



# COVID-19 & Delaware's Arts & Culture Industry

We are standing witness to a history that will be told for generations. Such a time calls for introspective creativity and resilience common to arts and culture.



Every Delawarean has been impacted by the COVID-19 public health crisis. Attention must be paid first and foremost to the life-saving work happening at this time; however, we need to do better than simply survive. Delaware must thrive. A robust Arts & Culture industry is inextricably linked to Delaware's economic and societal recovery.



This report demonstrates the importance of arts and culture in Delaware's economic prosperity, illustrates the scale of the crisis for Arts & Culture organizations and presents recommendations to fortify the industry to drive economic recovery.

*Sources: The U.S. Bureau of Economic Analysis; Arts and Economic Prosperity Report 5; Survey of 65+ Delaware Arts & Culture organizations administered by the Department of State, Delaware Division of the Arts and the Delaware Arts Alliance.*



Delaware Arts Alliance is a statewide nonprofit, nonpartisan organization that advances the arts, culture and arts education. Visit [delawareartsalliance.org](http://delawareartsalliance.org) to learn more.

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# The Arts & Culture Industry



## Contributes \$1 billion to Delaware's economy

Arts & Culture is a \$1 billion industry representing **1.5% of the State's GDP**, while receiving just a \$3.6 million annual investment from the State.



## Employs 9,000+ people

Delaware's Arts & Culture industry creates more than **9,000 jobs** and generates **\$492.3 million** in compensation. The industry employs **900+ seasonal workers** during the spring and summer.



## Drives significant spending on tourism & hospitality

Attendees to Delaware Arts & Culture events spend an average of **\$50.47 per person** at local businesses like restaurants, bars, retail shops, parking garages and gas stations.



## Engages our communities

Delaware Arts & Culture organizations serve **1 million people** across **30 cities and towns** each year. This includes **250,000 youth** attending programs by Delaware Division of the Arts grantees.



## Serves our most vulnerable citizens

Among Delaware's largest Arts & Culture organizations, 100% provide programming for **children** and **senior citizens**; 80% serve **economically disadvantaged people** and **those with disabilities**; 40% serve **veterans**.

## Don't just take our word for it ... the hospitality sector agrees!



"If the arts venues did not exist, neither would Chelsea Tavern. The financial influx amounts to a 50% increase in business for our locations."

*Joe Van Horn, Owner @ Chelsea Tavern*



"We can tell when there's a matinee show at Clear Space because our lunch rush dramatically increases. People dine with us before and after the shows."

*Kelly Munyan, General Manager @ Nicola Pizza*

# COVID-19: A Financial Crisis for the Industry

## Losses are mounting.

100% of our largest Arts & Culture organizations have canceled revenue-generating events due to public health concerns. The losses\* are real and insurmountable. Spring and summer are the most lucrative seasons for the Arts & Culture industry.

**\$6.2 Million**

actual losses through March

**\$8.9 Million**

actual losses through May

**\$13.9 Million**

projected losses through August

*\*Losses are calculated based on actual 2019 ticket sales, venue rentals, corporate sponsorships, gala fundraising and other revenue.*

**\$5.6 Million**

total COVID-19 related expenses  
as of April 15, 2020



Includes costs related to:

- ▶ Cancellation of programming and refunds
- ▶ Transition to virtual operations
- ▶ Virtual engagement and programming

## Doors are closing ... for good.

Without stimulus and relief funding, **more than half** of our largest Arts & Culture organizations risk closing their doors permanently **in 4 months**.



## Workers are going home.

The Arts & Culture industry employs more than 9,000 Delawareans. Almost all Arts & Culture organizations have applied for Federal and State loan programs, but the extended length of this crisis is forcing them to consider dramatic workforce reductions in order to stay afloat. Many of the impacted workers and their families will also lose healthcare benefits.

Of organizations surveyed ...

**98%** have applied for Federal and State loan programs

**55%** are actively reducing their workforce

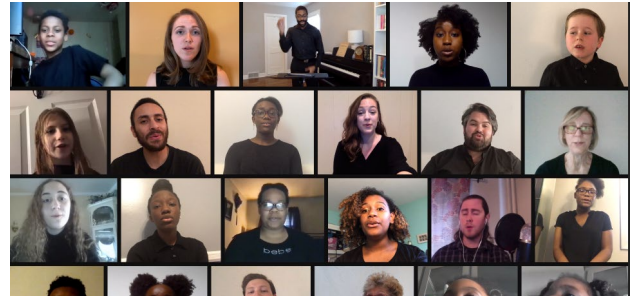
**36%** are considering workforce reductions in the near future

# The Industry is Taking Action

## We are engaging the community today.

In the time of social distancing, Arts & Culture organizations have been essential in keeping Delawareans connected.

**86%** of organizations have pivoted to engagement with virtual programming



*A virtual rehearsal at the Choir School of Delaware*



## We are preparing to be open after the crisis.

100% of organizations are taking measures to help patrons, visitors and members feel safe when they reopen. These include establishing social distancing policies, increased cleaning, hand sanitation stations and staff training.

**88%** of organizations are planning socially distanced re-opening events

## We will reinvigorate the economy after the crisis.

Arts & Culture organizations engage with other critical industries and businesses to drive spending in the local economy. The health of the Arts & Culture sector has a direct impact on the health of many other sectors. Arts & Culture organizations surveyed regularly engage with the following industries and businesses during normal operations, and will re-engage upon reopening.

**Hotels** Photographers Set Designers **Graphic Designers**  
 Event Promoters Faith-Based Organizations **Printers** **Independent Artists**  
**Florists** **Corporations** **Caterers** Exhibition Installers **Restaurants**  
 Building Supply Stores **Bars & Breweries** **Educational Institutions**  
**Boutiques** **Advertising Agencies** Art & Craft Stores Consultants  
**Videographers** Website Developers **Government Agencies**

“ There is no question that the “creative industries” — arts, culture and heritage — play an important role in our economy and economic development. Delaware’s performing arts centers, museums and historic landmarks generate jobs and revenue and they have distinctive assets that help distinguish our communities when competing for talent. A robust arts, culture and heritage community adds immeasurably to the flavor of our communities. ”

Kurt Foreman, President & CEO of Delaware Prosperity Partnership



## Take Action Now

We must invest in sustainable recovery for the Arts & Culture sector. As the unified voice of the sector, the Delaware Arts Alliance recommends the following:

- ▶ **Maintain level funding of the State arts budget** at \$3,866,700 as proposed in January 2020 to enable the sector to continue serving Delawareans during recovery and beyond.
- ▶ **Establish a dedicated COVID-19 relief and stimulus fund** for the Arts & Culture sector administered by the Delaware Division of the Arts to position the sector to contribute to the State’s economic recovery.
- ▶ **Create an Arts & Culture Caucus** in the General Assembly to promote policies that ensure a robust Arts & Culture sector and equitable access to arts education.



### A history we cannot repeat.

After the economic downturn in 2009, many sectors received economic stimulus while Arts & Culture received \$0 from the State and only \$290,000 from the National Endowment for the Arts. Now, at the time of this public health crisis, many organizations are at risk of closing their doors forever. Your support will ensure that Arts & Culture organizations continue to serve Delawareans for generations to come.