The creative economy is big business in California, but due to the COVID-19 pandemic and economic crisis, the creative sector is among the most impacted industries nationally and in the state. Investment in the arts directly improves the health of the broader economy, including boosting tourism, travel, and spending at hotels and restaurants. Without recovery investment, the creative engine and local economies will continue to struggle.

### The Creative Economy is Big Business in California

<table>
<thead>
<tr>
<th>The US’s Creative Economy</th>
<th>California’s Creative Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>$878 billion generated annually in the US by the creative economy(^i)</td>
<td>$230.3 billion generated annually in CA by the creative economy(^i)</td>
</tr>
<tr>
<td>4.5% of GDP generated annually in the US by the creative economy(^i)</td>
<td>8.2% of GSP generated annually in CA by the creative economy(^i)</td>
</tr>
<tr>
<td>673,656 creative businesses in the US(^iv)</td>
<td>103,191 creative businesses in CA(^iv)</td>
</tr>
<tr>
<td>5.1 million creative workers in the US(^ii)</td>
<td>746,100 creative workers in CA(^iii)</td>
</tr>
</tbody>
</table>

### Covid 19 Has Devastated California’s Creative Economy

<table>
<thead>
<tr>
<th>Right Now, in the US</th>
<th>Right Now, in California</th>
</tr>
</thead>
<tbody>
<tr>
<td>$150 billion lost revenue for creative economy businesses through July 2020 (est.)(^v)</td>
<td>$43.1 billion lost revenue for creative economy businesses in 2020 in CA (est.)(^y)</td>
</tr>
<tr>
<td>67% creative businesses severely impacted by COVID 19(^vi)</td>
<td>69% CA creative businesses severely impacted by COVID 19(^vi)</td>
</tr>
<tr>
<td>2.7 million (52% unemployed) creative workers made unemployed by COVID 19(^v)</td>
<td>453,332 (59% unemployed) CA creative workers severely impacted by COVID 19(^vi)</td>
</tr>
<tr>
<td>62% of creative workers have experienced a drastic decrease in work(^vi)</td>
<td>65% of creative workers have experienced a drastic decrease in work(^vi)</td>
</tr>
<tr>
<td>$77.2 billion total loss of revenue for creative workers in 2020 (est.)(^y)</td>
<td>$14.2 billion total loss of revenue for creative workers in CA in 2020 (est.)(^y)</td>
</tr>
<tr>
<td>$15,140 (a 43% loss/person) average loss of creative revenue per creative worker in 2020(^v, vi)</td>
<td>$18,584 (a 37% loss/person) average loss of creative revenue per creative worker in CA in 2020(^v)</td>
</tr>
<tr>
<td>55% creative workers that now have no savings(^vii)</td>
<td>60% creatives in CA that now have no savings(^vii)</td>
</tr>
</tbody>
</table>

\(^i\) According to the International Organization for Economic Co-operation and Development, as well as Johns Hopkins University.

\(^ii\) What is the creative economy? An $878 billion economic ecosystem of for-profit and nonprofit creative industries, artists, educators, entrepreneurs, vendors, policymakers and funders that produce and distribute creativity- and arts-based goods and services. They use their creativity to create jobs, revenue, community resources, and cultural engagement.

\(^iii\) Total lost revenue for creative workers in 2020 in CA (est.)

\(^iv\) Total creative businesses in the US

\(^v\) Total creative businesses severely impacted by COVID-19

\(^vi\) Total creative workers made unemployed by COVID-19

\(^vii\) Total creative workers severely impacted by COVID-19

\(^y\) Total creative revenues lost in 2020 in CA (est.)
The Creative Sector Drives Travel, Tourism, & Hospitality

Invested in an artist is reinvested in local economies in the form of supplies, rentals, supplemental hiring, and other expenses that would not occur without that initial investment. viii

The average amount each arts attendee spends beyond the ticket cost on meals, retail, parking, lodging, local transportation, childcare, and souvenirs. These dollars provide vital income to local merchants, energize the downtown, and pay salaries and wages in non-arts sectors. That is over $100 billion in ancillary spending in American communities directly because of cultural events. x

Creative Workers & Businesses Stand Ready to Aid Recovery

76% of artists have used their art to raise morale and create community cohesion during the pandemic. vii

83% of creative workers are ready today to put their creative practice to use as part of the national recovery. viii

89% of arts non-profits boosted morale through their art during the pandemic. vi

The Creative Engine Can Power California’s Economic Recovery

Any investment in infrastructure, community, and workforce recovery must include the creative economy.

As a highly impacted industry, the creative sector must be included in state and local recovery funding alongside other impacted industries.

The American Rescue Plan authorizes states and localities to use funds to support nonprofits and impacted industries, such as the creative economy. It also authorizes supporting agencies suffering from reduced tax revenue, such as state and local arts agencies.

These recommendations are adapted from the Put Creative Workers to Work platform, which has been endorsed by over 2,300 creative businesses and workers in all 50 states. xi

Provide Restart Funds & Hiring/Retention Incentives
Allocate funding toward financial runways to allow cash-strapped creative businesses to restart, produce new creative products, and rehire or retain creative workers. Over half of all creative workers now have no savings, and nearly half of all creative businesses have used reserves to survive the pandemic.

Improve Conditions for Independent Contractors
91% of all arts, culture, and recreation businesses are solo entrepreneurialships, and millions of creative workers are independent workers. ix Support to these groups, who have been locked out of many previous support efforts, is crucial to sustaining these businesses and livelihoods.

Invest in Local and State Creative Corps Programs
Artists and creative workers can improve communities, drive public health messaging, support education, address community trauma, and more through creative job corps programs. Putting creative workers to work for the public good makes sense. Example programs in various states and cities can provide the template.

Support Local and State Residencies, Commissions
Echoing previous federal works programs, invest in artist and creative worker residencies within state and local departments, direct commissioning of individual artists and cultural organizations, and the integration of creative workers into health, safety, education, and community development programs.

1 Source: U.S. Bureau of Economic Analysis, 2020
2 Source: U.S. Bureau of Economic Analysis, 2017
3 Source: U.S. Bureau of Economic Analysis, State Profiles, 2017
4 Source: Americans for the Arts, Creative Industries, 2017
5 Source: Brookings Institution, Lost Art, 2020
6 Source: Americans for the Arts, COVID-19 Impact on the Nonprofit Arts Sector, 2020, as of December 20, 2020
7 Source: Americans for the Arts, COVID-19 Impact on Creative Workers, 2020, as of December 20, 2020
8 Source: Creative MN, 2017 $36,731 supports 1 artist job, artist re-spends $30,000.
9 Source: Americans for the Arts, COVID-19 Impact on the Nonprofit Arts Sector, 2020, as of December 20, 2020
10 Source: Americans for the Arts, Arts & Economic Prosperity 5, 2017
11 Source: CERF+, Pandemic Assistance Falls Short for Self-Employed Workers, 2020

This document was prepared by Americans for the Arts.