

For release:
August 7, 2020

Contact:

Joe Peterangelo, Senior Researcher
414-435-1131 or jpeterangelo@wispolicyforum.org

Arts and Culture in a Pandemic: An Existential Threat

COVID-19 brings huge challenges for artists and arts organizations in Wisconsin

With the COVID-19 pandemic causing unemployment to increase sharply across Wisconsin's economy, the arts and culture sector has been among the hardest hit, while receiving the lowest level of state support in the nation, according to research by the Wisconsin Policy Forum.

Moreover, ongoing concerns with large gatherings during the pandemic – and the impact of an economic downturn on discretionary household spending – suggest the arts and culture sector may be among the last to revert to normal as the crisis continues, the report finds.

“The loss of arts and cultural experiences not only has negatively impacted quality of life in Wisconsin communities, but it also has inflicted economic damage,” the report states. Some arts and cultural [organizations](#) and [venues](#) that play unique and important roles in Wisconsin and nationally now face an existential threat.”

State estimates show 33.9% of those employed in the arts, entertainment, and recreation sector in Wisconsin [filed initial claims for unemployment](#) between March 15 and July 5, which was the third highest among all sectors, behind only accommodation and food services (39.1%) and manufacturing (37.1%).

In 2017, 96,651 people were employed full-time or part-time in arts and cultural production in Wisconsin, which accounted for 3.2% of total employment. Nationally, jobs in arts and culture represented 3.4% of all jobs in 2017, meaning Wisconsin tracks relatively close to the national average.

Further, the value added by arts and cultural activities to Wisconsin's economy was \$10.1 billion in 2017, according to a key measure supplied by the U.S. Bureau of Economic Analysis. Arts and cultural activities accounted for roughly 3.1% of the state's overall GDP in 2017, which was higher than accommodation and food services (2.4%), hospitals (2.9%), and transportation and warehousing (3.0%) and not far behind construction (4.1%).

Meanwhile, Wisconsin provides the least amount of state aid in support of arts and cultural activities compared to its neighbors. The state appropriated \$770,000 in general fund support to the Wisconsin Arts Board in 2020, which was supplemented with federal and smaller, miscellaneous revenues.

Minnesota offered the greatest support for arts and culture in the region, allocating \$41 million. On a per-capita basis, Wisconsin ranked last in the nation in state funding support, at 13 cents in 2020. Iowa and Indiana were somewhat higher at 39 cents and 59 cents per capita, respectively. At \$7.37 per capita, Minnesota was once again the outlier providing the greatest support nationally.

The experience of 13 organizations supported by Milwaukee's United Performing Arts Fund (UPAF) illustrates the impact of COVID-19 on a vibrant local arts and culture scene. Those organizations cancelled a combined total of 483 performances due to COVID-19 during the 2019-2020 season (which ended June 30, 2020 for most groups), costing revenues from nearly 168,000 patrons; another 1,090 shows could be canceled during the 2020-21 season. These figures come from data collected by UPAF through a survey of its member organizations.

The impacts of COVID-19 have caused reported net losses of \$2.5 million for the 2019-20 season for the UPAF organizations. Looking toward the 2020-21 season, performing arts organizations expect over \$2 million in additional losses. A total of 554 employees and artists suffered layoff, furloughs, or salary reductions this season, a number that number could rise to 1,033 next season.

The survey data show that for UPAF members, net losses would be much higher if not for savings from reduced operating expenses and federal relief. All UPAF member organizations secured federal Paycheck Protection Program (PPP) loans, which have helped them to weather the pandemic through salary, wage, and operational support. The combined value of PPP loans received was roughly \$6.3 million, and the organizations reported spending a combined \$5.5 million of that (88%) by June 15.

This somewhat bleak outlook indicates arts and cultural activities may be among the last to normalize after the pandemic. Continued social distancing guidelines, caps on large gatherings, the public's discomfort with such gatherings even where they are allowed, and lost jobs have reduced the discretionary spending of many households. These conditions will likely continue to negatively impact museums, performing arts venues, and other arts and cultural facilities and organizations for the foreseeable future.

The availability of arts and cultural activities and amenities contributes to Wisconsin's economy and quality of life and helps ensure the state can attract and retain both businesses and talent. While there are other sectors that some may believe are in greater need of immediate attention – like child care and health care – the negative impacts on the arts and culture sector clearly are severe and likely surpass most others. Lawmakers in neighboring states have taken action to ease the pain, and such consideration may now be merited by state policy makers in Wisconsin.

The Wisconsin Policy Forum is the state's leading source of nonpartisan, independent research on state and local public policy. As a nonprofit, our research is supported by members including hundreds of corporations, nonprofits, local governments, school districts, and individuals. Visit wispolicyforum.org to learn more.