

Executive Summary

With the end of the COVID-19 State of Emergency, the Commission begins its work at a critical time for the arts and culture sector in Massachusetts. The impacts of COVID-19 have proved to be difficult as many businesses and organizations shut their doors or faced the challenge of adapting to safety regulations. While necessary to protect public health, the closure of physical locations stymied key revenue streams at a time where more money than ever was needed to upgrade physical and digital infrastructure. While many state and federal programs were implemented to assist businesses and organizations, these one-time funds were not inclusive of for-profit entities and did not provide full coverage of the industries needs or losses.

The challenges affecting the creative and cultural sectors will have lasting effects on the Massachusetts economy. The creative and culture sector drives tourism to our communities and leads to major economic activity and investment in our cities and towns through its influence on nearby restaurants, hotels and other venues. The economic impact of the prolonged closure and recovery of the creative and cultural sector will have lasting impacts in the hospitality and tourism sectors.

In 2019, prior to the pandemic, tourism accounted for 2.5% of the Commonwealth's GDP and accounted for more than 3% of employment. Mass Cultural Council reported 71,000 jobs, generated \$2.3 billion dollars in economic activity and produced more than \$128 million in new revenues for Massachusetts. Research by Mass Cultural Council has shown that from those who reported, Massachusetts non-profit and municipal cultural organizations reported \$588,334,079 in lost revenue and \$30,403,616 in lost personal income due to the pandemic from March 2020 to April 2021.¹

As the sector struggles to recover, numerous vulnerabilities and opportunities for improvement have arisen. Venues struggle to come back to full capacity due to work force shortages, organizations are struggling to turn online programming into a profitable

¹ "One Year Later: Cultural Sector in Economic Crisis Due to Ongoing COVID-19 Pandemic." Mass Cultural Council. Mass Cultural Council, March 8, 2021. <https://massculturalcouncil.org/blog/one-year-later-cultural-sector-in-economic-crisis-due-to-ongoing-covid-19-pandemic/>.

model, and creative workers are leaving the sector as employment remains unstable. Additionally, the pandemic exacerbated existing weaknesses such as racial inequities, housing and healthcare.

Workers who make up the creative and cultural sector, comprised of a mostly gig economy, saw a 40% loss in income in just the first month of the pandemic. Worker shortages now leave the reopening businesses and organizations in an inoperable position. The instability within this gig economy has proven to be too much for many workers as they lost housing stability and access to healthcare.² When March came, many lost their jobs in the cultural sector immediately, and had no other part-time work to fall back on. With other sections of the economy opening first, this means these same gig workers will find jobs in other sectors before they come back to the arts, threatening the stability of the entire sector.

Solutions at this time focus on the once in a lifetime availability of funds from the federal government and the Commonwealth. \$5.3 billion in funds from the American Rescue Plan provide an opportunity for much needed investment in the cultural sector. The economic losses and infrastructure upgrades that are needed has left organizations looking for revenue. This Commission recommends that \$575,000,000 of the funds received by Massachusetts from the American Rescue Plan be invested into the cultural sector.

There is an immediate need for this reinvestment into the sector. Investments made in this industry generate business and employment throughout the Commonwealth. To support the industry as a whole, the report calls for the development and investment of a statewide marketing campaign that must be geographically representative, while ensuring that less established institutions are given equal opportunities and resources. The overlap of the creative and cultural sector with the tourism industry creates an opportunity for cross-promotional partnerships. These partnerships, which could take the form of marketing campaigns and shared grant programs can bring more guests and

² Commission Impact Hearing, June 25, 2021, 192nd MA General Court, Special Legislative COVID-19 Cultural Impact Commission

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patrons into restaurants, cultural districts, and promote the long-term success of the Commonwealth's cultural future.

Additionally, the Commission sees this funding as an opportunity for new grant programs to be created to support operating costs and cultural worker relief and development. These grants would be for items such as infrastructure upgrades for virtual programming, staff training to build retention and diversity awareness, the creation of workforce development programs, artist integration in schools and creative youth development, as well as opportunities for for-profit cultural organizations, non-profit and municipal cultural organizations and heritage organizations to receive reopening assistance.

With the massive impact on the workforce and pre-existing issues in retention, Commissioners emphasized the need for workforce programs that can provide staff training, diversity training, professional development, and community development. Examples include programs that commission new public art works around the Commonwealth or create incentives for developers to create artists live/work space. Development of these programs are critical to creating a stronger workforce and will provide employers and workers the tools they need to retain staff and build careers.

Another issue that was instantly identified was the inequities existing in the sector for low-income individuals and people of color. The public health and economic impact of the COVID-19 pandemic has disproportionately affected communities of color and other historically marginalized communities. These issues are institutional and must be addressed through policy changes and funding at both the public and private level. While this report is for the legislature, there are numerous best practice suggestions that the Commission implores organizations to consider as they rebuild their business models. This includes creating grant opportunities for lesser-known organizations that are constantly overlooked for funding opportunities that go to well-established entities. We also strongly recommend actions that ensure those distributing grants consider racial diversity and equity, geographic diversity and programmatic diversity.

The Commission also recommends that the Department of Elementary and Secondary Education allocate a portion of its Elementary and Secondary School

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Emergency Relief Funding to arts education programs, professional development for arts educators, and support for the safe reopening of arts spaces in public schools. It is important that these funds be utilized to support school-based performances, virtual and/or in-person field trips to cultural facilities in Massachusetts, and to provide support for innovative curriculum development and the permanent integration of technology into arts classrooms.

Community and industry collaborations are critical to rebuilding the sector. Providing an increase in funding to support enhanced partnerships between school-based arts programs and cultural organizations with the goal to make arts programming accessible for all students. Outside of schools, the promotion of collaborations and partnerships with museums, art organizations, and other cultural centers is a way of developing more programs to serve the community and increase accessibility. These collaborations and partnerships create a more cohesive and sustainable model for the application and distribution of resources and allows for the sector to develop itself as a community.

While this report cannot do justice to the entirety of improvements needed in the creative and cultural sector, the Commission has focused its work on recovery efforts due to the timeline of this report set in statute. Meanwhile, this Commission has uncovered other institutional issues which should be looked at in greater specificity and detail, which are outside of this Commission's scope.