

Summary Analysis
of the Statewide

Covid-19 Economic Impact Survey for Artists & Cultural Workers



Introduction

The impact of the COVID-19 pandemic on independent artists, and cultural workers, nonprofit arts and culture organizations, private creative sector businesses has been severe.

Stay at home orders to ensure public health safety for workers and consumers of arts and culture have effectively shut down all in-person operations, exhibits, performances and productions since March 1, 2020. Individuals and organizations relying on earned revenues from contract work, sales and commissions from artwork, and/or ticket sales and admissions have been hard hit. Job loss or salary reductions from closures or reduced operations have also been extreme.

Between October 6 and November 27, 2020, Californians for the Arts (CFTA) conducted an online survey of creative sector workers, to assess the personal and professional impacts of the COVID-19 pandemic. The survey was available online in English and Spanish. CFTA engaged Victoria Plettner-Saunders, a Principal with the arts research and consulting firm WolfBrown to design, implement and provide analysis of the surveys.

The information provided through the 993 individuals who responded to the survey is a snapshot of a moment in time. Conducted eight to

nine months into the pandemic, it captures the effects of COVID-19 on workers' ability to earn revenue and the importance of stimulus funding on the financial and even emotional well-being of those who work in the private and public creative sectors.

Study Highlights

Lost Income

Respondents reported significant losses of income across all types of employment (independent contractors, gallerists and venue owners, and employees). With well more than half (60%) of respondents earning between 75% and 100% of their income in the arts, culture and creative sectors prior to the pandemic, the closure of organizations statewide has widespread impact.

Eighty-three percent (83%) of all survey respondents indicated that the pandemic had impacted their employment situation and 88% indicated that they had lost income or other arts-related revenues due to the pandemic.

For those who identified as arts educators, 90% have lost income due to the pandemic. The teaching artists who provide a large portion of the arts education programs in schools and community spaces are largely independent contractors or sole proprietors. Had it not been for the availability of Pandemic Unemployment Assistance (PUA) these workers would have been left with few, if any, means of support.

“I’m making ends meet by my family pooling resources to keep everyone fed and lights on. Poverty just got worse for Black folks.”

Comparing across all racial and ethnic identities, the disproportionate impact is as clear, as 100% of those who identify as Black or African American indicated a loss of income while an average of 12% of all other ethnic groups identified a similar loss.

Job Losses and Resulting Economic Insecurities

Employees

Those with employee status experienced more furloughs (32%) than terminations (9%) and salary reductions were their largest category of income loss (45%). Respondents working in nonprofit organizations, for the most part, managed to keep working but with lower financial remuneration than in pre-pandemic times. This could be the result of access to unemployment insurance which enabled an employer to take them off payroll without financially impacting the employee to the degree that a termination would. It also enables the organization to ramp up more easily when businesses reopen.

Self-Employed

A recent study by the [National Endowment for the Arts](#) reported that artists are 3.6 times more likely to be self-employed than any other worker. The precarious nature of making one’s living as a self-employed person in either the private or nonprofit creative sectors is put into sharp relief when subject to the pandemic’s forces.

66% of self-employed respondents lost clients or contracts.

36% of self-employed respondents lost sales or commissions.

Unlike furloughed employees, losses of this kind do not come with the implication that the work will be there for them when the situation changes.

Statewide Economic Impacts

The toll the COVID-19 pandemic could take on the sector and by extension the state is not inconsequential. If improvements are not made to address the impact on the self-employed in the creative industries, there may be a significant loss to the output of California’s creativity, as well as qualified workers to fill the jobs needed for California’s economic recovery. Moreover, we may also see a migration to other states that offer more affordable housing and social safety net opportunities.

43% of respondents are “reconsidering the likelihood that they can make a living in their creative practice in the foreseeable future.”

“I am refinancing my house to get cash out for living expenses.”

25% would “seriously consider taking a permanent non-arts related job for better compensation and stability.”

20% of all respondents have considered moving out of state to address the economic hardships of the pandemic.

Positive Impacts of Government Support

The most important financial support during the pandemic is CARES Act funding (e.g., Payroll Protection Program (PPP), Economic Injury Disaster Loans (EIDL), Pandemic Unemployment Assistance (PUA) and Unemployment Insurance (UI).

The survey results confirm that government financial assistance is essential for creative industry workers to survive the impacts of the pandemic. Only when access to a COVID-19 vaccine increases and more people receive it, will workers be able to return to the office and the public to theatres, museums and other cultural venues across the state. Until the arts are able to return to programming at full capacity, many workers will remain out of work.

CARES Act

Almost half (47%) of those who were earning between 75% and 100% of their income from the creative sector received either PUI or UI assistance at the time they responded to this survey. Another 14% received funds from the PPP or through an EIDL. Thirteen percent (13%) indicated that they applied for but did not receive one or more of the various sources of assistance.

Thirty percent (30%) indicated that they have not applied for financial assistance, while 13% indicated they did not need it. In some instances, people have a partner or family member who is able to provide an alternative source of income. Commenters also noted that some were unaware of how to apply, heard about it too late, or were confused by the requirements.

When cross-tabulating those who are not experiencing housing insecurity with those who are receiving some form of financial aid (UI, PUA, CARES Act etc.) there is a positive correlation, which could indicate that those receiving these benefits are experiencing greater housing and office space security than those without.

Few Financial Reserves

The survey results indicate that the majority of artists and cultural workers are in fragile financial positions. Thirty-five percent (35%) are

“making ends meet now and have not had to rely on savings or other cash assets” and 32% have “enough savings to weather only the next few months”, while 14% “have no savings left” and 11% are “relying on credit cards or lines of credit”.

Government financial assistance appears to be playing a role in whether one has been able to maintain a savings cushion. Those who received support are less likely to have used all their savings and more likely to have money in the bank.

“I literally have \$127.00 to my name and no income for the foreseeable future.”

70% - Those who are making ends meet now and have not needed to dip into their savings or other cash assets *and* are also receiving some form of CARES Act funding.

57% - Those who indicated having enough savings for only the next few months *and* are also currently receiving UI or PUA.

Many of these respondents will likely exit the pandemic with a high level of debt and significant long-term financial loss, an additional concern as we look to California’s recovery.

55% - Those who have had to cash in life insurance or dip into retirement savings *and* are also relying on lines of credit.

52% - Those relying on credit cards or lines of credit *and* indicated having no savings left.

48% - Those who indicated that their savings are gone *and* they applied for PUA or UI *but did not receive it*.

Needs for Assistance

Respondents were given a list of possible support options and asked to identify those that would be of benefit to them now, or in the coming year. It is clear financial support is the common and immediate need, but jobs creation ranked high, as well as the need for mental health support. A not surprising revelation due to the significant loss of livelihood and purpose for this sector, but a significant finding that needs to be addressed with affordable access to services.

The five highest ranking worker needs:

1. Another round of PPP funding or something similar
2. Extended PUA for self-employed individuals
3. Access to work through a program similar to the WPA, Federal Project Number One or CETA
4. Residential mortgage or rent relief
5. Mental health support

There were some differences in the needs of self-employed workers and those who identified as employees. Of those who indicated the need for mortgage or rent relief for their place of residence (with either employment status), 29% identified as White compared to 49% who identified as part of the BIPOC community.

Self-Employed

- 46% Another Round of PPP
- 45% Extension of PUA
- 36% WPA/CETA Program
- 31% Rent/Mortgage Relief
- 26% Mental Health Support

Employees

- 59% Another Round of PPP
- 37% Mental Health Support
- 27% Rent/Mortgage Relief
- 24% Interest Free Loans
- 20% Extension of PUA

Recommendations

Using the data provided through this survey, CFTA recommendations for policy or program/services are offered on page 13.

Californians for the Arts

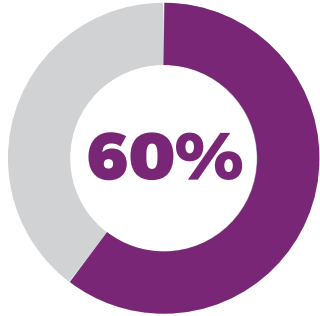
Californians for the Arts (CFTA) is the only comprehensive, multidisciplinary organization focused on advancing and building public awareness of the value and impact of arts, culture and creativity across California. With over 15,000 active subscribers and hundreds of members representing thousands of artists and arts and cultural organizations, we take on opportunities and challenges that no single organization or artist can represent alone. Our mission at CFTA is to ensure that the arts are accessible to all Californians; are an ongoing part of the public dialogue and to encourage Californians to care about the arts as a critical component of their own lives and the lives of their communities. CFTA is governed by a board of twenty-eight members of arts leaders from across California.

CFTA Staff: Executive Director Julie Baker; Programs Manager: Matt Carney; Membership Associate: Ari Rampy; Programs Associate: Jade Elyssa Rivera

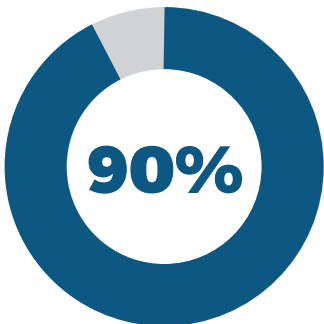


**For more information
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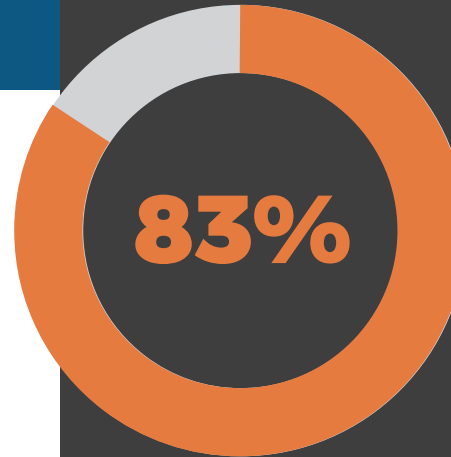
Survey Results & Analysis



Before the pandemic, **more than half (60%) of respondents earned between 75% and 100% of their income** in the arts, culture and creative sectors.

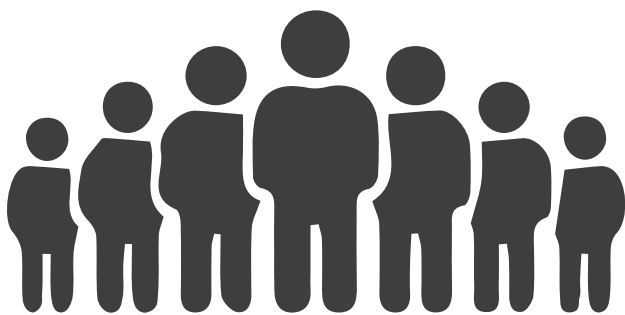
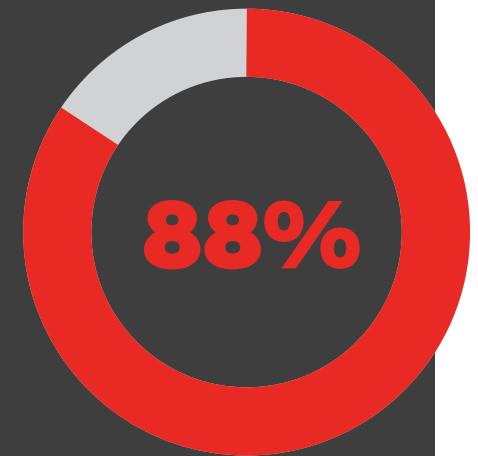


For those who identified as arts educators, **90% have lost income due to the pandemic.**



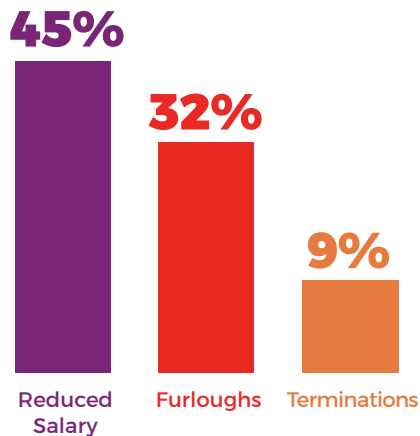
83% of all survey respondents indicated that **the pandemic had impacted their employment situation.**

88% indicated that they had **lost income or other arts-related revenues** due to the pandemic.



Comparing across all racial and ethnic identities, **100% of those who identified as Black or African American indicated they had lost income**, while an average of 12% of those who identified in all other categories indicated a loss of income.

Job Losses & Resulting Economic Insecurities

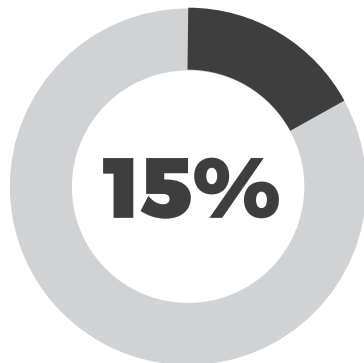
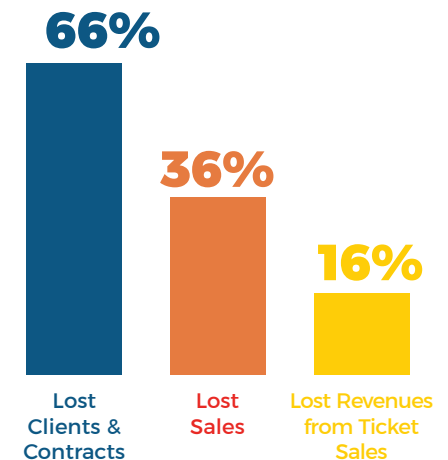


Employees

Those with employee status experienced more furloughs (32%) than terminations (9%). The greatest loss of income for employees came from reductions in salaries (45%).

By contrast, the precarious nature of making one's living as a self-employed person either in the private or nonprofit creative sectors is put into sharp relief when subject to the pandemic's forces. The financial losses for this category of workers are high. Unlike furloughed employees, losses of this kind do not come with the implication that the work will be there for them when the situation changes.

Self-Employed



Part and Full Time Job Loss

Some self-employed workers have also lost part- or full-time jobs (15%) due to the multi-platform business model used by many independent arts workers. For example, a teaching artist who works as an independent contractor in schools, may also hold a part-time job in a commercial performance venue, as well as perform as an actor on stage at an hourly rate.

Broader Impacts

The toll the Covid-19 pandemic could take on the sector and by extension the state is not inconsequential:



are "reconsidering the likelihood that they can make a living in their creative practice in the foreseeable future."



would "seriously consider taking a permanent non-arts related job for better compensation and stability."



have "already taken a permanent non-arts related position."

85% of those who earn income in the for-profit creative industry indicated that they had to close their arts-related business due to the pandemic.



10% have sought or are receiving rent or mortgage forgiveness.

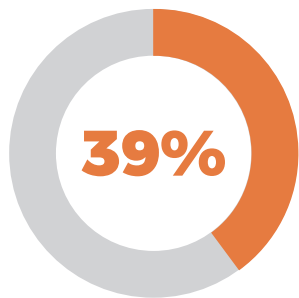
20% of all respondents in either employment category, have considered moving out of state to address the economic hardships of the pandemic.



CARES Act

The most important financial support program

during the pandemic is the federal CARES Act funding [e.g. Payroll Protection Program (PPP), Economic Injury Disaster Loans (EIDL), Pandemic Unemployment Assistance (PUA)] and Unemployment Insurance (UI).



Receiving PUA or UI

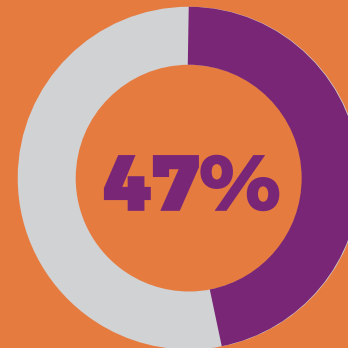


Applied for but did not receive one or more sources of assistance

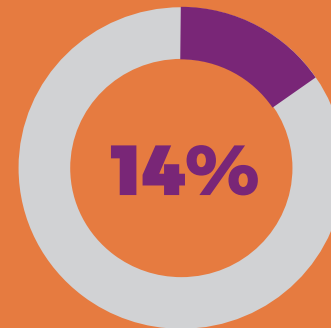
30% Did not apply for financial assistance

13% Did not need financial assistance

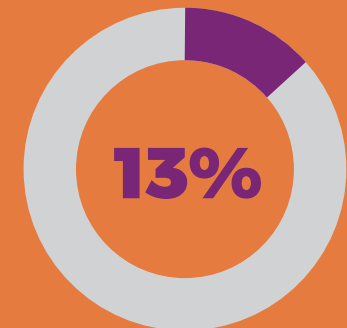
Some may have benefited from more than one of these sources. Others indicated they had applied for but did not receive benefits and others were awaiting benefits.



Almost half of those who were earning between 75% and 100% of their income from the creative sector applied for and were receiving either PUA or UI assistance at the time they responded to this survey.



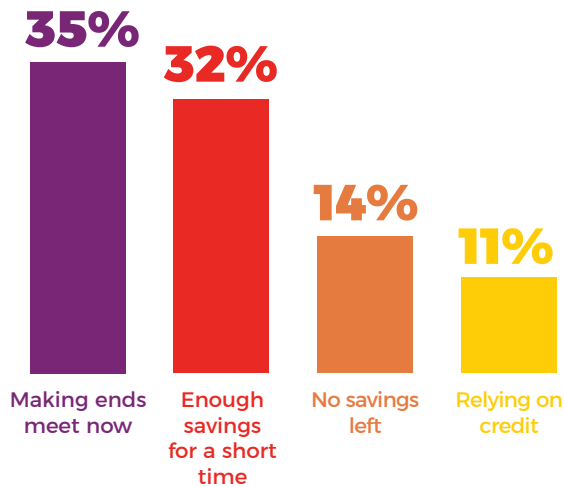
Received funds from the PPP or through an EIDL



Received CARES Act funding through their local government

Financial Reserves

In addition to examining access and reliance on financial assistance, the survey sought information on respondents' financial reserves.



Government financial assistance appears to be playing a role in whether one has been able to maintain a savings cushion. Those who received support are less likely to have used all their savings and more likely to have money in the bank.

- Those who indicated having enough savings for only the next few months were receiving UI or PUA (57%) or received a PPP loan (47%).
- 48% of those who indicated that their savings are gone are those who applied for, but did not receive, PUA or UI.
- 70% of those who “are making ends meet now and have not needed to dip into savings or other cash assets” are also receiving some form of CARES Act funding.

When **cross-tabulating those who are not experiencing housing insecurity with those who are receiving some form of financial aid** (UI, PUA, CARES Act etc.) there is a positive correlation, which could indicate that **those receiving these benefits are experiencing greater housing security than those without.**



52% of those relying on credit cards or lines of credit also indicated having no savings left.

55% of those who have had to cash in life insurance or dip into retirement savings are also relying on lines of credit.

These respondents will likely exit the pandemic with a high level of debt and significant long-term financial losses.

Needs for Assistance

Respondents were given a list of possible support options and asked to identify those that would be of benefit to them now or in the coming year.

#1

Another round of PPP funding or something similar



#2

Extended PUA for self-employed individuals



#3

Access to a program similar to the WPA, Federal Project Number One, or CETA



#4

Residential mortgage or rent relief



#5

Mental health support



Needs for Assistance

Respondents were asked to identify from a list of options which could benefit them now or in the coming year. These are the five highest rated needs.

Self-Employed Individuals

- 46%** Another Round of PPP
- 45%** Extension of PUA
- 36%** WPA/CETA Type Program
- 31%** Residential Rent/Mortgage Relief
- 26%** Mental Health Support

Employees of Nonprofit Organizations

- 59%** Another Round of PPP
- 37%** Mental Health Support
- 27%** Residential Rent/Mortgage Relief
- 24%** Interest-Free Loans
- 20%** Extension of PUA

Mortgage/Rent Relief

29% Whites
49% BIPOC



Of those who indicated the need for mortgage or rent relief for their place of residence (with either employment status), **29%** identified as White compared to **49%** who identified as part of the BIPOC community.

Recommendations

Using the data provided through this survey, the following policies, programs, and services are recommended:

- #1** Ongoing reauthorizations of PUA benefits for self-employed individuals without access to UI. Consider, too, that there will be a lag-time between when the sector reopens and when work opportunities are available.
- #2** Continued financial support in the form of forgivable loans and artist relief grants for independent artists and self-employed workers.
- #3** Consider the creation of an unemployment assistance program and payroll system at the state level for self-employed individuals to ensure that post-pandemic they can enjoy the financial support system currently only available to employees.
- #4** Work with arts service organizations, local arts agencies, health agencies and departments statewide to identify ways to provide affordable access to mental health support for arts and cultural workers of all types.
- #5** Support the CA Creative Corps Pilot Program introduced by Governor Newsom in his 21-22 budget proposal to the Legislature. This could come as increased funding to the CAC and/or cross-departmental collaborations such as K-12 education, the environment, public health etc.
- #6** Expand the CA Creative Corps Pilot Program to ongoing legislation to employ and/or commission creative workers as artists-in-residence, community organizers, and teaching artists, and creative economy businesses to produce free and low-cost cultural experiences, with a specific focus on living-wage creative jobs.
- #7** Identify sources of financial support or other ways to help those with housing insecurity and access to affordable health care.
- #8** Depending on the assistance available in future federal pandemic support funding, consider creating and implementing an initiative to ensure that independent workers have access to information early and often as well as to workshops or other technical assistance to help them make an application for financial relief.

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