June 29, 2020

The Honorable Eric P. Lesser
Senate Chair, Joint Committee on Economic Development and Emerging Technologies
24 Beacon Street
Room 410
Boston, MA 02133

The Honorable Ann-Margaret Ferrante
House Chair, Joint Committee on Economic Development and Emerging Technologies
254 Beacon Street
Room 42
Boston, MA 02133

Dear Chair Lesser, Chair Ferrante and members of the Joint Committee on Economic Development and Emerging Technologies,

On behalf of MASSCreative’s members - art and cultural organizations, creative workers, and arts and culture supporters across the Commonwealth - thank you for the opportunity to share our views on House Bill 4529, An Act Enabling Partnerships for Growth.

Public investment to stimulate our economy is needed now more than ever and we support this bill. As the Committee considers the bill we urge you to include suitable provisions supporting and protecting the creative economy in the Commonwealth, including:

- A COVID-19 Creative Industries Relief Fund for nonprofit arts and nonprofit cultural organizations.
- Ensure Massachusetts Unemployment Assistance continues to include 1099/“gig economy” workers especially for those industries that are unable to reopen at full capacity for the next 12 - 16 months.
- As workforce development and support programs are launched and expanded, ensure artists, cultural workers, arts administrators and creative professionals are eligible.
- Consider incentives such as tax credits that draw and retain creative business in Massachusetts.
- Create a COVID-19 loan program with extended repayment terms and forgivable provisions for for-profit arts and cultural organizations.
- Include loan programs, with forgivable terms, for organizations - both for and nonprofit - that do not qualify for the Paycheck Protection Program due to the number of W-2 employees.

The Commonwealth’s cultural sector - the artists, creative workers, and arts and cultural organizations that operate within it - have become a reliable economic engine for the cities and towns across the Commonwealth. The sector creates jobs, revitalizes communities, and fuels tourism across the Commonwealth, enriching lives. The creative workforce in the Commonwealth is not concentrated in one region or metropolitan area. They live in neighborhoods across Massachusetts and are civic leaders in our communities. In 2018, the arts, entertainment and recreation sector employed over 63,000 people, on average each month,
totaling $2.5 billion in compensation annually, according to The MA Executive Office of Labor and Workforce Development.

The cultural sector is interconnected to other industries. The Mass Cultural Council’s 2020 agency report noted that nonprofit arts and cultural organizations spend $1.5 billion annually on goods and services to vendors and businesses in the Commonwealth. In the Berkshires, tourism - generated by cultural anchors like MASS MoCA, Tanglewood and Jacob’s Pillow - is the third largest sector of the economy. In Springfield, Worcester, Lynn and Salem large scale public art projects like Fresh Paint Springfield, PowWow Worcester, Beyond Walls and the Punto Urban Art Museum have revitalized downtowns by attracting visitors and residents who experience these cities in new ways and support local small businesses. Cultural districts on Cape Cod, New Bedford, Fall River and Gloucester power an ecosystem of local businesses by attracting visitors and residents who then shop, eat and play in the district. Audiences of nonprofit arts and cultural events generate $877 million in spending to restaurants, retail and other businesses in the Commonwealth.

Massachusetts’s economic recovery is contingent on the vital functions of the arts and cultural sector. This isn’t a new strategy for the Commonwealth where the conversion of defunct manufacturing towns into hubs of creative activity has already proved successful in places like North Adams, Pittsfield and Lowell. Mass Development’s Transformative Districts Initiative intentionally centers creative placemaking in its strategy to accelerate growth within focused districts.

However, while cultural activity plays an invaluable role in sustaining our state’s economic well-being and is a crucial part of our long-term recovery, our sector has been hit extremely hard by COVID-19 and the related economic downturn. The long term closing of arts and culture spaces have essentially eliminated income to both organizations and workers. For nonprofit arts and cultural organizations, contributed revenues have also been affected as donors direct funds to immediate COVID-19 relief.

As of April 15th, the Mass Cultural Council had surveyed nearly 700 nonprofit arts and cultural organizations in the Commonwealth as well as artists, culture workers and creative professionals. The data findings are sobering:

- Over a quarter of a billion dollars in revenue has been lost since the beginning of the pandemic.
- More than 15,000 cultural workers were laid off, furloughed, or forced to work reduced hours.
- 91% of all respondents report cancelling programming and events, and 95% of organizations with facilities report closing their facility to the public.
- Additionally, in a report on the early impacts of COVID-19 from March 16 -22, the Mass Cultural Council reported that individual artists, culture workers and teaching artists had lost more than $2.89 million in personal income.

To make matters worse, cultural organizations are among the last to reopen according to Governor Baker’s phased plan. Many arts and culture groups operate on tight margins with little or no cash reserves. The prolonged closures and reduced contributed revenue mean many arts and culture organizations will not survive. The Mass Cultural Council is now collecting
additional COVID-19 impact and recovery needs data from nonprofit organizations which will be available in early July to assist policymakers with decisions.

If the vibrancy and diversity of the arts and cultural sector is not included in the Commonwealth’s economic recovery plans, Massachusetts will lose a significant part of its economic strength and our recovery will be protracted. We implore the Committee to add provisions that stimulate the Commonwealth’s creative sector and ensure our overall economic recovery is possible.

Thank you for the opportunity to provide a written testimony in support of this legislation. We wish to be a resource to you and your committee on this bill. Please feel free to contact me at 617-350-7610 or eruddock@mass-creative.org for further information.

Sincerely,

[Signature]

Emily Ruddock
Executive Director