



COVID-19 Impact on Cuyahoga County Arts & Culture Nonprofits & Creative Workers

2020 Summary: March 12, 2020 – December 31, 2020

The ongoing COVID-19 pandemic has been devastating for local nonprofit arts organizations and creative workers.

After more than ten months, artists and organizations have developed some new programs and have taken existing programs online. But overall, the pandemic continues to negatively impact our community’s economy and quality of life.

As of December 31, 2020, **65 Cuyahoga County-based arts and cultural nonprofits report:**

Job Loss

Laying off, reducing hours, or canceling contracts of **3,157** people has resulted in a loss of compensation totaling **\$15,769,451**.

16% of full and part-time staff were laid-off, **38%** of staff experienced furloughs or salary reduction.

Contracted workers were hardest hit, with **61%** of all contracts canceled.

Revenue Loss

Organizations lost **\$119,001,653** in earned and contributed revenue (ticket sales, admissions, donations, etc.). This represents a **29.4%** decrease in revenue from 2019.

Decreased Services for Residents

6,539 events or activities were canceled or delayed indefinitely, ranging from music lessons to in-school arts education to large-scale festivals.

Federal Funding Provides a Stopgap

Of the 65 organizations surveyed, **108 applications for CARES Act funding** have been submitted, and **\$36,762,954** in federal funds have been distributed.

Despite this financial assistance, **50% said their organization would not survive more than 12 months without additional funding.**

CAC’s COVID-19 Response

Cuyahoga Arts & Culture funds 65 nonprofits through its General Operating Support (GOS) grant program ranging in annual budgets of \$120,000 to \$70 million.

GOS grants provide the largest, most flexible and consistent local funding (\$10.2M in 2021) to arts nonprofits in our region.

In 2020, CAC **accelerated payment of \$5.1M** to these 65 organizations, helping some to retain staff and improve cash flow.

CAC also **distributed \$3M in CARES Act funding** provided by Cuyahoga County to 94 arts and cultural nonprofits to help cover necessary expenses incurred due to the COVID-19 pandemic.

Adapting and Looking Ahead

Taking Programming Online: In 2020, **4,378 new, online events/activities** were created in response to COVID-19 pandemic, and **3,204 existing programs were modified** to go virtual. All (100%) of the 65 organizations surveyed conducted online programming in 2020.

Budgets Were Balanced by Reducing Expenses: Most groups were able to stay modestly “in the black” in 2020 by significantly decreasing their expenses in line with revenues. On average, revenues were **2.6% higher than expenses for 2020** (as opposed to **10% lower in 2019**). This is significant as there was a \$118M decrease in revenue in 2020. Organizations are making wise, but difficult, business decisions to ensure they can weather the pandemic.

Reserve Funds Up: Despite widespread financial hardship, most groups have not yet tapped into reserves (in fact, financial reserves at the end of 2020 were 16% higher than in March, likely due to increases in the stock market where many organizations invest their endowments).

What’s Next? Many local arts and culture organizations continue to seek clear and direct public health advice to guide their work, especially as vaccines become available to the public. As arts organizations and venues consider or begin to re-open in a safe manner, full recovery still appears 4-5 years away (see *below*).

Source: CAC general operating support year-end report submitted December 31, 2020.

COVID-19’s Impact on the State & National Creative Economy

In Ohio:

- According to a Brookings Institute Study (August 2020), an estimated one-third of the jobs in Ohio’s creative economy are gone.
- According to the November 2020 Ohio Labor Market Information, **Ohio’s arts, entertainment, and recreation unemployment rates are the highest** along with accommodation and food services, and leisure and hospitality. Arts and entertainment have been the highest unemployed sector since May 2020. Before COVID-19, Ohio’s creative economy was a \$41B industry, employing nearly 300,000 people.

Source: Ohio Citizens for the Arts, December 2020.

Nationally:

McKinsey & Company anticipates that it will **take the arts sector until 2025 to recover** to pre-COVID-level of contribution to national GDP.

In a muted recovery, it could take more than five years for the most affected sectors to get back to 2019-level contributions to GDP.

Estimated time to recover to pre-COVID-19 sector GDP¹

○ Virus-contained scenario ● Muted-recovery scenario

