

**NIVA includes more than 2,900 independent live entertainment venues and promoters from all 50 states and Washington, D.C., banding together to fight for survival.**

## SITUATION

- Independent venues were the **first to close** and will be the **last to fully reopen**.
- Venues have zero revenue, but obligations like mortgage/rent, bills, loans, taxes, and insurance continue.
- We have no work to offer our employees for the foreseeable future.
- The shutdown is indefinite and likely to extend into 2021 as our venues are in the last stage of reopening.
- The ability to open at partial capacity is not economically feasible. Rents, utilities, payroll, taxes, insurance, and artist pay are not on a sliding scale matching the capacity we're permitted to host. They are fixed costs.
- Due to the national routing of most tours, our industry will not recover until the entire country is open at 100% capacity. NIVA members need assistance in order to survive until that day.

## IMPACT

- According to a survey of NIVA members, 90% of independent venues report they will close permanently in a few months without federal funding. **Current PPP funding will not solve the crisis.**
- [Pollstar estimates](#) a \$9 billion loss in ticket sales alone - not counting food and beverage revenue - if venues remain closed through 2020.
- Live events [provide 75% of all artists' income](#).
- For every \$1 spent on a ticket at small venues, a total of [\\$12 in economic activity is generated](#) within communities on restaurants, hotels, taxis, and retail establishments.
- The [estimated direct annual economic impact](#) venues bring to local communities is nearly \$10 billion.
- NIVA members are among the hardest hit. While nearly [90% of US businesses](#) have reopened in some capacity, independent venues remain shuttered.

## ARTIST SUPPORT

- **600+ artists with social media impressions of 900 million** are supporting NIVA's request for federal relief under the hashtag #SaveOurStages.
- Writing a [letter to Congress](#), artists including Dave Grohl of Foo Fighters, Mavis Staples, Lady Gaga, André 3000, Coldplay, Willie Nelson, Billie Eilish, Gary Clark Jr, Robert Plant of Led Zeppelin, Miranda Lambert, Billy Joel, Earth Wind & Fire, Kacey Musgraves, Leon Bridges, Wyclef Jean, Bon Iver, Jay Leno, Tiffany Haddish, Jeff Foxworthy, Jerry Seinfeld, and Tig Notaro are among those advocating on behalf of NIVA members.

## THE PEOPLE ARE SPEAKING!

- Through [SaveOurStages.Com](#), individuals sent nearly 2 million emails, reaching all 535 members of Congress. They asked legislators to provide federal assistance to independent venues and promoters.

## BIPARTISAN SUPPORT

- Led by legislators of both parties, nearly 150 members of Congress sent letters to Mitch McConnell and Chuck Schumer in the [Senate](#), and Nancy Pelosi and Kevin McCarthy in the [House](#) supporting NIVA's requests.

In order to ensure our survival, we are respectfully asking Congress to:

## PROVIDE LONG-TERM ASSISTANCE FOR SHUTTERED BUSINESS

NIVA supports the Save Our Stages Act (S. 4258) led by Senators John Cornyn (R-TX) and Amy Klobuchar (D-MN) and (H.R. 7806) led by Representatives Peter Welch (D-VT) and Roger Williams (R-TX) which would provide a critical lifeline for independent venues. The bill has significant bipartisan support with more than 210 co-sponsors and was included in the Heroes Act passed by the House on October 1, 2020. Key provisions of the Act include:

- Establishes a \$10 billion grant program for live venue operators, promoters, producers and talent representatives.
- Eligible recipients must have fewer than 500 FTEs, not be publicly traded companies, and not own or operate venues in more than 1 country or more than 10 states.
- Each recipient is eligible for a grant no greater than 45% of gross revenue from 2019 or \$12 million, whichever is less.
- Grant funding may be used for expenses incurred between March 1, 2020 and ending on December 31, 2021.
- A recipient is eligible for a supplemental grant equal to 50% of the initial grant if the entity is still experiencing 80% or greater revenue loss on December 1, 2020.
- Grant funding may be used for payroll and benefits, rent, utilities, mortgage interest payments, interest payments, insurance, PPE, existing loans, payments to 1099 employees, and other ordinary and necessary business expenses.

## CONTINUE UNEMPLOYMENT INSURANCE BENEFITS

- NIVA supports continuing additional unemployment insurance for employees of shuttered businesses, as well as the **Mixed Earner Pandemic Unemployment Assistance Act (H.R. 7691/S. 4442)** which ensures that workers who earn a mix of traditional (W-2) and independent (e.g. 1099) employment income are able to fully access the unemployment assistance provided in the CARES Act.

## PPP DOES NOT WORK FOR SHUTTERED VENUES

As arguably the hardest hit industry by the pandemic, with no revenue, high overhead and no timeline for reopening, the Payroll Protection Program (PPP) and the proposed updates to the program found in the House-passed HEROES Act, Senate Democrats' P4 and Senate Republicans' HEALS Act are not viable solutions for this industry. Here's why:

- **PPP penalizes companies with many part-time employees:** Per the SBA 7(a) program, eligibility is based on every single employee. Therefore, original PPP funding was available to those with fewer than 500 employees using a full headcount. This disadvantages many NIVA members and other small businesses like ours who depend on part-time employees. For example, Merriweather Post Pavilion, just outside of DC, provides seasonal, part-time work to more than 1,000 part time employees like schoolteachers and students. These are small businesses that are ineligible due to the fact that they rely on part-time workers. Using a Full Time Equivalent (FTE) count is more practical. NIVA members across-the-board have fewer than 150 FTEs.
- **Flexibility to use funds to keep the lights on is necessary:** Due to high overhead (large spaces often in high-rent districts), lower payroll costs as a percentage of expenses, and having no work to offer employees for the foreseeable future, the 60/40 requirement necessary to obtain forgiveness under PPP does not work for this specific industry. We need help to cover fixed overhead to pay rent, mortgages, utilities, taxes and insurance until we can all fully reopen safely.
- **Payroll is not our only, nor our biggest expense:** For PPP and the extension of the program in the HEROES Act, PPP Second Draw in the HEALS Act, and P4 the loan amount is 2.5 times average payroll costs. We are in high-rent districts in large buildings with enormous overhead, so the ratio of 2.5 times payroll costs is not enough to cover our fixed costs or sustain our businesses with no revenue well into 2021. Basing the loan amount on multiple expenses/gross revenue/operating costs, and not just payroll is crucial.
- **Long-term support is needed with reopening not expected until a vaccine:** The Heroes Act includes no long-term program to provide assistance for shuttered industries. P4 and the HEALS Act extend through the end of the year. Large gatherings will likely not happen until there is a vaccine, and we will not be able to fully recover until large gatherings are permitted again at full capacity – which may be until well into 2021. By all predictions, our industry will come back stronger than ever – we just need federal assistance to help us stay afloat until we can reopen our doors.
- **Forgiveness is crucial for shuttered industries with negative cash flow:** Forgiveness restrictions in PPP, P4 and HEALS Act make forgiveness unattainable for many NIVA members (more detail below). The Recovery Sector Business Loan Program in the HEALS Act provides no forgiveness at all. Due to the nature of our business – large public gatherings – our industry is experiencing essentially 100%+ revenue loss for an indefinite period of time. We cannot take on more debt with negative cash flow. For many small business owners, this could mean potentially losing their homes in a quest to ensure their livelihood.
- **Opportunity Zone Requirement penalizes industries that foster economic growth:** The HEALS Act Recovery Sector Loan Program is only available to those in an opportunity zone. Not all of our venues fall into opportunity zones, but we are all experiencing essentially 100% revenue loss with no idea of when we will be able to reopen. Our members have historically helped developing neighborhoods all over the country. For example, when the 9:30 Club opened in DC, it was in an economically distressed area, but it led the charge in fostering local economic growth, paving the way for other businesses like bars, restaurants, and retail shops that knew events would generate income for their businesses.

MARCH - NOVEMBER 2020

# STATE OF THE INDEPENDENT VENUE AND PROMOTER INDUSTRY

**\* EMERGENCY ALERT \***

**95%**  
REVENUE  
LOSS

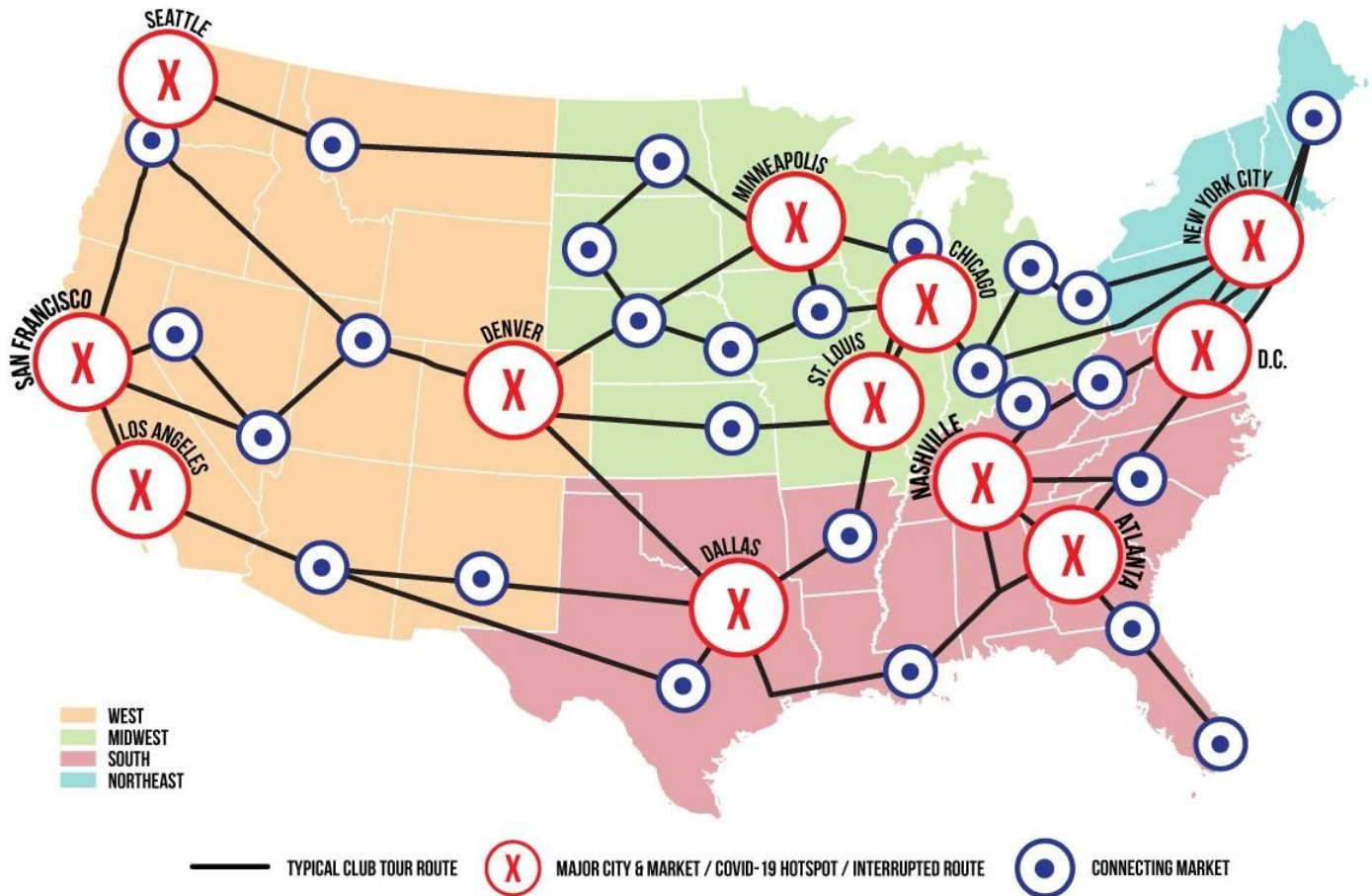
**95%**  
EMPLOYEES  
FURLOUGHED

**100%**  
OVERHEAD  
EXPENSES

**90%**  
VENUES AT RISK  
OF BANKRUPTCY

# HOW TOUR ROUTES ARE AFFECTED BY COVID-19

EACH MAJOR MARKET SUPPORTS COUNTLESS SECONDARY MARKETS DUE TO PROXIMITY. IF TOURS CAN'T ROUTE TO PRIMARY MARKETS DUE TO COVID-19 HOTSPOTS, BOTH PRIMARY, SECONDARY, AND TERTIARY CITIES WILL BE IMPACTED.



# GEOGRAPHICAL CONSIDERATIONS WHICH MAY AFFECT ARTIST BOOKINGS

## LOCAL



Programming at many venues is dependent on availability of Local touring acts

- Travel Restrictions in US and variation across devolved governments
- Requirement to return back to households after shows
- Equipment transportation transfer & hire due to restrictions on equipment sharing
- Increased cost of travel & compliance with regulations and measures
- Unavailability of local venues suitable to meet band requirements

## REGIONAL

Programming at many venues is dependent on availability of regional touring acts

- Travel Restrictions in US and variation across devolved governments
- Requirement to return back to households after shows
- Equipment transportation transfer & hire due to restrictions on equipment sharing
- Increased cost of travel & accommodation & compliance with regulations and measures
- Unwillingness to visit high risk areas
- Advance planning (+ 3 Months ) & potential variance in regulations



## NATIONAL



Programming at many venues is dependent on availability of national touring acts

- Travel Restrictions in US and variation across devolved governments
- Equipment transportation transfer & hire due to restrictions on equipment sharing
- Increased cost of travel & accommodation & compliance with regulations and measures
- Information on variances in compliance measures
- Unwillingness to visit high risk areas
- Variations in vulnerability classification
- Advance planning (+ 3 Months ) & potential variance in regulations

## INTERNATIONAL

Programming at many venues is dependent on availability of International touring acts

- Travel Restrictions in US & Country of Origin & Limitations on Visas
- Quarantine Restrictions in US & Country of Origin
- Variations in vulnerability classification
- Equipment transportation and transfer
- Outbreaks and resulting restrictions in other countries on tour which may impact both financial viability and time frames
- Increased cost of travel & accommodation & compliance with regulations and measures
- Information on variances in compliance measures
- Unwillingness to visit high risk areas
- Advance planning (+ 6 Months ) & potential variance in regulations



Courtesy of REVS Protocols and Guidance - MVA Consultation Version