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 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:

- Cancelation 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

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  Restaurants
Building Supply Stores  Advertising Agencies  Bars & Breweries  Educational Institutions
Boutiques  Website Developers  Art & Craft Stores  Consultants
Videographers  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.