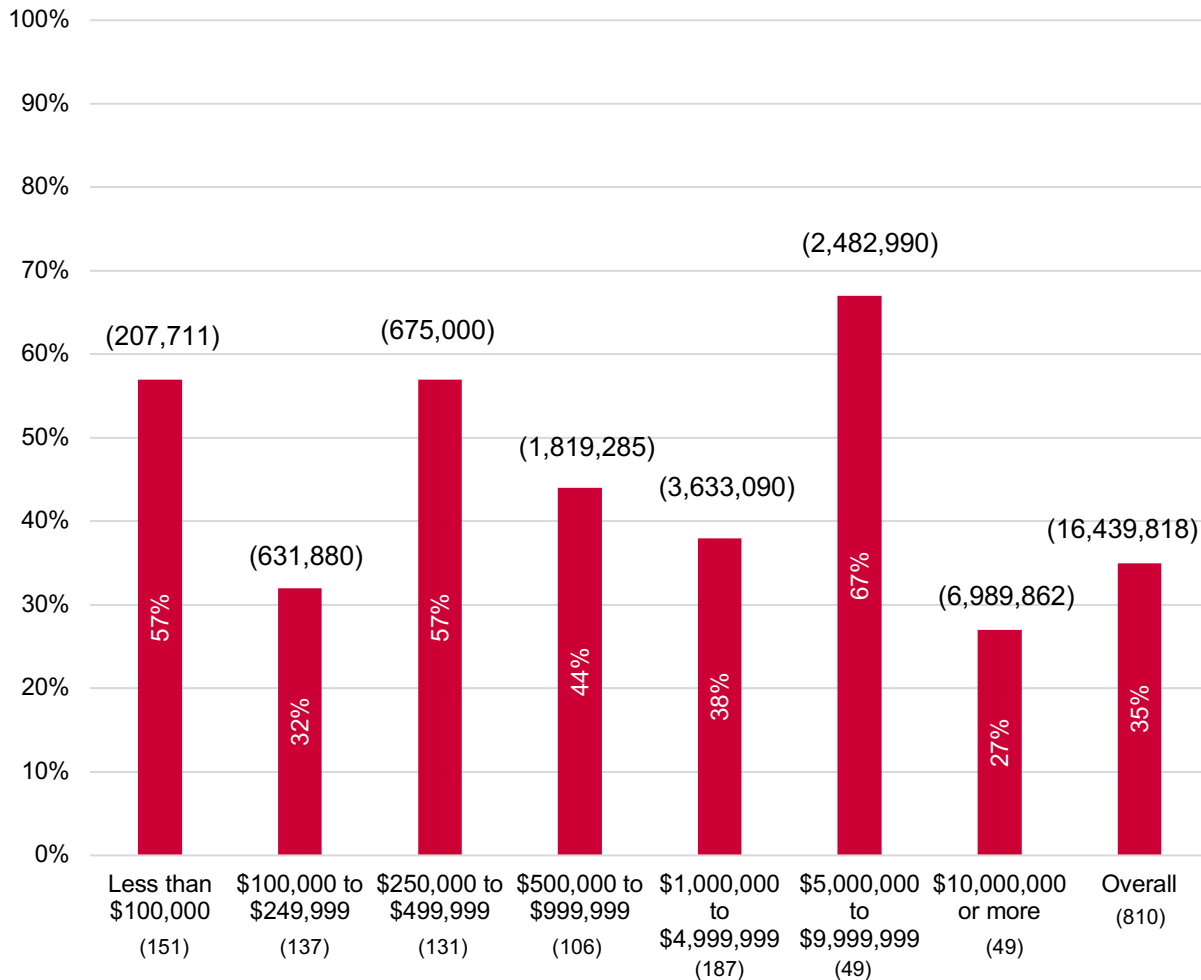
Percent Decrease in In-Person Attendance by Sector (Aggregate #)



Community, Arts Education, and Support and Advocacy organizations reported the highest levels of patron decreases as percentages of their annual attendance figures. While less than the overall average decrease as percentages of annual attendance, Museums, Visual Arts, and History and Performing Arts organizations saw the largest reductions in raw numbers, with decreases of 5.5 million and 6.4 million attendees, respectively.

Figure 12

**Percent Decrease in In-Person Attendance by Budget Group
(Aggregate #)**



In-person attendance decreases varied across budget sizes, with organizations in the \$5 million to \$10 million range reporting the largest decrease at 67%, or about 2.5 million attendees in total.

Despite the substantial drop in in-person attendance due to forced closures, some organizations manage to see bright spots of engagement and humanity that this crisis has brought to bear. Arts leaders shared the following perspectives:

- “One positive aspect of the crisis is that through online programming we’re accessing a larger local and national audience that didn’t have access to our public programs.”
- “While the financial impact of the coronavirus has been extremely difficult, this crisis has truly unified the board, staff, and artists of our organization to overcome these challenges.”

Conclusion

The results of this report, based on estimates reported in early May 2020, reveal COVID-19's severe impact on arts and cultural organizations in New York City and identify segments of the nonprofit arts and culture sector in New York City needing greater support during this crisis. Employment has dropped significantly, impacting artists the hardest. Attendance has plummeted. Revenue losses and unanticipated expenses are pushing organizations to the brink of insolvency, with liquidity becoming a major concern as closures continue indefinitely. **Additionally, as of May 8th, around 11% of organizations indicated that they do not think they will survive the COVID-19 crisis with smaller organizations and performing arts organizations feeling least optimistic. Forty-nine percent of organizations fearing they will not survive have budgets under \$250,000, while only accounting for 36% of all respondents.**

Beyond this report, there is interest within the sector to look beyond the pandemic's impact to date to a projection of what the sector can expect over the next year. In May 2020, SMU DataArts released a report, *In It for the Long Haul*, projecting estimated impacts from March 2020 to February 2021. **The report projects a deficit of 26% for the average organization.** This estimate is based on activity reported by about 35,000 arts and culture nonprofit organizations in the U.S., incorporating financial and survey data collected by multiple organizations to date. The report analyzes the projection in more depth and delves into strategies for organizations to achieve success on the other side of COVID-19.¹²

As shown throughout this report, comments provided by organizations in their survey responses help tell the broader story of the impacts of COVID-19 on the communities and people of New York City beyond just the numbers. The following quotes contribute to that broader understanding of impact:

- “[We] primarily serve young people of color from low income communities across NYC. We see the impact the virus is having on the youth in our programs and their families from financial hardship and lack of health care to food insecurity. We work with school partners to provide arts education classes and see a significant drop in student attendance due Internet connectivity, lack of technology, mental health issues, strains on quarantined families and other factors. In our home community of Red Hook, Brooklyn we see long lines at food distribution sites and are aware of the dire circumstances facing many low-income seniors. It is heartening to see many nonprofits from cultural groups to social service and local justice centers, as well as volunteers, stepping up to provide and distribute critical resources including many free online arts offerings.”
- “We are seeking ways to collaborate with our partners to sustain our programs through this crisis... We're deeply concerned with the health crisis (physical and mental), loss of jobs and food security for people living in our community who were already vulnerable before COVID-19. Our programs have always served as a place of solace as the arts offers spaces for people to heal and seek solutions. It is important that we exist to help people weather the crisis psychologically and compliment organizations who are offering social services for displacement, health care and food.”

12. Please view *In It for the Long Haul* at: <https://culturaldata.org/pages/long-haul/>

- “The Chinese cultural community has been especially hard hit by the Corona-virus. This is not only because of the shutdown of all public events and activities but also because the alarming increase in anti-Asian and anti-Chinese violence and discrimination. We decry the coarsening of public discourse and the shredding apart of the social fabric it has encouraged. As our organization serves both the Chinese and the wider American cultural communities, and our core mission is to preserve and promote cultural understanding between Chinese and American peoples, this is of special concern to us. It is of immediate concern to the artists who work with us as well, and to others in the diverse immigrant communities of NYC, who are now suffering greatly not only from the virus itself, but also from the economic effects of the total shutdown, the tightening of immigration policies and the blanket travel bans. We are determined to use our voice and our art to speak out and to give strength to those in our community who are losing hope.”
- “Based on my experience attempting recovery as an arts organization from 9/11, Hurricane Sandy and the 08-14 recession, I am deeply concerned that the philanthropic and government sectors will use the disaster to again institute policies to both pick winners and losers or 'separate the wheat from the chaff' and to reduce or re-distribute funding for the arts.”
- “The virus has hit our under-served community hard financially and emotionally with the disproportionate numbers of infections and deaths of participants, their family members, staff and other community members. It will undoubtedly take a long time for the grieving to end and healing to begin.”

As we continue to navigate through daily difficulties related to COVID-19, the arts and culture sector must also address disparate impact faced by certain communities. Whether the disproportionate health impact of COVID-19 on communities of color, fears of organization insolvency for smaller groups, or hiring and layoff decisions hitting hardest for the most diverse job categories in the cultural workforce, policy-makers and all those who contribute to and participate in New York City’s vibrant cultural life must come together to reckon with these impacts together. This report can contribute to a broader understanding of these urgent issues and help guide support for the cultural sector as we emerge from this crisis. New Yorkers look to culture as a powerful source of social, economic, and personal value, and it will be needed more than ever to drive New York’s broader resurgence and recovery.

Appendix A Sector Definitions

The sectors shown in Figure 1 were determined by National Taxonomy of Exempt Entity (NTEE) codes supplied by organizations when completing their Cultural Data Profiles. This Appendix lists sector definitions with common NTEE code components.

To see the categorization of a specific organization, please visit <https://culturaldata.org/partners/cultural-nonprofits/> and search using the organization's name or discipline.

For a full listing of all NTEE codes and definitions, please visit: <https://nccs.urban.org/publication/irs-activity-codes>

Broadcast, Media, and Literary Arts

Organizations working in print, sound, or visual media, including nonprofit broadcasters; spoken word, publishers, literary or poetry societies, film and video producers, and film theaters

Common NTEE Codes

- A30 – Media & Communications
- A31 – Film & Video
- A32 – Television
- A33 – Print and Publishing
- A34 – Radio

Community

Organizations providing arts and cultural programs to a specific community - including geographic, linguistic, ethnic, or religious communities

Common NTEE Codes

- A20 – Multipurpose
- A23 – Cultural & Ethnic Awareness
- A24 – Folk Arts
- A27 – Community Celebrations

Education

Organizations providing music, visual, and performing arts instruction, including schools, colleges, and universities; using arts as a primary instruction or therapy practice; lecture series

Common NTEE Codes

- A25 – Arts Education/Schools
- A6E – Performing Arts Schools

Museums, Visual Arts, History

Organizations creating exhibits or displaying visual arts, advancing or presenting science and the natural world, or preserving and presenting history and/or heritage, historical collections, or artifacts

Common NTEE Codes

- A40 – Visual Arts
- A50 – Museums & Museum Activities
- A51 – Art Museums
- A52 – Children’s Museums
- A54 – History Museums
- A56 – Natural History Museums
- A57 – Science & Technology Museums

Performing Arts

Organizations performing dance, music, theater or performing or presenting work not described solely by one of these categories, including nonprofit venues and festivals

Common NTEE Codes

- A60 – Performing Arts
- A61 – Performing Arts Centers
- A62 – Dance
- A63 – Ballet
- A65 – Theatre
- A68 – Music
- A69 – Symphony Orchestras
- A6A – Opera
- A6B – Singing & Choral Groups
- A6C – Bands & Ensembles

Support & Advocacy

Organizations supporting the whole sector or organizations in a specific discipline or artists, generally not directly producing or presenting arts and cultural products

Common NTEE Codes

- A01 – Alliances & Advocacy
- A02 – Management & Technical Assistance
- A03 – Professional Societies & Associations
- A26 – Arts & Humanities Councils/Agencies

In addition to the sector definitions listed above, the term “culturally specific” refers to organizations that state in the Cultural Data Profile that they primarily serve a particular racial/ethnic group.

Acknowledgements

This report was conceived and created with helpful comments, suggestions, and insights from many individuals including Kathleen Hughes, Acting Commissioner, NYC Department of Cultural Affairs; Karen Brooks Hopkins, Senior Advisor, Onassis Cultural Center; Clayton Lord, Vice President of Strategic Impact, Americans for the Arts; Randy Cohen, Vice President of Research and Information, Americans for the Arts; Rebecca Johnson, Research Associate, SMU DataArts; and many other staff members of the NYC Department of Cultural Affairs who helped move the project forward.

About SMU DataArts

SMU DataArts, the National Center for Arts Research, is a joint project of the Meadows School of the Arts and Cox School of Business at Southern Methodist University. SMU DataArts compiles and analyzes data on arts organizations and their communities nationwide and develops reports on important issues in arts management and patronage. Its findings are available free of charge to arts leaders, funders, policymakers, researchers and the general public. The vision of SMU DataArts is to build a national culture of data-driven decision-making for those who want to see the arts and culture sector thrive. Its mission is to empower arts and cultural leaders with high-quality data and evidence-based resources and insights that help them to overcome challenges and increase impact. Publications include white papers on [culturally specific arts organizations](#), the [egalitarian nature of the arts in America](#), [gender equity in art museum directorships](#), [protecting organizations through downturns](#), and more. SMU DataArts also publishes reports on the health of the U.S. arts and cultural sector and the annual [Arts Vibrancy Index](#), which highlights the 40 most arts-vibrant communities around the country. For more information, visit <http://www.culturaldata.org/>.

About the New York City Department of Cultural Affairs

The New York City Department of Cultural Affairs (DCLA) is dedicated to supporting and strengthening New York City's vibrant cultural life. DCLA works to promote and advocate for quality arts programming and to articulate the contribution made by the cultural community to the City's vitality. The Department represents and serves non-profit cultural organizations involved in the visual, literary, and performing arts; public-oriented science and humanities institutions including zoos, botanical gardens, and historic and preservation societies; and creative artists at all skill levels who live and work within the City's five boroughs. DCLA also provides donated materials for arts programs offered by the public schools and cultural and social service groups, and commissions permanent works of public art at City-funded construction projects throughout the five boroughs. For more information, visit www.nyc.gov/culture.

About Americans for the Arts

Americans for the Arts is the leading nonprofit organization for advancing the arts and arts education in America. With offices in Washington, D.C. and New York City, it has a record of 60 years of service. Americans for the Arts is dedicated to representing and serving local communities and creating opportunities for every American to participate in and appreciate all forms of the arts. Additional information is available at www.AmericansForTheArts.org.