

United States Senate
WASHINGTON, DC 20510

March 20, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

Dear Leader McConnell and Leader Schumer:

We write to express our concern that the 2019 coronavirus (COVID-19) is having a devastating economic impact on America's creative economy—facing financial losses already estimated to be \$3.24 billion nationwide. In a national survey conducted by the Americans for the Arts, 91% of responding arts organizations have cancelled one or more events. We believe the legislative response to COVID-19 economic crisis should include strong funding for the National Endowment for the Arts (NEA), a critical grant making agency that provides support for cultural organizations across America, and provided a similar relief role in the 2009 American Recovery and Reinvestment Act (ARRA). We also believe the economic relief package should include legislative language to ensure that artists and artisans are eligible for assistance through the Economic Development Administration, the Small Business Administration, and USDA Rural Development.

Like many others in the service and tourism industries over the last two weeks, many arts organizations have closed their doors for the foreseeable future. More than one-third of respondents expect to make reductions in staff—26% have already reduced their creative workforce. The \$3.2 billion figure includes revenue losses to date from admissions (ticket sales, subscriptions, memberships), non-admissions income (gift shop sales, sponsorships, contributed income), and unexpected expenditures (new cleaning/disinfecting protocols, adoption of new technologies, cancellation fees). Given that those losses have occurred only in the last two weeks, and current indications from the Center for Disease Control (CDC) and President Trump

suggest that social distancing and other measures could extend through the summer, Americans for the Arts anticipates an additional \$5-10 billion in potential revenue losses for the nonprofit arts and culture field. The estimates are based on more than 2,000 respondents to an Americans for the Arts survey and then extrapolating those data nationally using IRS data about nonprofit arts and cultural organizations.

Therefore we specifically ask that you provide \$4 billion dollars in economic relief funds to the NEA and consider some of the following provisions from, S. 650, the Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy (CREATE) Act to be included in any economic stimulus related to COVID-19.

- **Expanding programs at the Small Business Administration (SBA) to increase microloans, business loans, and technical assistance for artists (Secs. 101, 102, and 103).**

This provision would ensure that artists and arts entrepreneurs have access to microlending, that loan criteria doesn't discriminate against loans for arts-related business, and that business technical assistance targeted toward the specific needs of artists is increased.

- **Ensuring access to FEMA's disaster relief assistance for artists impacted by natural disasters (Sec. 107).**

This provision would correct this regulatory discrepancy and allow self-employed workers the same access to FEMA's disaster assistance program as workers who are employed by others.

- **Requiring the Economic Development Administration (EDA) ensure that traditional economic development tools, such as incubators and grant programs, support the creative economy throughout the country (Sec. 104)**

This provision better ensures support for the arts economy through traditional economic tools, like incubators and economic development planning.

- **Expanding the U.S. Department of Agriculture's (USDA) Rural Development Administration to include arts-focused economic development (Sec. 105).**

This provision better ensures support for the arts economy through traditional economic tools, like those under USDA's rural programs.

The CREATE Act was crafted to ensure that artists and arts entrepreneurs are eligible for existing federal programs to better support the creative economy. Therefore we ask that you give this proposal strong consideration.

Sincerely,

/s/ Senator Tom Udall (digital)

Tom Udall
United States Senator

/s/ Senator Bernard Sanders (digital)

Bernard Sanders
United States Senator

/s/ Senator Martin Heinrich (digital)

Martin Heinrich
United States Senator

/s/ Senator Tina Smith (digital)

Tina Smith
United States Senator

/s/ Senator Cory Booker (digital)

Cory Booker
United States Senator

/s/ Senator Sheldon Whitehouse (digital)

Sheldon Whitehouse
United States Senator