



COVID-19 and Pinellas County

Exploring Financial Impact Survey for Arts Community

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Executive Summary

The influence of COVID-19 on the arts community was immediate and devastating, according to our research. Within days of the first two cases being confirmed in Pinellas County (March 11) and area mayors cancelling major live events, performing artists were out of work and gigs and wages were immediately lost. Galleries and studios that made their months' income from art tours like St. Petersburg's Second Saturday shuttered. Teaching artists who earned their income at art centers like the Dunedin Fine Art Center or the Morean Arts Center, found themselves with no classes, no students and no paychecks.

Arts museums like the Dali and Museum of Fine Arts shut their doors. Theatres including American Stage and freeFall closed their curtains. Performing arts centers such as Ruth Eckerd Hall and the Mahaffey turned off their lights.

In response to what was clearly an economic tsunami, Creative Pinellas reached out to the arts community starting on March 23 to find out how they were being impacted financially. What we found was eye-opening. Fifty-three percent of those who responded to us reported having to furlough, reduce hours or eliminate W2 and 1099 employees. This resulted in an immediate drop in payroll of \$621,000. *(From the vantage point of today, when this report is being released, those numbers may significantly under represent our current situation.)*

Revenue loss, including the immediate loss and a 90 day forward projection is estimated to be \$4.8M. The immediate loss at the time of this survey for all respondents was \$1.6M between early March and early April. Of this, Professional Artists reported an initial loss of \$434,000 due to immediate loss of gigs, projects and sales. Creative Businesses reported an initial loss of \$500,000 and Nonprofit Arts Organizations reported an initial loss of \$665,000. With inclusion of the 90 day forward projection, Professional Artists estimated a loss of \$1.4M, Creative businesses estimated a loss of \$2M loss and Nonprofit Arts Organizations estimated a loss of \$1.4M.

Economic activities affected by the COVID-19 emergency included the shutdown of festivals, gallery sales, concerts and musical and theatrical performances, arts education, workshops, receptions and fund raising.

Methodology

On March 23, Creative Pinellas distributed a survey to Professional Artists, Creative Businesses and Nonprofit Arts Organizations throughout Pinellas County. The purpose of the survey was to determine the immediate and future economic impact of COVID-19, especially in terms of the business closures and social distancing.

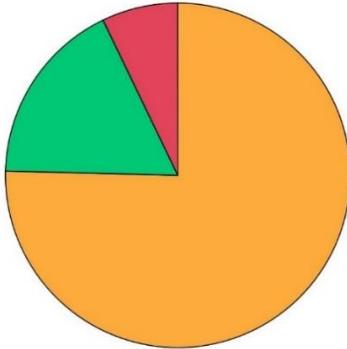
The survey was promoted by email blast, social media, and Zoom-conference calls to key stakeholders. Respondents answered the survey digitally, via a secure link.

Survey Characteristics

Applicant Type

Total number of Survey Respondents: 123

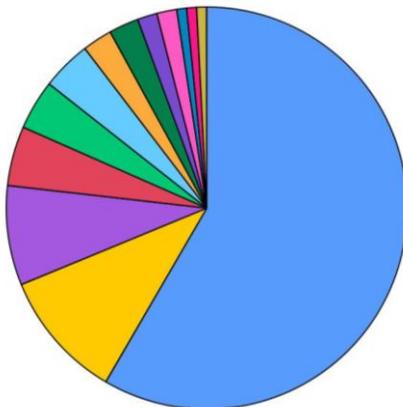
- 75% of respondents were Professional Artists
- 18% of respondents were Creative Businesses
- 7% of respondents were Nonprofit Arts Organizations



- Professional Artists
- Creative Businesses
- Nonprofit Arts Organizations

Geographic Breakdown

Respondents represented the following communities in Pinellas county: St. Petersburg (58.4%), Unincorporated Pinellas (10.4%), Clearwater (8%), Dunedin (4.8%), Gulfport (4%), Pinellas Park (4%), St. Pete Beach (2.4%), Tarpon Springs (2.4%), Belleair/Belleair Beach (1.6%), Indian Rocks Beach (1.6%), Treasure Island (0.8%), Seminole (0.8%), and Largo (0.8%).



- St Petersburg
- Unincorporated Pinellas
- Clearwater
- Dunedin
- Gulfport
- Pinellas Park
- St Pete Beach
- Tarpon Springs
- Belleair/Belleair Beach
- Indian Rocks Beach
- Treasure Island
- Seminole
- Largo



Characteristics Measured

- Applicant Type: Professional Artist, Creative Business, Nonprofit Arts Organization
- Number of Employees
- Employee Working Status (furlough, reduced hours, employees eliminated)
- Reduction in Payroll for W2 employees and 1099 employees
- Projected loss (To date, 30 days, 60 days, 90 days)
- Types of Activities Adversely Affected
- Geographic Location

(See Appendix C to see the survey questionnaire)

Findings

The combined economic impact to Pinellas County that is a total loss in revenue (\$4.8M) coupled with the loss of employee income is an anticipated \$5.4M from the starting point of data collection of this survey through a forward looking plus 90-day projection period. This does not include ancillary losses, such as decreases in purchasing and taxes, etc. The breakdown of this data is described below.

Projected Financial Loss All

At the time of the survey, respondents reported a total to-date loss of revenue due to COVID-19 of \$1.6M *(This may include losses incurred due to an early drop in business prior to the March 11 date when the virus was reported in Pinellas County.)*

Respondents projected that in plus 30 days their loss would be \$2.6M. In plus 60 days, they projected \$3.6M. In plus 90 days, the total loss projected would be \$4.8M.

Projected Financial Loss Professional Artists

Professional artists stated a current loss of \$434,000 at the time of response to this survey.

In plus 30 days, this group projected an estimated loss of an \$730,000. In plus 60 days, they projected an estimated loss of \$1M. In plus 90 days, an estimated total loss of an \$1.4M was expected.

Projected Financial Loss Creative Businesses

Creative businesses reported a current loss of \$500,000 at the time of response to this survey.

In plus 30 days, this group projected an estimated loss of \$934,000. In plus 60 days, they projected \$1.5M loss. In plus 90 days, an estimated total loss of \$2M was expected.

Projected Financial Loss Nonprofit Arts Organizations

Nonprofit Arts Organizations reported a loss of \$665,000 at the time of response to this survey.

In plus 30 days, this group projected an estimated loss of a \$942,000. In plus 60 days, they projected a \$1.2M loss. In plus 90 days, an estimated total loss of \$1.4M was expected.



Employee Hours and Costs

Reduction in Employee Hours and Employee Costs All

These results are a snapshot of the early circumstances of employee decisions related to the outbreak of this virus. With this time frame in mind, 29% of respondents had already furloughed, reduced, or eliminated W2 employees which led to the reduction in their payroll cost by \$475,000. *(This percent is known to have significantly increased as Creative Pinellas has been in open and steady communication with the arts community and since has been informed of additional employee changes.)*

For 1099 employees, 82% of all respondents reported having to furlough, reduce hours, or eliminate these individuals. This employee loss led to the reduction in payment to 1099 employees by \$146,000.

In total, 53% of respondents reported a reduction in W2 and 1099 employees or employee hours and a total loss of \$621,000 for employee costs at the time of this survey.

Reduction in Employee Hours and Employee Costs for Artists

38% of Professional Artists indicated they furloughed, eliminated, or reduced employee working hours. This resulted in a reduction by \$73,000 in monthly W2 payroll and employee related costs. For 1099 employees, 88% reported reduced hours which resulted in a reduction of payments by \$24,000.

Reduction in Employee Hours and Employee Costs for Creative Businesses

86% of Creative Businesses indicated they furloughed, eliminated, or reduced W2 employee working hours. This resulted in a reduction of \$270,000 in monthly payroll and employee related costs.

For Creative Businesses who utilize 1099 employees, 80% reported reduced hours which resulted in reduction of payments to these employees by \$63,000.

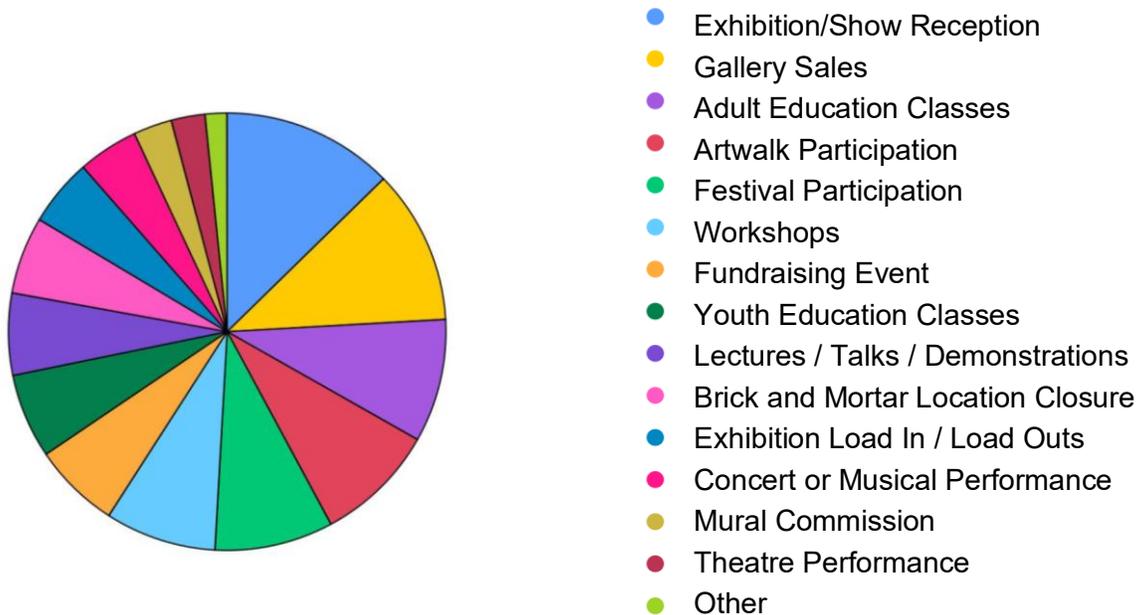
Reduction in Employee Hours and Employee Costs for Nonprofit Arts Organizations

22% of Nonprofit Arts Organizations (the smallest group in this sample) indicated they furloughed, eliminated, or reduced W2 employee working hours at the time of this survey. This resulted in a reduction by \$132,000 in monthly payroll and employee related costs.

For Nonprofit Arts Organizations who utilize 1099 employees, 71% reported reduced hours which resulted in a reduction of payment of \$59,000. *(It is believed that this number has grown since the time this information was reported as these organizations have announced such on an on-going basis.)*

Activities Adversely Affected by COVID-19

Survey respondents revealed the variety of major activities that had been postponed or cancelled due to COVID-19. These activities negatively affected included: Exhibition/Show Receptions (12.7%), Gallery Sales (11.4%), Adult Education Classes (9.1%), Artwalk Participation (8.9%), Festival Participation (8.8%), Workshops (8.2%), Fundraising Events (6.4%), Youth Education Classes (6.3%), Lectures/Talks/Demonstrations (6.1%), Brick and Mortar Location Closure (5.7%), Exhibition Load In/Load Outs (5.0%), Concert or Musical Performances (4.5%), Mural Commissions (2.9%), Theatre Performances (2.5%), and Other Activities (1.6%).



Interpretation

The complex terrain the Pinellas arts community is navigating is laced with uncertainty. As COVID-19 cases continue to steadily increase in the state of Florida, the current suspension and evolving rules for public gatherings will remain a constant concern. The arts community is already evolving in response with new and innovative ways of sharing their work and reaching their audience. However, few of these thus far have offered significant answers to the financial loss and negative pressure on the arts ecosystem that the community has and likely will continue to experience.



There will be Professional Artists, Creative Businesses, and Nonprofit Arts Organizations who will weather this storm. Some will do so with limited amounts of pain. Others will manage through with gritted teeth. There will also be the as yet unknown number who will not be able to maintain their rent or operating costs, who will lose connection with their employees or their audience, or who will leave the Pinellas arts community, either by closing down, changing professions or moving out of the area. With the suspected long-term impact on artists, Creative Businesses and Nonprofit Arts Organizations, where does that leave the arts community when the impact of the virus is lessened, and the pandemic is ended? What happens to Pinellas County as an arts and cultural destination?

Arts and culture are vital to the economy of Pinellas County as the estimated \$5.4M negative impact demonstrates. That number does not address the larger impact on ancillary businesses (art supplies, gasoline to drive to an event or destination, parking fees, the items of daily consumption that don't get purchased, the restaurant dinner that doesn't get bought - even as drive through – or the taxes that don't get earned or paid.)

According to Pinellas County Economic Development, in 2018 the Creative Industry in Pinellas County (Professional Artists, Creative Businesses, Nonprofit Arts Organizations, etc.) had \$1.96B in annual impact on the local economy. Making up 5.8% of the County's businesses, the sector is responsible for 20,000 jobs (3.5% of the County's work force), delivers \$2.3B in local sales and \$0.7B in export sales, which is to say, 4.3% of the gross regional product.

When we think of the impact of COVID-19 on Professional Artists, Creative Businesses and Nonprofit Arts Organizations, it is important for us to keep in mind how significant an economic driver the arts are to our County's wellbeing.

It is also worth noting the economic and societal impact of COVID-19 will not be felt equally by all in the arts community. Some communities are more vulnerable than others. Some areas have greater resources and stronger networks. St. Petersburg, for example has launched the Fighting Chance grant with over \$6M to support small businesses and their eligible employees. It is available to St. Petersburg residents and businesses. Some cities, such as Tarpon Springs and Pinellas Park have created smaller programs (and the County has just launched its own), Other cities have not launched similar funds to date.

In moving forward to think about, to discuss and to actualize any next steps to provide relief for the present and support for the future we must recognize and include the County as a whole.

Inspired by What You Read Here?

Give to the Pinellas Arts Community Relief Fund

<https://pinellascf.org/pinellasartsrelief/>



PINELLAS ARTS COMMUNITY RELIEF FUND

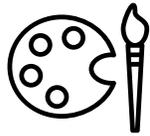
The Pinellas Arts Community Relief Fund was established to provide urgent financial support for Pinellas County artists, arts organizations and creative businesses with immediate needs in the face of the COVID-19. This report demonstrates the impact of the Pinellas Arts Community Relief Fund as of April 17 and the value of continuing to support this important project.

AT A GLANCE

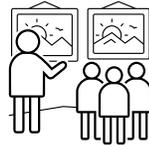
Total Funds Raised: **\$112,000**
 Total Funds Distributed: **\$97,800**
 Total Number of Applicants: **346**
 Total Funded: **172** | Total Not Funded: **174**



AFFECTED IN THE COMMUNITY



250 Professional Artist Applied
 148 Funded
 110 Not Funded



29 Arts Organizations Applied
 12 Funded
 17 Not Funded



59 Creative Businesses Applied
 12 Funded
 47 Not Funded

FUNDING BREAKDOWN

Professional Artists



Arts Organizations

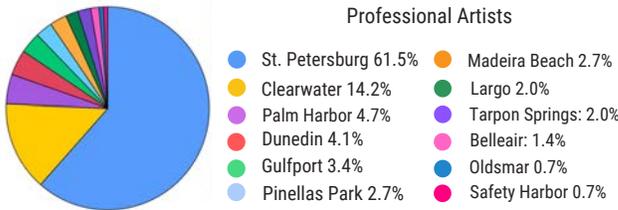


Creative Businesses

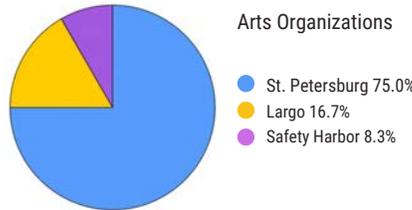


FUNDING BY COMMUNITY

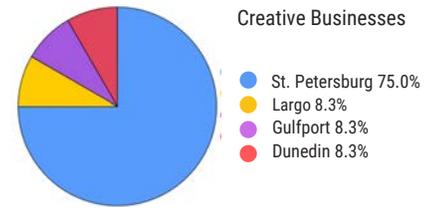
Professional Artists



Arts Organizations



Creative Businesses



THE RELIEF FUND FOCUS

In the midst of the COVID-19 pandemic, the usual financial support networks and other safety nets and resources to support the arts community are particularly fragile. With all performances and gatherings abruptly canceled or indefinitely postponed, our community's talented and vibrant arts ecosystem has been damaged. Urgent funding is critical to mitigate the financial suffering of artists, arts organization and arts businesses during this time of economic, social and health crisis.

The Pinellas Arts Community Relief Fund is a joint effort of Creative Pinellas, the Foundation for a Healthy St. Petersburg, the Pinellas Community Foundation and the St. Petersburg Arts Alliance. **Our goal is to ensure that the vibrant arts and cultural landscape of Pinellas County remains intact through this emergency and beyond.**

Your contribution is important and crucial to your community! Your donation will be granted directly to artists, arts organizations and ⁷ arts businesses in our community who face an immediate and urgent financial need. You can donate at <https://pinellascf.org/pinellasartsrelief/>



Appendix B

COVID-19 Timeline

COVID-19 has caused a myriad of social, health, and economic adjustments on a global scale. The enforced act of social distancing, while appropriate, has created an uncertain reality for communities who sustain their livelihood in industries deemed nonessential. Since mid March, Pinellas County has adhered to executive orders set at both the local and state level.

Executive Orders pertaining to COVID-19 and Pinellas County:

- March 17 Gov Ron DeSantis & Pinellas County Administrator Barry Burton issued Executive orders restricting restaurant occupancy and hours for serving alcoholic beverages.
- March 20 Gov Ron DeSantis issued an Executive Order mandating restaurants (save takeout and delivery services) and gyms close
- March 25 Pinellas County Resolution Safer At Home Order
- April 1 Gov Ron DeSanctis issued an Executive Order requiring Floridians to stay home with the exception of obtaining or providing essential services
- April 2 Pinellas County Administrator Barry Burton issued an executive order mandating all nonessential businesses in Pinellas County to close for the entirety of the local state emergency
- Since April 2 on a weekly basis Pinellas County continues to extend the local emergency status
- April 20 The Florida Department of Health reports over 26,000 positive cases of COVID-19 and 789 deaths in Florida. In Pinellas county, there have been 563 confirmed cases of COVID-19 and 16 deaths.

COVID-19 Affected Businesses

According to the “Safer at Home Pinellas County” notice, the following businesses are recognized as nonessential include art studios, bookstores, music/instrument stores, music lesson providers, craft supply stores, and [art] museums.

This list is not exhaustive. There are many other arts-related individuals and groups who rely on their interaction/engagement with the public who are prohibited from doing so at this time.

The intricate relationship between closure of nonessential services and Arts and Culture activities reveals a story of critical need for the Pinellas County Arts Community. In anecdotal examples, this relationship can be observed. For instance, there are artists who depend on the purchase of their work or performances in local establishments such as restaurants, who can no longer secure this portion of their income. This example only showcases a glimpse of the financial struggle in this community. Since the first emergency order in Pinellas county, a little over a month ago, Arts and Cultures events and spaces have not been operating and the loss of income is suspected to grow.



Appendix C

List of survey Questions

1. What best describes your arts business?
 - a. As an artist what is your practice? *Item shown to Professional Artists only*
2. How many employees make up your team? (This includes artists and support staff)
3. Have you furloughed, reduced hours, or eliminated any employees working for your art business? If yes:
 - a. How many employees?
 - b. What is the reduction in payroll and employee related costs?
4. Do you utilize contract workers? (This includes artists and support staff) If yes:
 - a. How many contractors?
 - b. What is the reduction in payroll and employee related costs?
5. What type of activities have been adversely affected by COVID-19?
6. What is your estimate of COVID-19 related losses to date?
7. What is your project estimate of COVID-19 loss in 30 days?
8. What is your project estimate of COVID-19 loss in 60 days?
9. What is your project estimate of COVID-19 loss in 90 days?
10. In what municipality is your arts business within Pinellas County?