

COVID-19 Arts Impact Executive Summary

On March 20th, 2020 the Long Island Arts Alliance solicited responses to a survey designed to collect information on the impact the COVID-19 pandemic has had on our region's arts organizations. As mandated by Governor Cuomo, all non-essential businesses, including non-profits, have been shut down and will likely be closed for the foreseeable future and income streams have been suspended indefinitely. As a result, organizations of all sizes are experiencing closures, attendance free-fall, canceled events and layoffs. The survey was open for nine days, closing on March 29th. In total, the survey received 56 responses from organizations of various sizes and mission. While this number does not include everyone on Long Island, we feel it is a representative sample.

We are fully aware that the situation keeps changing day to day, and organizations were asked to respond based on the current anticipated trajectory.

Summary:

The results of surveying 56 nonprofits reveal that our sector is facing an unprecedented threat. Unless philanthropy, government, and the private sector collectively support the short-term survival and long-term recovery, our nonprofit cultural communities will see devastating consequences.

Overall, we found the most pressing concerns our local non-profits are facing are the following:

1. **Severe, sudden capital constraints.** Nonprofits are facing a dramatic reduction in funding primarily due to canceled in-person fundraisers, events, loss of earned income revenue, loss of sponsorships, grant income, and decrease in individual donations.
2. **Limitations on program delivery.** Nonprofits are limited or in many cases, unable to offer programming due to social distancing mandates. They need the most support pivoting to digital strategies in order to fulfill on their missions & sustain operations through the pandemic and beyond.
3. **The need to take all fundraising digital.** Nonprofits are pursuing alternative fundraising strategies, but fear it won't be enough — so they're calling on philanthropy to address resulting funding gaps.

Findings:

Of the 56 total respondents, 50% strongly believe they will be in need of emergency funding at the time of the survey.

The majority of respondents identified as Performing Arts organizations (50%), followed by Art Galleries (16%), Multi-disciplinary (11%), Media Arts and Museums (5% each), and then Art Schools (4%). However, it is worth noting that 32% of total respondents cite education as a part of their mission or program objectives.

The data pool represents organizations across both counties on Long Island: 34 respondents from Suffolk County and 22 from Nassau County, and from 37 different zip codes from the north shore in Stonybrook to the south shore in Long Beach.

We categorized the data into small, mid-sized and large organizations based on their annual operating budget. The majority of respondents (54%) represent small-sized institutions with an annual operating budget of \$100,000 or less; 20% represent mid-sized organizations with an annual operating budget of \$100,000-\$499,000; and 27% represent large-sized organizations with an annual operating budget of over \$500,000.

100% of the represented small-sized organizations cited having no insurance to help cover the potential loss, and 60% cited having no emergency funds to help cover the potential loss.

60% of large-sized organizations cited having no insurance to help cover the potential loss, and 47% cited having no emergency funds to help cover the potential loss.

Participants were asked the number of people their organization serves on a weekly basis during normal operations, while some organizations cited ebbs and flows in their attendance number based on seasons, school schedules and other factors, it can be assessed that the responding organizations serve at least 29,000 people per week all together.

These organizations employ 171 full-time staff and 863 part-time staff cumulatively and 50% of them anticipate having to or have had to lay people off. Some who responded “no” to this question offered a comment at the end that this, of course, depends on how long their doors are closed and their operations are suspended.

In addition to staff layoffs, respondents also pay over 2,000 artists directly each year, and manage over 2,300 volunteers. Their closure has ceased all contracts with artists whose programs cannot be facilitated online and left their dedicated volunteers with nowhere to go during this isolating time.

55 of the 56 responding organizations have had to or plan to cancel or postpone events as a result of the COVID-19 outbreak. Cancelled events include galas, annual fundraisers, performances, membership drives, recitals, classes, festivals, and more. These events raise money through ticket sales, sponsorships, donations, and concessions, and their cancellation will have a heavy impact on not only this year’s bottom line, but also in the years to come.

When asked what their projected loss would be **in terms of audience size** if normal operations were to resume on **June 1st, 2020** the results were as follows:

under 500	28%	5,000-15,000	13%
500-1,500	11%	over 15,000	28%
1,500-5.000	20%		

When asked what their **projected loss would be in terms of net revenue** if normal operations were to resume on **June 1st, 2020** the results were as follows:

Under \$1,000	13%	\$15,000-\$20,000	7%
\$1,000-\$5,000	11%	over \$25,000	38%
\$5,000-\$15,000	32%		

This shutdown will have a more long-term effect on the organization than just the duration of closure, the ripple effect of decreased memberships, donations, events, sponsorships, and seasonal festivals and productions will be felt well into 2021. Aside from ticket sales and admissions, organizations cited these other potential losses: loss of grant money, membership engagement, scholarship funds, rental income, school tuitions, corporate support, and residency fees.

While the global spread of COVID-19 has faced us with many uncertainties, this is also a time that calls for connection, creativity and resilience, now more than ever. Some organizations have been able to provide virtual content and are wholly dedicated to continuing to engage and serve their communities, many of which are providing these services for free. This inspiring engagement demonstrates that the arts continue, now more than ever, to entertain and stimulate our minds; however, these organizations cannot continue to do so at a loss while their rents, staff salaries and overhead costs are paralyzing their operations.

As relief funding efforts fall into place, LIAA is taking measures to keep arts organizations and individuals informed about new opportunities while also providing strategic resources as they become available.

The Board of the LI Arts Alliance knows that non-profit arts and culture providers are particularly vulnerable to the economic repercussions during a national emergency. With public events canceled and revenue sources for organizations and individual artists severely threatened, the arts are among the most impacted sectors of the economy. But we are also one of the most innovative sectors, and together we will find our way through this moment in history.

Contact:

Long Island Arts Alliance

Lauren Wagner, Director

lauren@longislandartsalliance.org

c: 631-372-7202 | o: 516.224.8440

720 Northern Blvd, Hillwood Commons #122

Brookville, NY 11758