



## ADVOCACY ALERT

June 2, 2020

TO: Members of the Vermont Senate and House Appropriations Committees

All of us in Vermont's creative sector are grateful for the work our state legislators are doing every day, to map out a plan for the recovery and re-opening of our state's economy.

**Our arts organizations are the heart of Vermont's cultural and economic life. We're writing to ask you to help those organizations to survive.**

Across Vermont, hundreds of theaters, museums, galleries, and community art centers are shuttered or operating at extremely reduced capacity due to the coronavirus outbreak. Our cultural organizations were among the first businesses to close, to protect public health. Now they need our support—their very survival depends on it.

We ask state legislators to immediately allocate emergency funds from the \$1.25 billion Vermont received through the CARES Act to help our arts and cultural organizations through this crisis. **We anticipate that a minimum of at least \$50 million will be necessary simply to prevent many of Vermont's core cultural institutions from going out of business.**

Some arts nonprofits and cultural businesses have received very limited emergency relief through federal CARES Act programs. Many are creatively navigating through the economic disruptions caused by COVID-19, re-imagining their missions, offering online concerts, workshops, lectures, and performances, and radically changing their business models.

But these measures will not be enough to save many of the arts organizations that are at the heart of Vermont's cultural life. The data show that without substantial support now, they will not weather this storm.

### THE ECONOMIC FACTS

- Early in the pandemic, arts organizations across Vermont had already reported more than \$6.3 million in financial losses due to COVID-19 closures.
- More recent data from 200+ organizations shows that number has climbed to \$14.4 million (as of May 31).
- Those same organizations project losses of more than \$21 million in the coming months.
- Many rely on the May-October season to bring in a substantial portion of their revenue.
- The majority expect the financial impact of the coronavirus on their organizations to be “severe.” ([Americans for the Arts survey](#))
- For organizations that rely on live, in-person events and bringing large audiences together, the economic future looks grim.
- Nationwide, only 45% of arts and entertainment businesses expect to survive if the crisis lasts 4 months, and this drops to 35% if the crisis lasts 6 months. ([National Bureau of Economic Research, April 2020](#))

## **ARTS AND CULTURE ARE PART OF VERMONT’S ECONOMIC SURVIVAL**

Arts and culture organizations contribute to the vitality of our communities and the economic prosperity of Vermont’s downtowns.

- Nonprofit arts and culture organizations in Vermont make up a \$123 million industry and generate 3.2% of Vermont’s GDP.
- The broader creative sector (including arts & culture and related occupations) provides 9% of all employment in our state (more than 40,000 jobs).
- Cultural attractions generate revenue for Vermont businesses and towns. Event-related spending by cultural audiences totaled \$44 million (not including ticket price) in 2015.

Many of our downtown theaters – the Chandler Music Hall, the Latchis in Brattleboro, Barre Opera House – are not only economic engines for their communities. They are also in historic buildings that Vermont has invested in over decades. That entire cultural and historic infrastructure that Vermonters have invested in for decades is now in jeopardy.

## **WHAT WILL IT TAKE FOR VERMONT’S CULTURAL SECTOR TO SURVIVE?**

We are asking for an immediate allocation of emergency funds from the \$1.25 billion Vermont received through the CARES Act to help our arts and cultural organizations and creative businesses through this crisis.

### **PHASE I: Relief (to prevent permanent closure of Vermont’s core cultural institutions.)**

- **Grants to cover 3-6 months of basic operating expenses.** Arts organizations need direct grants, not loans, to make up for devastating loss of revenue and to help cover basic operating expenses until they can safely re-open. Even operating at a “bare-bones” level,

those costs (rent/mortgage, utilities, building maintenance contracts, data, legal, and accounting fees) range from a minimum of \$8,000 to upwards of \$200,000 a month.

- **Creative businesses included the “Retail” category of the Recovery Plan.** Galleries and artists run creative businesses and pay sales tax and so should qualify for these grants.
- **Specific, on-going support to sustain large performing arts venues.** There are a limited number of major cultural venues that are vital to Vermont’s economy and cultural life. They are likely to remain closed well into 2021 and must be able to maintain essential staff and infrastructure commitments through the long closure period ahead.
- **Recovery Guides** for the creative sector, to help cultural organizations and creative businesses navigate grant writing, relief claims, financial planning. Arts organizations are prepared to pivot and re-map their business models, but they will need help.
- **Marketing:** Arts and culture events and venues and creative businesses will help revive consumer spending and should be central partners in both the statewide promotional campaign and regional marketing plans.

## **PHASE II: Re-opening and Recovery**

**Support for COVID-related Operating Costs.** Direct grants of \$5,000 to \$8000/month per organization for:

- hand sanitizer dispensers, plastic shield barriers in offices and public spaces
- thermometers and PPE for staff (masks and surgical gloves), masks for audiences
- backpack “foggers” to sanitize public spaces between events
- additional “daily deep cleaning”
- additional staff to clean, conduct temperature checks at point of entry
- other adaptations to facilities to comply with new social distancing protocols.

**Re-opening and Restoration Grants.** To enable re-hiring of staff, marketing, and re-building customer support for creative businesses and cultural organizations.

**Grants for community-based art projects to restore and rebuild community.** Once we move into Phase II, our organizations can produce downtown festivals, outdoor music and other performances, to bring people back, boost consumer spending, revive retail and help our communities to heal.

Without support, we will lose many of the organizations that historically have been both the economic anchor and the heart of Vermont communities.

**The cultural sector is poised to help Vermont recover.** But we need our arts organizations to

be there for Vermont when the worst of this pandemic is behind us, to bring us back together and help our communities and businesses to thrive again.