



In fall 2020, the Howard Gilman Foundation engaged Americans for the Arts (AFTA) to update a research survey it had completed earlier that year that looked at the first impacts of the COVID-19 pandemic on New York City cultural organizations and artists. The updated version of this survey, designed and co-commissioned with the New York City Department of Cultural Affairs, was launched in February 2021—nearly a year after the City’s cultural sector shut down, and almost 10 months after George Floyd’s murder shined a long-overdue global spotlight on our country’s systemic and centuries-long struggle to achieve racial justice.

The intention behind this second survey was to capture a snapshot of the cultural sector’s survival story in comparison to 2020 and in anticipation of the year to come. The resulting report, enclosed here, focuses exclusively on the not-for-profit performing arts community in New York City. These metrics illustrate what many of us have seen or experienced, ranging from steep financial losses, to racial disparities in funding, to other exacerbated trends in the field that were areas of concern before COVID-19 existed.

The Foundation asked our grantees to participate in this research, along with the rest of the City’s cultural sector, to help tell this story. We are very grateful for your contribution to this effort and are sharing this report in hopes that you can see your organization reflected in these statistics and can use this information in your own planning. We believe this report captures an important moment in time as our field grapples with bringing back live performances during continued uncertainty and a slow recovery.

This report begins with four highlights, which pinpoint areas of emphasis and potential response. The Foundation is looking at these, alongside learnings from you—our grantees—and peer funders to help chart pathways of continued assistance as we all seek to re-emerge stronger, more equitable, and as creative as ever.

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# The Crisis Was There and Waiting to Happen: COVID-19, the Movement for Racial Justice, and Cultural Organizations in New York City

*Report prepared by Clayton Lord and Isaac Fitzsimons, Americans for the Arts*

The COVID-19 pandemic and its repercussions, as well as the growing racial justice movement that has occurred concurrently, have created significant and long-lasting ripple effects within the cultural sector nationally and in New York City. Analyzing how organizations operated during the pandemic, were affected by the pandemic, and plan to emerge from the pandemic—as well as how they embraced and acted upon calls for the arts and culture field to engage in movements for racial justice, equity, diversity, and inclusion—provides meaningful guidance for public and private philanthropy and support organizations as the city and country begin to recovery and reopen.

The pandemic, economic fallout, and ongoing reckoning with racial injustices throughout the country and in New York City placed extraordinary strain on cultural organizations across the board. The impact on organizations, the organizational response, the amount of relief made available and accessed, and the amount of confidence and anticipation for the future varied significantly, however, particularly along lines delineated by racial and cultural inequity.

The forced, temporary flexibility required of the existing, often inequitable systems that gird the arts and culture sector by the pandemic have rendered visible the invisible, constant inequities in the system. These inequities, while exacerbated by the pandemic, existed long before and will, without intervention, continue to exist after recovery. Even understanding that the world has progressed at an extraordinary pace even between the fielding of this survey in February/March 2021 and the publication of this report in July 2021, and that certain statistics on reopening, unemployment, and financial stability will be historical the moment they are put down on paper, this snapshot in time has meaningful lessons to impart—including particularly the flaws in the field's systems and structures going *into* the pandemic and the associated repercussions for organizations during and following the crisis.

Of the many stories in the data, following are four highlighted threads to emphasize and make explicit possible guidance for immediate and longer-term response.

## **1) BIPOC-led/serving/accountable<sup>1</sup> respondents were more generous in their support of workers and the community but had less access to relief and recovery funding and anticipate a longer road to reopening.**

In this survey, organizations were asked to identify whether they were led by, in service to, *and* accountable to one or more BIPOC constituency. A third of respondents indicated that they qualified in this question. These organizations, while generally smaller budget coming into the pandemic, were more generous and optimistic than their counterparts: BIPOC-

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<sup>1</sup> "BIPOC" is an acronym that means "Black, Indigenous, and People of Color," and will be used throughout this report. While this term does not fully encompass or represent the complicated and multi-layered nature of indigeneity or ethnic and racial identities, it is the most used umbrella term for these concepts in the arts and culture field at the time of writing.

led/serving/accountable organizations, in aggregate, *increased* their expenditures during the pandemic by 30%. They did so, in part, because they furloughed and laid off staff and reduced/cut salaries at a lower rate than their counterparts, delivered direct relief to unemployed artists and/or impacted communities at a higher rate, and provided time, money, mental health resources, and space related to racial equity at a higher rate than their peers.

Unfortunately, on average, these BIPOC-led/serving/accountable organizations received \$.60 in relief and recovery funding for every \$1 received by their peers, which has contributed to an anticipated longer recovery runway and lower confidence of survival. In the immediate term, direct and explicit financial support for these organizations, which have demonstrated a strong commitment to their broader mandate as nonprofits in service to the public good, may be crucial to their survival. In the longer term, determining and addressing some of the system barriers that reduced access for these organizations to relief and recovery funding—which are barriers that resonate into many other aspects of financial health unrelated to the pandemic crisis—will allow for stronger footing in advance of any future calamity.

**2) Individual artists and creative workers lost their jobs quickly, at a disproportionate rate, and with a longer timeline for rehiring than other workers, highlighting a long-existing inequity in the treatment of the field’s core producers and labor force.**

The pandemic has highlighted an unhealthy and inequitable relationship between cultural organizations their workforce, in particular the independent artists and creative workers that generate the product on which the cultural model is built. In this research, 69% of all the paid workers associated with respondents in this survey had been laid off or furloughed at the height of the pandemic—but this number rises to 83% when looking only at artists or creative workers. At the time of surveying, 9% of those artists or creative workers had been rehired vs. 28% of the overall number of furloughed or laid off workers.

Independent cultural workers, who have elsewhere described themselves as the “first fired and last hired,” were earning low wages and only spottily accessing benefits like health insurance and retirement savings prior to the pandemic, and due to their status were also often not immediately eligible for unemployment insurance, reasonable loans, or food and housing assistance. According to research<sup>2</sup> on the plight of creative workers during COVID conducted by Americans for the Arts, over half of all creative workers exhausted their savings, over half experienced food or housing insecurity during the pandemic, and nearly half did not pursue needed medical assistance due to lack of insurance or inability to pay. While these inequities do not begin or end with cultural organizations, as a primary employer and benefactor of creative workers, cultural organizations and funding partners should consider a strong reset of the organization/worker relationship.

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<sup>2</sup> <https://www.americansforthearts.org/node/103614>

**3) Having more money going into the pandemic made weathering the pandemic—and receiving assistance coming *out* of the pandemic—more possible.**

Certain ancillary realities of being a larger organization in New York City made pandemic survival more possible, although not pleasant or easy. Larger organizations, for example, were more likely to own or long-term lease their spaces, which means they were three times less likely to have lost access to their spaces during the pandemic and were more quickly able to get back to producing in-person events once that became viable. Larger organizations also had more financial survival mechanisms available to them, as difficult and last-resort as they may have been: they reduced their workforce costs more than other organizations, sought and received more relief and recovery funding than smaller organizations, and pursued additional capital through things like loans, lines of credit, and endowment principal access more frequently. While the ripple effects of significant layoffs were debilitating, larger organizations, by virtue of their size, scope, and staffing, had more options on the table for figuring out how to survive—even if almost all of the options were painful. Perhaps not surprisingly, then, larger organizations were also more confident about their survival.

What does this say about the pre- and post-pandemic systems and how funders and service organizations can address them? Among other things, it speaks to the importance of capitalization, space ownership for space-based institutions, and savings—and the possible remedies of general operating and capitalization support, underwritten shared service capacities, and assistance in purchasing or leasing permanent space. It also highlights inequities in the relief and recovery mechanisms made available during the pandemic, as well as broader and longer-term inequities in the ability to access cash, loans, lines of credit, and other capital that negatively impact smaller organizations.

**4) Embracing innovation and transformation as a pandemic operating strategy translated into embracing optimism for survival and believing in the permanence of pandemic-instigated changes.**

Organizations took various pathways in terms of pandemic operating strategy; some leaned into the pandemic as a moment of innovation and transformation, while others rested in the status quo and/or hibernated to try and make it through. Organizations that said they had embraced strategies of innovation and transformation were more likely to have created new partnerships during the pandemic, worked to increase access to their work, and to say they believed that aspects of their organization and/or business model had been fundamentally changed by the pandemic. They also were significantly more likely to express confidence in their ultimate survival. There are indications, however, that innovation and transformation strategies, however, were statuses of privilege; they were embraced disproportionately by larger, better-resourced organizations. The smallest among those who responded to the survey were most likely to indicate that they had had to hibernate, burdened by a lack of space or access to resources and a need to reduce staffing, often down to zero.

The same preconditions that set many larger organizations up to emerge more quickly from the pandemic (space security, savings, access to alternate forms of capital, a larger audience base) also allowed organizations the opportunity to choose to innovate or transform in a moment of crisis. That said, within the respondents there were midsize and even small organizations who managed to embrace innovation and transformation. Funders and support organizations looking to create a more flexible, forward-looking field may want to consider both understanding how those small/midsize organizations that embraced the more proactive strategies did so, and developing stronger baseline support so that organizations in times of crisis *can* embrace risk, innovation, and opportunity regardless of size.

This report looks at a total of 393 respondent producing and presenting cultural organizations from the five boroughs of New York City, a subset of a larger respondent pool in a national survey on the impacts of COVID-19 on arts and cultural organizations nationally conducted by Americans for the Arts. The surveying was conducted in February and March of 2021, and this report was published in July 2021.

The report provides an overview of results, and then explores more deeply three areas of response that will inform the field and its support mechanisms going forward: the effect of budget size on the impacts of and reactions to COVID-19; the disparate impacts on, and actions of, cultural organizations with specific focus on BIPOC populations; and the differing ways that organizations' self-selected pandemic operating strategies have affected their actions, optimism, and forward trajectory.

*This report was commissioned by the Howard Gilman Foundation.*

## Section 1: Summary of Findings

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### 1.1 – Basic Information about the Respondents

#### *Geographic location*

New York County (Manhattan)	72%
Kings County (Brooklyn)	17%
Queens County	7%
Bronx County	3%
Richmond County (Staten Island)	2%

#### *Artistic discipline (could select multiple)*

Theater	59%
Music	52%
Dance	46%
Multi-disciplinary	36%
Arts education	33%

#### *Budget size*

\$0 – \$99,999	25%
\$100,000 – \$249,000	11%
\$250,000 – \$999,999	31%
\$1M – \$4,999,999	25%
\$5M – \$9,999,999	5%
\$10M+	4%

#### *Organization type (could select multiple)*

Producing or presenting organization	85%
Arts education organization	39%
Arts center/performing arts venue	35%
Arts service organization	26%
Community-based organization	25%
Incubator/development of new work	23%

- 40% of respondents identified as grantees of the Howard Gilman Foundation.

### 1.2 – Topline Findings

#### *Reopening*

- At the time of surveying, 91% of respondents were operating in some capacity, although for 85% of respondents that capacity was either reduced or otherwise modified. 98% of respondents have cancelled events because of the pandemic, resulting in a loss of 16.4 million admissions.
  - Nearly 9-in-10 respondents were not holding in-person events, and of those, more than half had not identified a target date for restarting in-person events. Among the organizations that had *not yet* restarted in-person events, but had a target date to do so, 27% anticipated reopening in June-July 2021, another 26% in September-October, and 11% of respondents do not anticipate restarting in-person events until 2022 or beyond.
  - 12% of respondents restarted holding in-person events and then had to stop again at some point during the pandemic.
- 56% of respondents lost access to some or all of their physical programming spaces, but among those who lost access, 9-in-10 said they would likely return to some or all of the spaces they had lost access to after the pandemic.

- Top barriers to returning to in-person activity or programming included:
  - government restrictions or guidelines that restricted opening (58%)
  - lack of sufficient understanding of their audience's readiness to return (36%)
  - a need for vaccines to be more widely distributed (33%)
  - staff and/or board feeling it was not yet safe to reopen (26%)
- Respondents were asked about top resources needed to restart in-person programming, and timelines to achieving such resources.

Resources the organization needs before it can return to in-person programming	% Reported needing this resource	% Indicated 5 months or longer to achieve
Audience/customers	61%	37%
Access to physical space/facility	51%	35%
Cash/funding	51%	50%
PPE, cleaning supplies, and signage	38%	8%
Marketing/advertising	30%	18%
Artists/creative workers	28%	22%
Improvements to physical space/facility	27%	25%
Staff	22%	24%
Cultural programming/content	11%	32%
Other	10%	25%

- When asked about whether additional government relief or recovery funding would accelerate the timeline for gathering the resources needed to restart physical programming, 83% said such funding would help them meet or accelerate their timeline.

#### *Revenue and Expenditures*

- Between 2019 and 2021, aggregate operating income among respondents shrank by 41% and aggregate operating expenditures shrank by 27%.
  - As a group, respondents shifted from an aggregate \$23.6 million surplus in 2019 to an aggregate \$200.3 million deficit in 2021.
- 74% of respondents reported that the pandemic had an overall negative financial impact on their organization.
  - The total net financial loss reported among the 393 respondents was \$267.6 million.
- 86% of respondents reported a decrease in income/revenue.
  - The aggregate reported loss was \$563.2 million.
- 78% of respondents made cuts to planned expenditures.
  - The aggregate amount cut from expenditures was \$434.9 million.
- 55% of respondents incurred unplanned expenditures because of the pandemic.
  - The aggregate unplanned expenditures amounted to \$32 million.

### *Actions to Reduce Staff/Payroll*

- 79% of respondents who had paid staff/employees prior to the pandemic took one or more actions to reduce staff and/or decrease payroll because of the pandemic. The top six actions taken were: reduced/cut salaries (37%), froze salaries (37%), froze hiring/didn't fill vacant positions (36%), furloughed staff (30%), laid off or terminated staff (27%), and furloughed artists or creative workers (27%).
  - Respondents reported in aggregate that, pre-pandemic, 18,547 people were being paid as staff/employees, artists/creative workers, or other workforce.
    - Of that, 12,800 people, or 69%, had been furloughed or laid off during the pandemic. As of surveying, 1,417 people, or 28% of all the people who had been furloughed, had been re-hired from furlough.
    - Among respondents who indicated they had furloughed or laid off staff/employees, 34% indicated more than half of their staff/employees were still furloughed or laid off as of the time of surveying. Regarding artists or creative workers, the percentage for whom more than half were still furloughed or laid off was 59%.
  - Respondents who had furloughed or laid off staff were asked whether/when their hiring levels would return to pre-pandemic levels. Regarding staff/employees, 84% anticipate eventually returning to pre-pandemic staffing levels, but 51% of respondents said it would take until 2022 or longer. Regarding artists/creative workers, 89% anticipate returning to pre-pandemic levels, and 54% said it would take to 2022 or longer.

### *Actions to Seek Relief/Obtain Capital*

- In aggregate, respondents indicated they received \$202.7 million in relief funds. Here is a table of the percentage of organizations that sought certain types of relief funds and the percentage that received them.

Form of relief	% Attempted	% Achieved
Relief funds from private foundations	83%	68%
Federal government relief funds (e.g., PPP loan)	79%	71%
Relief funds from individual donors	70%	62%
Reductions in rent/other concessions	46%	34%
Local or state government relief	34%	16%
Concessions on agreements with unions	11%	5%



- 65% of respondents took one or more of the following actions to obtain/secure access to additional cash during the pandemic:

Actions to Secure Additional Cash	% That took action
Spent cash reserves/savings	38%
Acquired a new loan/line of credit	29%
Used an existing loan/line of credit	10%
Sold assets	3%
Sold investments	2%
Used endowment principal/corpus <sup>3</sup>	2%

#### *Virtual Programming*

- 94% of respondents reported delivering virtual content or programming at the time of surveying. 70% of respondents started delivering online content for the first time as a result of the pandemic.
- Among those who reported delivering virtual content, 80% indicated there either was no revenue from the virtual programming or that the revenue generated did not cover the costs of creating and distributing the content.
- Regarding accessibility in the virtual environment, 65% of respondents who indicated they were producing virtual programming reported taking one or more actions to improve access to that programming: 40% indicated they had improved access for people with disabilities, 28% for people who speak languages other than English, and 22% for people with limited or no internet access. 7% of respondents indicated their virtual programming was already fully accessible prior to the pandemic.

#### *Focus on Racial Equity, Justice, Diversity, and Inclusion*

- 36% of respondents indicated that their organization was “led by, created for, and accountable to members of one or more BIPOC communities.”
- Prior to the pandemic, racial equity, justice, diversity, and inclusion was a key, stand-alone, or primary focus of the organization for 60% of respondents; in March 2021, that percentage had risen to 87% of respondents.

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<sup>3</sup> Many organizations did not *have* an endowment pre-pandemic. This research did not ask about status of endowment or other financial arrangement pre-pandemic, so this overall percentage cannot be extrapolated further. According to a [2020 study](#) in the *Chronicle of Philanthropy*, 1-in-9 nonprofits (of all types) have an endowment. Were that true for this body of respondents, that would mean 44 respondents had endowments, and that 18% of respondents with endowments had accessed them during the pandemic.

- 95% of respondents indicated their organization had taken some action or reform related to racial justice.
  - Top actions included: issuing an external statement (70%), creating dedicated space or time for staff/board to have dialogues about racial equity (58%), issuing an internal statement (52%), strengthening an existing diversity, equity, and inclusion plan (47%), launching a new program or effort to center BIPOC artists/communities (37%), and providing diversity, equity, and inclusion training for board or staff (37%).

#### *Impact on Survival*

- 46% of respondents believe that the pandemic will have a Severe or Extremely Severe financial impact on their organization.
- 76% of respondents are Confident or Extremely Confident that their organization will survive the pandemic and economic downturn.

#### *Fundamental Changes*

- 83% of respondents indicated that their organization had been fundamentally changed in some way that would maintain post-pandemic.

<b>Areas of change</b>	<b>% That said had fundamentally changed</b>
Artistic delivery mechanisms	53%
Revenue/income model	38%
Audience makeup	30%
Physical space use	29%
Staff structure	28%
Business model	27%
Nature of artistic product	25%

## Section 2: Focus Areas

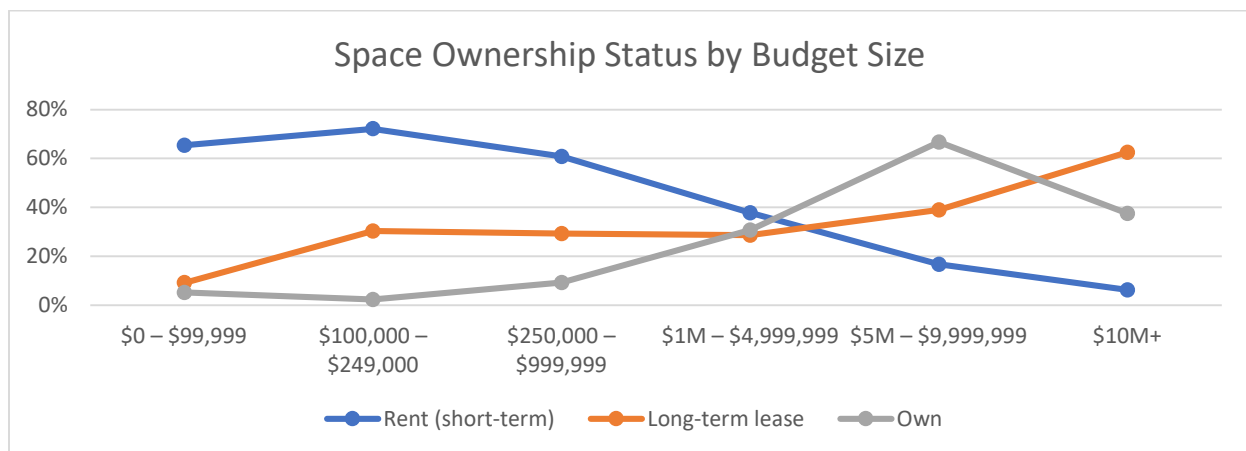
Following are focused discussions of the data viewed through three lenses: budget size, relationship to racial equity, and self-defined dominant strategy for dealing with the pandemic. These three lenses were selected in consultation with the Gilman Foundation because of the significant trends that they revealed in the data.

### 2.1 – Effects of Organizational Budget Size

Organizational budget size was a primary differentiator in how respondent organizations were impacted by, and addressed, the pandemic and economic fallout.

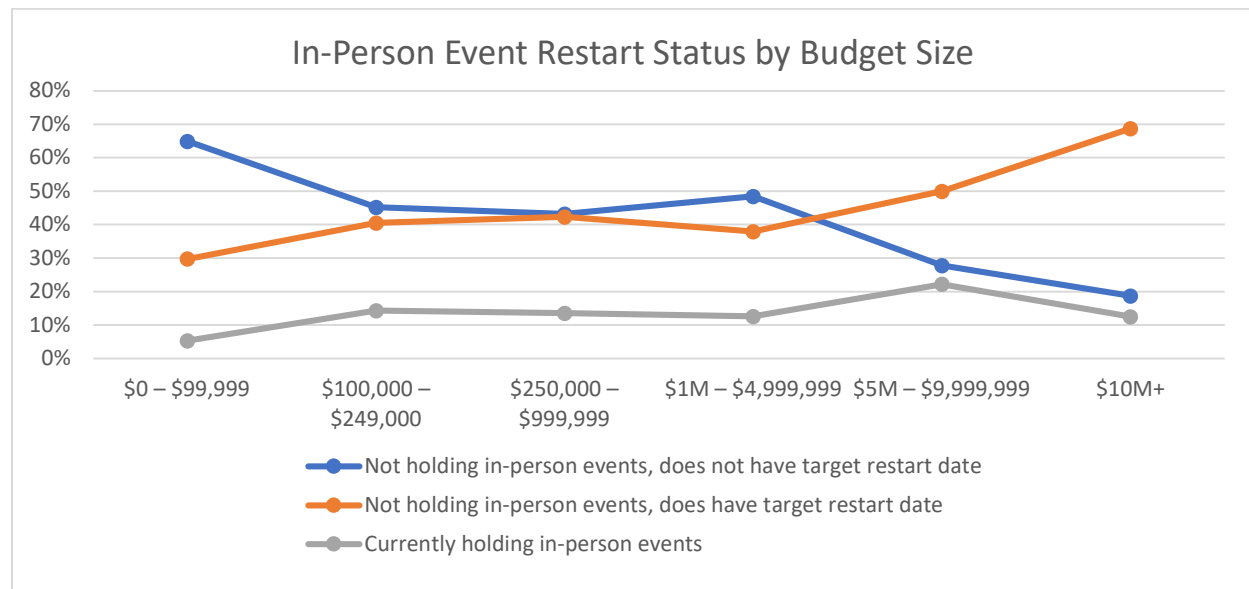
#### Space

- Smaller-budget organizations were significantly more likely to short-term rent their spaces; larger organizations were more likely to own or carry a long-term lease over a space. Because of this, larger budget organizations were three times less likely to have lost their spaces and were the most likely to report that they would return to the same spaces post-pandemic.



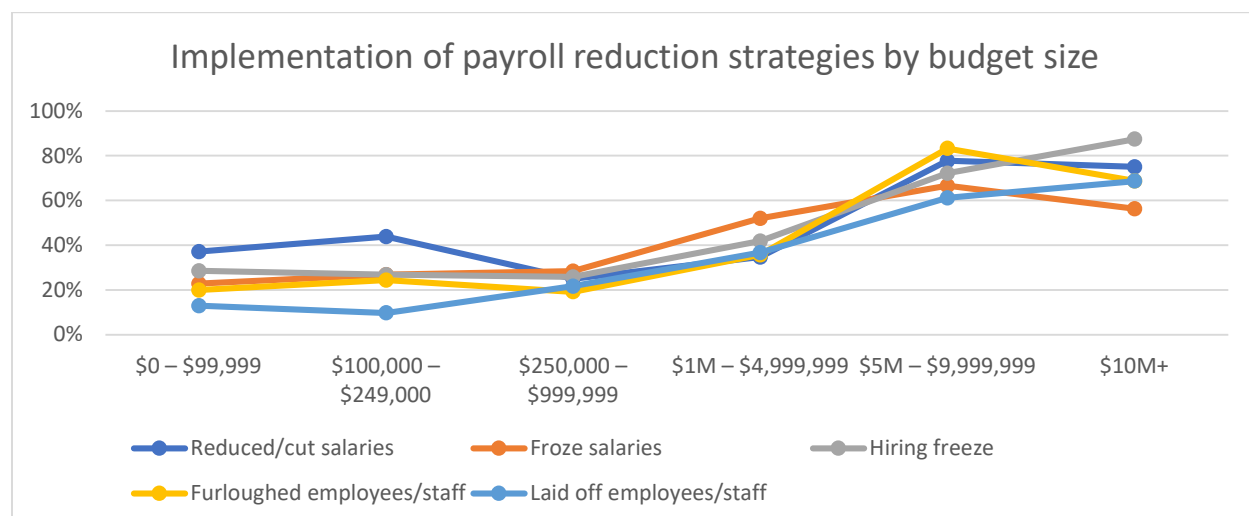
### Restarting In-Person Events

- Larger organizations were slightly more likely to say they were already holding in-person events than smaller organizations, and were significantly more likely, if still not holding in-person events, to indicate that they had a target restart date already determined.

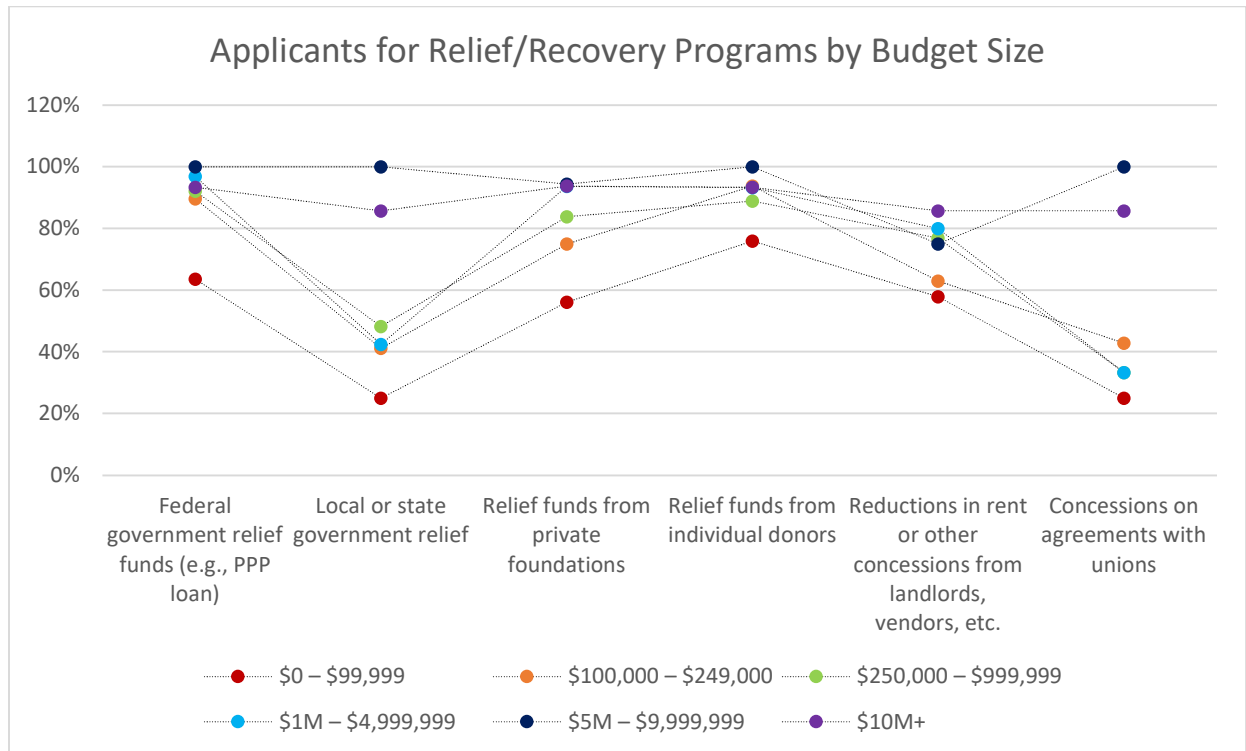


### Financial Impact of COVID-19

- Fewer small organizations reported feeling the financial impact of COVID-19 would be Severe or Very Severe than large organizations. This self-reported indicator of “severity,” however, runs counter to the actual financial reality: both sub-\$250,000 organizations and over-\$5m organizations anticipate about a 40% decline in operating income between 2019 and 2021.
- Larger organizations took more actions to reduce payroll and staff costs than smaller organizations. Organizations with budgets over \$5m were twice as likely to have reduced or cut salaries, frozen salaries, implemented a hiring freeze, and furloughed or laid off employees or staff than organizations with budgets under \$1m.



- The rate at which organizations sought relief and recovery funds was also correlated with budget size; larger organizations were more likely to report having pursued relief and recovery funds, particularly federal relief funds and concessions from vendors. Among those respondents who *did* seek different types of relief or recovery funds, larger organizations were more likely to report succeeding in securing the funding or concessions. About 40% of the organizations with budgets under \$5m that sought local or state government relief or concessions from vendors reported success, whereas over 90% of all organizations over \$5m reported similar success.



- Larger organizations were also more likely to have taken any action to access additional capital, and particularly reported using certain strategies to access new capital at higher rates than smaller organizations, including spending cash, acquiring a new loan or line of credit, using an existing loan or line of credit, and using endowment principal/corpus. It is likely this is at least partially because larger organizations had more avenues for accessing capital and more reason to believe they would be successful should they attempt to do so.

### *Confidence of Survival*

- Budget size correlated with confidence in survival; all but one of the respondents with budgets of \$5m or more reported being Confident or Extremely Confident in survival, versus 70% of organizations with budgets under \$1m.

## 2.2 – Relationship to Racial Equity, Justice, Diversity, Inclusion

The racial justice movements that have occurred over the past 18 months have inspired both reflection and action within the arts and culture field. How organizations think of their connectivity and responsibility related to BIPOC communities and racial justice and equity in general has evolved during that period as well.

This survey asked respondents to identify in two ways related to racial and cultural equity. Respondents were asked whether their organization was “led by, created for, and accountable to members of one or more BIPOC communities,” and were separately asked whether their organization “primarily serves one or more systematically marginalized communities.”

- 36% of respondents said their organization was led by, created for, and accountable to members of one or more BIPOC communities.
- 44% of respondents said their organization primarily served one or more systematically marginalized communities.
- 93 organizations, or 24% of the total respondent sample, said yes to both questions.

#### *Financial Impacts on BIPOC-Led/Serving/Accountable Cultural Organizations*

- When reviewed by budget category, there was no difference in budget categories spread based on whether organizations identified as being BIPOC led, serving, and accountable to. That said, the per-organization expenditures for BIPOC-led/serving/accountable organizations averaged to less than half of other organizations (average expenditures \$1.9m vs. \$5.3m).
  - This is likely due to two factors: (1) a small subset of very, very large budget non-BIPOC-led/serving/accountable organizations may skew the overall budget categories, and (2) a possible general trend for BIPOC-led/serving/accountable organizations to congregate at the lower end of each budget category. As this survey did not ask for specific budget numbers, only categories, this second factor is a guess.
  - BIPOC-led/serving/accountable organizations were less likely to have experienced declines in income (79% vs. 90%) and less likely to have made cuts to planned expenditures (71% vs. 83%). Possible reasons for this somewhat counter-intuitive first finding are that BIPOC-led/serving/accountable organizations may have started out with a more diversified and less earned income-based business model that in some fundamental ways was less affected than the other group. This, again, is speculative and may be worth follow-up study.
- The income of the BIPOC-led/serving/accountable respondents, in aggregate, declined 22% from 2019 to 2021, compared to a 46% aggregate decline for other respondents.
- In terms of expenditures, the BIPOC-led/serving/accountable respondents anticipated a significant *increase* in expenditures—an aggregate jump of 30% from 2019 to 2021. In comparison, other respondents, in aggregate, anticipated a 40% *decrease* in expenditures from 2019 to 2021.
- While BIPOC-led/serving/accountable organizations were less likely to report that COVID-19 had had an overall negative impact on their organization (70% vs. 75%), they were marginally less confident about overall survival.
- More than half (53%) of BIPOC-led/serving/accountable organizations said that cash/funding was a resource they would require before being able to restart in-person programming, vs. 49% of the other group. 33% of BIPOC-led/serving/accountable respondents anticipated it taking 6 months or longer to gather that cash/funding, compared to 19% of other respondents.

### *Human-Related Savings Actions Due to Pandemic*

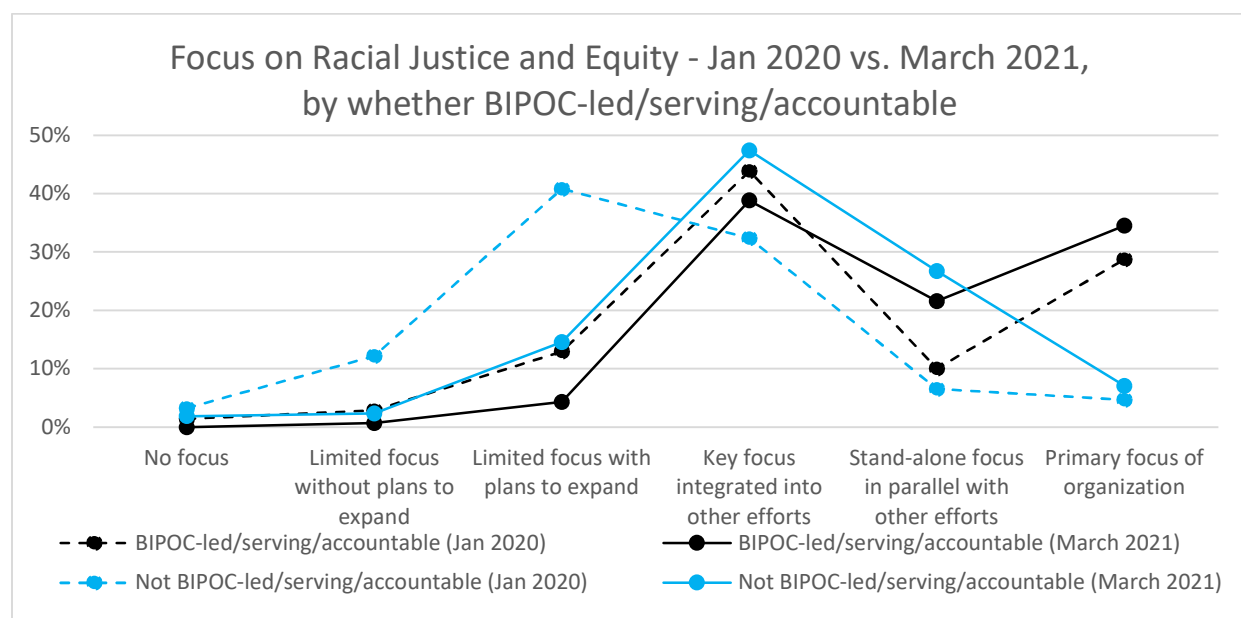
- BIPOC-led/serving/accountable organizations took most human-related cost cutting actions like salary reductions, layoffs, and furloughs less often than other organizations. This includes lower rates of reducing or cutting salaries, instituting a hiring freeze, and furloughing or laying off employees or staff. These organizations had higher rates of freezing salaries and furloughing artists/creative workers.
- BIPOC-led/serving/accountable organizations were more confident that their employee/staff size would return to pre-pandemic levels by the end of 2021 than their counterparts, more than half of which anticipate not getting to full staff until 2022.
- While BIPOC-led/serving/accountable organizations furloughed artists/creative workers more often (and over 75% of such respondents had furloughed between a quarter and all of their creative workers during the pandemic), they are more optimistic about returning to full hiring rates for creatives by the end of 2021 than other organizations—and in 5% of cases indicate they already have returned to pre-COVID hiring rates.
- Despite a smaller percentage of the BIPOC-led/serving/accountable to organizations furloughing employees or staff, overall, 67% of all the workers (staff/artists/contractors) employed pre-pandemic by BIPOC-led/serving/accountable organizations were furloughed or laid off compared to 64% for other organizations.
  - This higher percentage of overall furlough or laid off workers for BIPOC-led/serving/accountable organizations was driven in large part by the percentage of artists/creative workers furloughed or laid off—85% for BIPOC-led-/serving/accountable organizations vs. 79% for other organizations.
  - Of those workers (of all types) furloughed or laid off, 14% had been rehired as of surveying (vs. 13% for other organizations).

### *Relief and Recovery Funding*

- A higher percentage of BIPOC-led/serving/accountable respondents applied for local or state relief funding, private foundation relief funding, individual donor relief funding, and/or concessions from landlords or vendors. Non-BIPOC-led/serving/accountable organizations sought federal funding and/or union concessions at a higher rate.
  - In terms of how often such efforts were met with success, even though BIPOC-led/serving/accountable organizations were more likely to seek local/state agency relief, individual donor relief, and vendor/landlord concessions, they succeeded at getting such relief less often than other organizations.
  - On average, BIPOC-led/serving/accountable organizations received \$.60 in relief/recovery funding for every \$1 received by other organizations.

### Racial Equity Actions and Reforms

- 74% of BIPOC-led/serving/accountable respondents had provided some form of direct relief to artists/impacted communities, compared to 59% of other organizations.
  - BIPOC-led/serving/accountable organizations who produced virtual programming during the pandemic were also significantly more likely to have taken action to improve access to that content for people who speak languages other than English and were more than twice as likely to have taken actions to improve access for people with limited or no access to the internet.
- While there was an overall shift among respondents towards deeper and more refined focus on racial justice, equity, diversity, and inclusion between the beginning of 2020 and March 2021, BIPOC-led/serving/accountable organizations started out significantly more engaged in such efforts and continue to be generally more deeply and specifically focused than their counterparts.
  - Both pre-pandemic and at the time of research, BIPOC-led/serving/accountable organizations were significantly more likely to indicate a primary organizational focus on racial justice, equity, diversity, and inclusion.



- BIPOC-led/serving/accountable organizations were generally less likely to have taken most forms of action or reform in the wake of racial justice protests during 2020, but were more likely to report having created new partnerships to foster/promote anti-racist programming; provided staff support such as time off, donation matching, or mental health resources; hosted community listening sessions dedicated to racial equity; and opened a lobby or facility as a safe space for protestors.



### 2.3 – Pandemic Operating Status

COVID-19 has inspired different paths of action for different organizations. Organizations were asked to identify their overall or predominant operating strategy during the pandemic from among these choices, with accompanying definitions (which were also shared with respondents to inform their choice):

- **Transformed:** changed mission/purpose/focus, significantly altered programs/services.
- **Innovated:** invested in the development of new programs/services, delivered products/services differently such as transitioning to virtual programming.
- **Mobilized:** operated as close to “normal” as possible.
- **Streamlined:** reduced staff, reduced expenses, reduced programming, delivered the programming/services that are possible given the circumstances.
- **Hibernated:** furloughs/layoffs, very little production, spent as little money as possible, waiting for the pandemic to end.

#### *General Distribution*

- Among all respondents, 72% selected “Innovated,” 16% selected “Streamlined,” 8% selected “Hibernated,” 2% selected “Mobilized,” and 2% selected “Transformed.” Smaller organizations were the most likely to say their strategy had been to Hibernate; larger organizations were the most likely to say that their strategy had been to Innovate.

#### *Pandemic Operating Status and Racial Equity*

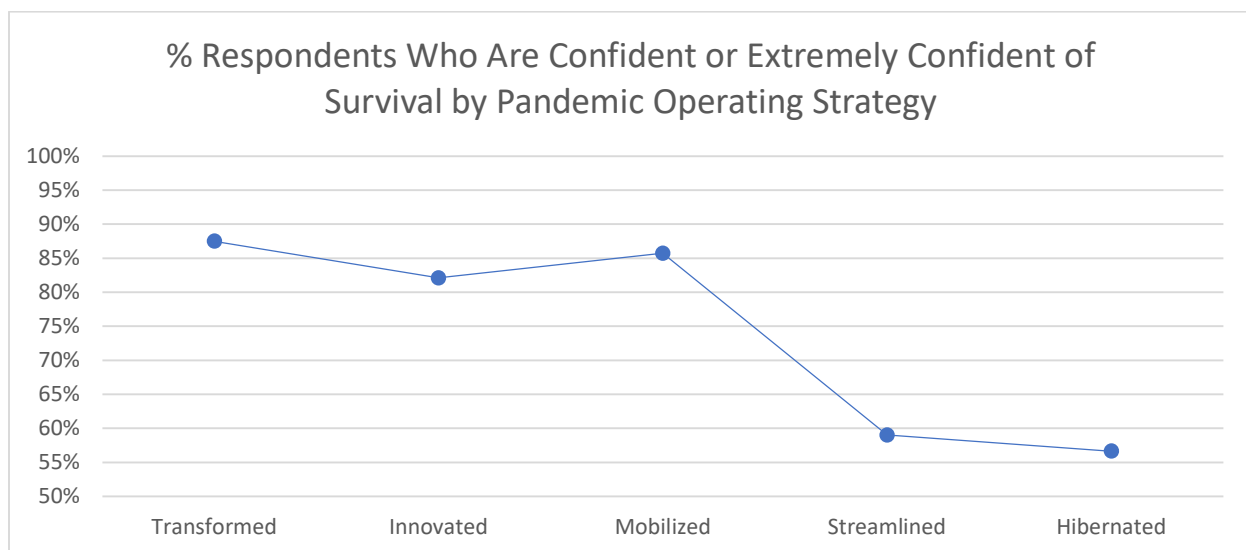
- Organizations that indicated they were led by, created for, and accountable to members of one or more BIPOC communities and/or said they primarily served one or more systemically marginalized communities were half as likely to say they had Hibernated than those who answered no to those questions.
- Organizations that selected the more active operating statuses (Transformed, Innovated) were more likely to have taken actions to improve accessibility to their virtual programming during the pandemic, particularly to improve access for people with disabilities (86% of Transformed organizations, 43% of Innovated organizations, vs. 19-32% of other statuses) and improved access for people without steady internet access (25-29% vs. 0-17%).

#### *Partnerships*

- Organizations that indicated they had leaned into Transforming or Innovating were less likely to have put a programmatic partnership on hold, more likely to have created or developed a new partnership, and more likely to have strengthened or expanded an existing partnership than respondents who indicated other operating statuses.

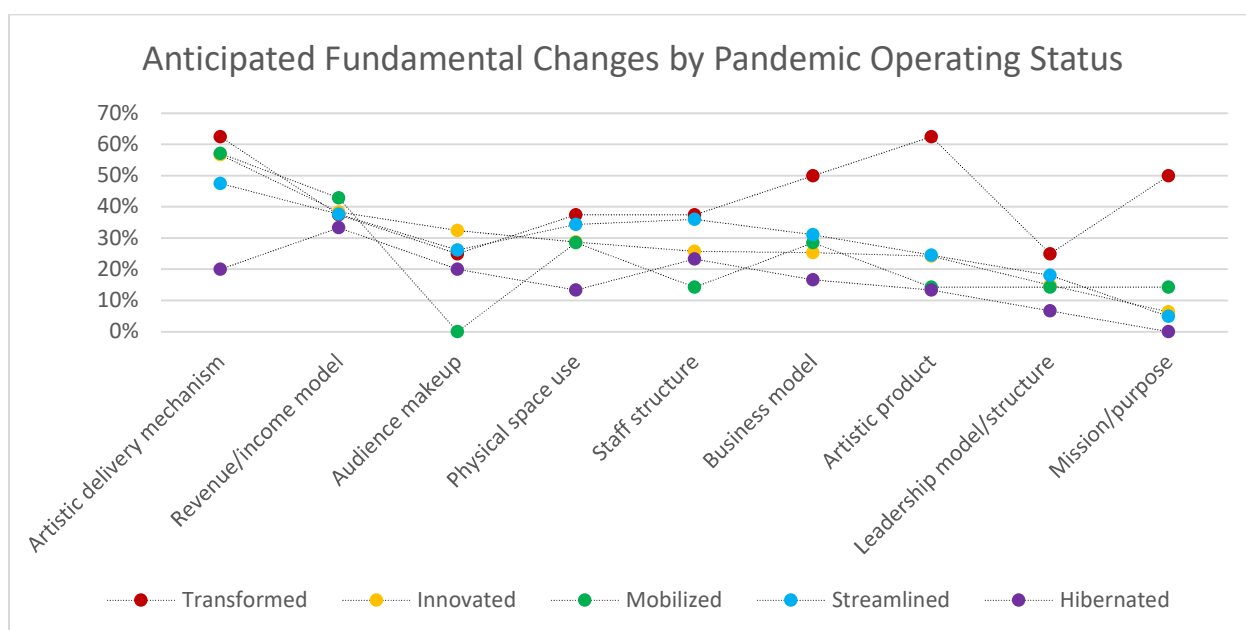
#### *Confidence of Survival*

- Organizations that indicated a Hibernated or Streamlined pandemic operating strategy were more pessimistic about their organization’s prospective survival post-pandemic than respondents that selected other strategies.



#### Fundamental Changes

- The way that organizations chose to operate during the pandemic was reflected in how much they feel the pandemic has permanently affected them.
  - 43% of Mobilized respondents and 37% of Hibernated respondents indicate nothing about the organization has been fundamentally changed by the pandemic; 15% of Transformed organizations and 15% of Innovated organizations say the same.
  - Transformed organizations, generally, see transformation everywhere. 63% anticipate changes in artistic delivery, 63% artistic product, 50% mission/purpose, 50% business model, and 38% revenue model. Mobilized organizations, by contrast, anticipate very little fundamental change in audience, staff, business model, or product—but about a third of Mobilizing organizations think delivery will change, whether in terms of artistic mechanism, revenue model, or physical space.



## Conclusion

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The COVID-19 pandemic impacted the cultural sector dramatically, and the repercussions of that impact will have a long tail. Cultural organizations experienced significant losses and unanticipated expenditures—to combat those losses, they cut expenditures dramatically, including often furloughing or laying off individual staff, artists, and contractors to survive. Many of those individuals had not been rehired, or those positions restaffed, at the time of surveying, indicating a long and slow road to recovery for the sector overall.

Larger organizations had more options available to them in terms of reductions and restructuring, and generally applied for and received relief and recovery funding at higher rates than their smaller counterparts. Ultimately, larger organizations were also more confident they would survive than smaller organizations.

The subset of respondents who identified their organizations as led, serving, and accountable to one or more BIPOC communities indicated a different experience of the pandemic than their counterparts. While they incurred a smaller percentage of lost revenue, they experienced a significant aggregate increase in expenditures, possibly because these organizations have furloughed or laid off staff at lower rates, more significantly invested in supporting artists and communities in need and have continued to evolve and produce work at higher rates. These organizations also received less relief and recovery funding than other organizations—about \$.60 for every \$1 in relief/recovery funding for non-BIPOC-led/serving/accountable respondents.

Organizations also responded to the pandemic in different ways, and implemented different pandemic operating strategies, with different implications and repercussions. Organizations that took on more transformative/active operating strategies during the pandemic—taking actions like shifting programming, mission/vision, and ways of working—were both more likely to have taken actions to support equity, community recovery, and creative workers, and were more confident about their survival and evolution.

Ultimately, recovery will be a question of organizations getting up and running and successfully creating work that responds to the new environment and to the new needs and goals of the communities they serve. This will be a tough alchemy of pragmatics such as finances and workers and aspirations such as evolved ways of working, producing, and delivering content. Since the fielding of the survey in March 2021, reopening has continued, additional relief and recovery funding has begun to flow out to organizations, and health guidance (and vaccinations) have evolved. That said, the underlying themes and topline findings of this report are germane and will linger for the arts and culture field at least through the remainder of 2021 if not beyond.

Beyond recovery, there is nothing like a multi-tiered universal crisis to lay bare all of the cracks in the structures and systems upon which a field is built. The pandemic and protests have underscored the inequities of the arts and culture sector—the various ways larger organizations are able to maintain stability that are missing for smaller organizations, the unrequited generosity and community focus of BIPOC-led organizations who nevertheless exit the pandemic less certain about their future than their white-led counterparts, the precarious or nonexistent safety net under the feet of the independent creative workforce. These are conditions that existed prior to the pandemic, and they will continue to exist afterward without recognizing and addressing them.