

## JOBS & THE ARTS

### SUPPORT AMERICA'S CREATIVE INDUSTRIES IN STIMULATING THE ECONOMY

#### ACTIONS NEEDED

The nonprofit arts community asks that as Congress considers legislation that would invest in the workforce and economy, that it also recognizes and supports the creative industries as members of the business community through these specific provisions.

- **Support Proposals to Provide Tax Credits for Nonprofit Businesses to Spur Hiring**

A proposal by Sens. Schumer (D-NY) and Hatch (R-UT) would provide tax credits to nonprofit and for-profit employers to encourage them to hire new employees and increase wages. The proposal would 1) provide employers a \$5,000 tax credit against their payroll taxes for every new worker they employ in 2010 and 2) reimburse employers for the social security payroll taxes they pay on real increases in wages for existing employees. The credit would be available to employers of all sizes, but primarily focuses on small employers by capping the credit at \$500,000.

- **Help Preserve and Create Jobs in the Arts**

The Americans Reinvestment & Recovery Act provided \$50 million in funding to help support 1,408 arts jobs at the local level. Local and state arts agencies were particularly helpful in administering these funds to smaller groups that the National Endowment for the Arts (NEA) could not reach directly.

- **Extend Unemployment & Healthcare Benefits for Part-Time Employees, Including Professionals in the Creative Industries**

The creative economy relies heavily on professionals who make a living from non-traditional employment structures. Artists are disproportionately self-employed, and many work multiple jobs in volatile, episodic patterns. The ability to access unemployment insurance and healthcare benefits would offer critical assistance to this population.

- **Boost Arts Projects in Community Development Block Grants (CDBG)**

Provided by the U.S. Department of Housing & Urban Development (HUD) to mayors' community development offices, the CDBG program provides "bricks & mortar" funding for a variety of state and municipal projects and is a primary government source for local arts institutions of all disciplines. For example, the Umpqua Valley Arts Association in Roseburg, OR, created marketing opportunities for low-income artists through a CDBG grant of \$50,000. In Fairfield, CT, the Fairfield Arts Council received \$10,000 to operate a performing arts program at Grasmere Elder Care Center, an elder center specifically for disabled seniors.

- **Link Transportation Enhancements (TE Program) with State Arts Agencies**

The U.S. Department of Transportation's Transportation Enhancement (TE) program funds 12 general transportation enhancement activities including pedestrian and bicycle facilities, historic preservation, and public art projects. Through the upcoming reauthorization of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), this program, administered by state transportation departments, should receive an increase in funding and all public art projects should be developed and implemented in coordination with the state arts agency.

- **Make Human Capital Investments in Arts Job Training**

The Department of Labor's Adult, Dislocated Worker and Youth Programs and Wagner-Peyser Act is administered by the states to "help up-skill workers and provide employment services and support that will increase worker employability and earning power." We support that program with an interest in expanding the services available to workers in the creative sector and through arts institutions that can provide professional development training.

#### TALKING POINTS

The arts mean jobs and tremendous economic activity in America and must be part of our country's economic recovery. Nationally, 100,000 nonprofit arts organizations are members of the business community—employing people locally, purchasing goods and services within the community, and involved in the marketing and promotion of their cities and communities. Nonprofit arts organizations and their audiences generate \$166.2 billion in economic activity every year, support 5.7 million jobs, and return nearly \$30 billion in government revenue every year—proving that the arts are an economic driver that supports jobs and generates government revenue. Every \$1 billion in spending by these organizations—and their audiences—results in almost 70,000 full-time-equivalent jobs.

## TALKING POINTS (CONTINUED)

- In 2009, according to the National Endowment for the Arts, the average unemployment rate for all artists climbed to 9.5 percent, far surpassing the percentage unemployed among all professionals (4.4 percent), a broad category of workers that includes not only artists, but other occupations that generally require college training. 29,000 workers left the artist labor force between 2008 and 2009.
- Unemployment rates for actors tend to be the highest among all artist occupations. During the fourth quarter of 2009, more than half of all actors were unemployed. For the entire year, the actor unemployment rate averaged 36.8 percent.
- The national impact of arts-related economic activity is significant, generating \$29.6 billion in government revenue, of which \$12.6 billion is federal revenue.
- Totalling the various investments that the federal government makes in arts and culture (National Endowment for the Arts, National Endowment for the Humanities, Institute of Museum and Library Services, Corporation for Public Broadcasting, the Kennedy Center, etc) approximately \$1.5 billion, which makes the federal return on investment more than 8 to 1.

Source: Data and analysis is drawn from the Americans for the Arts *Arts & Economic Prosperity III* study, 2007

## BACKGROUND

Like other elements of the U.S. economy, arts organizations have been hit hard by the current recession. They have seen their support drop from corporations, foundations, municipalities, and state government. When a theater company, for example, is forced to close its doors, workers lose jobs. When an opera company files for bankruptcy, businesses in the community lose a paying customer for goods and services.

Arts organizations supply jobs, employ artists, purchase goods and services, and provide programs contributing in measurable ways to the economic health of our nation's communities. In a report released in January 2009, the National Governors Association stated, "Arts and culture are important to state economies. Arts and culture-related industries, also known as 'creative industries,' provide direct economic benefits to states and communities: They create jobs, attract investments, generate tax revenues, and stimulate local economies through tourism and consumer purchases."

People in the arts sector are losing their jobs just like those in other fields. Public funding for the arts is a timely investment for states and municipalities facing tough economic conditions. The recent \$50 million appropriation through the American Recovery & Reinvestment Act (ARRA) provided an infusion of funds that will help sustain organizations in the arts sector, their staffs, artists, and the services they provide.

On January 28 2009, Rep. David Obey (D-WI) made these remarks during at the House floor debate on the American Recovery and Reinvestment Act (ARRA):

"People in the arts field are losing their jobs just like anybody else...You have local arts agencies, you have local orchestras, local symphonies and local arts groups of all kinds who are shutting down, laying people off, and in a number of instances going bankrupt. This is a small, tiny effort to keep some of those people employed over the next 2 years. I make no apology for it. We have an obligation to salvage as many jobs as we can regardless of the fields in which people work."

\$49.7 million in 2009 ARRA funds were distributed through 693 NEA grants, reaching all 50 states. Within that \$49.7 million, state arts agencies received \$16.8 million in ARRA funds from the NEA to re-grant within their states. Recovery.gov shows that 1,408 jobs have been funded through the NEA stimulus funding (accessed March 2, 2010).