

SOUTHEASTERN CONNECTICUT CULTURAL COALITION

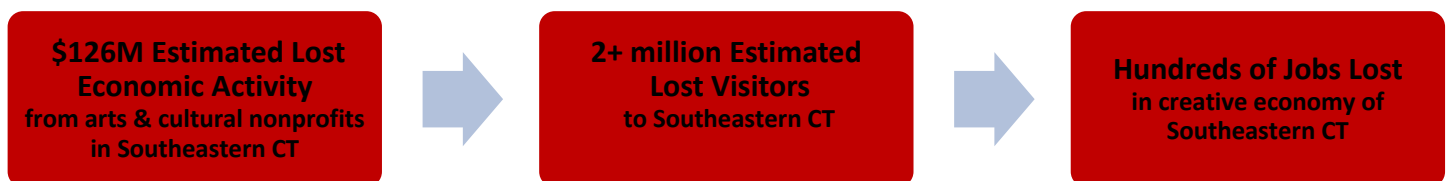
P.O. Box 95, New London, CT 06320 | (860) 448-5135 | info@CultureSECT.org | www.CultureSECT.org

2021 LEGISLATIVE SESSION AGENDA

SOUTHEASTERN CT'S ARTS AND CULTURE SECTOR IS AN ECONOMIC DRIVER

Generates \$168 million annually in Southeastern CT | Supports 4,500 local nonprofit jobs | Attracts 3.2 million visitors annually | Returns \$7 for every state \$1 invested

COVID-19 HAS DEVASTATED THE SECTOR



SOUTHEASTERN CT CAN'T RECOVER WITHOUT THE ARTS

Empty Downtowns | Venues Closed | Economic & Job Loss | Permanent Closure & Damage

LEGISLATIVE ACTION IS REQUIRED

Prevent further economic injury and job losses | Address the impact of shutdown and accumulated losses | Help Accelerate Recovery, not only for the sector but for all of Connecticut

The **Tourism Fund** is CT's mechanism to fund arts, culture and tourism. The fund's revenue source is the Hotel Occupancy Tax, which has underperformed as a result of the pandemic's impact on the hospitality industry. According to the Office of Policy and Management (November 2020) "**the Tourism Fund will end FY 2021 with a \$13.8 million negative fund balance.**"

PRIORITY: REPLENISH THE TOURISM FUND to prevent further economic injury and job losses in the sector and maintain flat funding. **GROW THE TOURISM FUND** to help stabilize sector and accelerate recovery

- **DEDICATE 25% OF PROCEEDS FROM LODGING TAX TO TOURISM FUND** by increasing the allocation from 10% to 25%. *The increase does not affect lodging tax rates.*
- **ALLOCATE A PORTION OF PROCEEDS FROM OTHER STATE TAXES AND/OR NEW REVENUE.**

PRIORITY: ENSURE FUNDING FOR CT OFFICE OF THE ARTS AND CT HUMANITIES reflects their roles as the state's main source of support for arts and culture nonprofits in every municipality.

PRIORITY: ENSURE THAT ARTS AND CULTURAL NONPROFITS ARE SUPPORTED BY ADDITIONAL DEDICATED FEDERAL FUNDING TO CT with a focus on grants for operating support as opposed to loans to support jobs.

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FROM AMERICANS FOR THE ARTS



RED ALERT: COVID-19 AND THE CREATIVE ECONOMY IN CONNECTICUT

Creativity, arts, and culture are big business in Connecticut, but the unique nature of the COVID-19 pandemic and the ongoing economic crisis has made the nonprofit creative sector **the hardest hit sector in the country**.¹ Research shows that investment in the arts directly improves the health of the broader economy.¹ Without investment and incentives from federal and state governments, the creative engine driving our local and national economies will continue to struggle.²

THE CREATIVE ECONOMY IS BIG BUSINESS IN CONNECTICUT

THE U.S.'S CREATIVE ECONOMY	CONNECTICUT'S CREATIVE ECONOMY
\$878 billion generated annually in the United States by the creative economy ⁱⁱ	\$9.3 billion generated annually in Connecticut by the creative economy ⁱⁱⁱ
4.5% of GDP generated annually in the United States by the creative economy ⁱⁱ	3.5% of GSP generated annually in Connecticut by the creative economy ⁱⁱⁱ
673,656 creative businesses in the United States ^{iv}	10,403 creative businesses in Connecticut ^{iv}
5.1 million creative workers in the United States ⁱⁱ	58,932 creative workers in Connecticut ⁱⁱⁱ

COVID-19 HAS DEVASTATED CONNECTICUT'S CREATIVE ECONOMY

RIGHT NOW, IN THE UNITED STATES...	RIGHT NOW, IN CONNECTICUT...
\$150 billion lost revenue for creative economy businesses through July 2020 (est.) ^v	\$2.4 billion lost revenue for creative economy businesses in 2020 in Connecticut (est.) ^v
67% creative businesses severely impacted by COVID-19 ^{vi}	61% Connecticut creative businesses severely impacted by COVID-19 ^{vi}
2.7 million creative workers made unemployed by COVID-19 ^v (52% unemployed)	33,258 creative workers made unemployed by COVID-19 in Connecticut ^v (56% unemployed)
62% of creative workers have experienced a drastic decrease in work ^{vii}	57% of creative workers have experienced a drastic decrease in work ^{vii}
\$77.2 billion total loss of revenue for creative workers in 2020 (est.) ^v	\$1.11 billion total loss of revenue for creative workers in Connecticut in 2020 (est.) ^v
\$15,140 average loss of creative revenue per creative worker in 2020 ^{v, vii} (a 43% loss/person)	\$18,835 average loss of creative revenue per creative worker in Connecticut in 2020 ^v (a 29% loss/person)
55% creative workers now have no savings ^{vii}	49% creatives in Connecticut now have no savings ^{vii}

OVER

¹ According to [analysis](#) from Johns Hopkins University, the Arts, Culture, and Recreation sector experienced job losses at three times the rate of the next-most-impacted sector from January to August 2020.

² **What is the creative economy?** An \$878 billion economic ecosystem of for-profit and nonprofit creative industries, artists, educators, entrepreneurs, vendors, policymakers and funders that produce and distribute creativity- and arts-based goods and services. They use their creativity to create jobs, revenue, community resources, and cultural engagement.

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THE CREATIVE SECTOR MAKES COMMUNITIES HEALTHIER AND STRONGER

72% of Americans believe the arts unify our communities regardless of age, race, or ethnicity.^{viii}

73% of Americans agree that art helps them understand other cultures better.^{viii}

\$31.47

average amount each arts attendee spends *beyond the ticket cost* on meals, retail, parking, lodging, local transportation, childcare, and souvenirs. These dollars provide vital income to local merchants, energize the downtown, and pay salaries and wages in non-arts sectors. **That is over \$100 billion in ancillary spending in American communities directly because of cultural events.**^x

CREATIVE WORKERS AND BUSINESSES STAND READY TO AID RECOVERY

76% of artists have used their art to raise morale and create community cohesion during the pandemic.^{vii}

83% of creative workers are ready today to put their creative practice to use as part of the national recovery.^{vii}

89% of arts nonprofits boosted morale through their art during the pandemic.^{vi}

THE CREATIVE ENGINE CAN POWER AMERICA'S ECONOMIC RECOVERY

Any investment in infrastructure, community, and workforce recovery must include the creative economy.

Additional Relief for Creative Workers and Companies

To address the devastating long-term impact of the COVID-19 pandemic on the creative economy, and to preserve cultural infrastructure and capitalize on the economic and social rebuilding benefits of the arts, creative workers and creative businesses seek additional investment in relief efforts to support the sector.

Improved Conditions for Independent Contractors

91% of all arts, culture, and recreation businesses are solo entrepreneurs, and millions of creative workers are independent workers.^{ix} This locks them out of unemployment benefits, affordable health insurance, and access to capital—which must change to ensure a sustainable living.

Restart Funds & Hiring/Retention Incentives

Both directly and by redistribution to local and state government, the creative sector seeks financial runways to allow cash-strapped creative businesses to restart and produce new sellable creative products and incentives for businesses and schools to accelerate rehiring and encourage retention of creative workers.

Changes to Inequitable Federal Policies

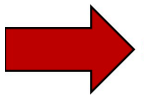
At no additional cost to the government, the creative sector seeks adjustments to various existing federal policies that disallow or discriminate against creative workers and other independent workers. These are outlined in the CREATE and PLACE Acts.

Federal Investment in Residencies, Commissions

Echoing previous federal works programs, the creative sector seeks artist and creative worker residencies within federal departments, direct commissioning of individual artists and cultural organizations, and the integration of creative workers into health, safety, education, and community development programs.

Stronger Representation within Government

To coordinate the policy relevant to the creative economy, with a particular focus on recovery and relief, the creative sector recommends the installation of an Arts, Culture, and Creative Economy senior advisor to maximize the impact and recognition of creative enterprise.



These recommendations are from a [combined policy proposal](#) that merges the [Put Creative Workers to Work](#) platform, which has been endorsed by over 2,300 creative businesses and workers in all 50 states, and the [Defend Arts Workers Now \(DAWN\) Act](#).^{xi}

ⁱ Source: U.S. Bureau of Economic Analysis, 2020

ⁱⁱ Source: U.S. Bureau of Economic Analysis, 2017

ⁱⁱⁱ Source: U.S. Bureau of Economic Analysis - State Profiles, 2017

^{iv} Source: Americans for the Arts, [Creative Industries](#), 2017

^v Source: Brookings Institution, [Lost Arts](#), 2020

^{vi} Source: Americans for the Arts, [COVID-19 Impact on the Nonprofit Arts Sector](#), 2020, as of December 20, 2020

This document was prepared by Americans for the Arts.

^{vii} Source: Americans for the Arts, [COVID-19 Impact on Creative Workers](#), 2020, as of December 20, 2020

^{viii} Source: Americans for the Arts, [America Speaks Out About the Arts](#), 2018

^{ix} Source: CERF+, [Pandemic Assistance Falls Short for Self-Employed Workers](#), 2020

^x Source: Americans for the Arts, [Arts & Economic Prosperity 5](#), 2017

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CONNECTICUT'S TOURISM FUND

What is it? The Tourism Fund (TF), administered by the Connecticut Department of Economic and Community Development, invests in the Connecticut experience – creating jobs, attracting tourists and employers, generating revenue for local businesses, and building vibrant communities. It is a special non-lapsing fund that is separate from the general fund.

How is it funded? Connecticut levies a 15% occupancy tax on hotel stays up to 30 days in length. Currently, 10% of the total tax revenue collected is deposited into the TF each quarter. The TF is currently down by 50% year over year and continues to decrease due to plummeting lodging tax receipts during the pandemic.

What does it fund? The TF fund invests in arts, culture and tourism through line items in the budget appropriated by legislators:

- CT Office of the Arts ("Arts Commission") – The state investment is matched by nearly \$1M federal National Endowment for the Arts (NEA) funding
- CT Humanities – The state investment matched by \$800k in federal National Endowment for the Humanities (NEH) funding
- CT Office of Tourism ("Statewide Tourism Marketing")
- Arts, Cultural & Tourism Direct Line Items (individual organizations and consortiums)

DECD currently designates and administers funds through the following categories and offices:

Tourism – administered by CT Office of Tourism:

Statewide Tourism Marketing, Stepping Stones Museum for Children, Nutmeg Games, Discovery Museum, CT Open, Beardsley Zoo, Maritime Center Authority, Mystic Aquarium, Connecticut Science Center, Northwestern Tourism, Eastern Tourism, Central Tourism, Op-Sail, Amistad Vessel

Arts & Culture – administered CT Office of the Arts:

Arts Commission = CT Office of the Arts (services, programs and competitive grant program), Performing Arts Centers, New Haven Festival of Arts and Ideas, Performing Theaters Grant, Art Museum Consortium, CT Flagship Producing Theaters Grant, Hartford Urban Arts Grant, Neighborhood Music School, National Theatre of the Deaf, Greater Hartford Arts Council, New Haven Arts Council, Cultural Alliance of Fairfield, New Britain Arts Council, Litchfield Jazz Festival, Arte Inc., CT Virtuosi Orchestra, New Haven Symphony, CT Humanities Council, Twain/Stowe Homes, Amistad Committee for the Freedom Trail, Barnum Museum

How does TF benefit CT? The TF investments provide:

- Funding to the Office of the Arts and Connecticut Humanities that is re-granted through hundreds of competitive grants statewide reaching nearly every municipality.
- Tourism marketing to position the state as a prime destination for leisure and business travelers.
- Operating support to select institutions to drive economic and community development and tourism.

These grants provide essential support for cultural events, performances and exhibitions; community programs, educational opportunities for all ages, local arts projects and initiatives. This funding is the only source of state

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funding for many cultural organizations and is critical to leveraging additional support from corporations, foundations and individuals.

CONNECTICUT OFFICE OF THE ARTS (“ARTS COMMISSION”)

In CT, the state agency charged with fostering the health of the creative economy is the Office of the Arts (COA). It administers grant-making programs and operational funding that are critical to overall health of the arts sector in Connecticut, and which bring in National Endowment for the Arts matching funds. It does so with the highest national standards for review and reporting that include transparency, accountability and industry wide best practices. In addition to grants, COA supports statewide arts education initiatives, professional development, workforce development, creative sector research, special projects focused on underserved and rural communities, poet laureate and state troubadour programs, and the Poetry Out Loud initiative.

The Office of the Arts is funded by the State of Connecticut with a federal match from the National Endowment for the Arts and receives support from other public and private sources.

CT Office of the Arts (COA), a.k.a. “Arts Commission” in the state budget and funded through the Tourism Fund, is the state agency charged with fostering the health of the creative economy in CT. COA uses the lenses of relevance, equity, access, diversity, and inclusion (READI) to guide programmatic and investment decisions within a framework of artistic excellence.

CONNECTICUT HUMANITIES

CT Humanities is the 501(c)3 state affiliate of the National Endowment for the Humanities that:

- provides grants to historical societies for exhibitions and programs exploring our state’s rich history
- offers book-based facilitated discussions for all ages in libraries across the state
- provides after-school Book Voyagers programs in the Hartford, New Haven and New London school systems

Each year, CT Humanities supports hundreds of projects across the state through grants, strategic partnerships, and our public humanities programs including ConnecticutHistory.org, Teach It, and the Connecticut Center for the Book.

In the fiscal year 2020, their work served all 169 Connecticut communities.