Small Business Committee Spotlights Creative Economy

On January 19, 2022, the U.S. House Small Business Committee held the first-ever Congressional hearing *The Power, Peril, and Promise of the Creative Economy*, dedicated to issues of the creative economy. Led by Chairman Nydia Velazquez (D-NY) and Ranking Member Rep. Blaine Luetkemeyer (R-MO), the committee heard testimony virtually from four witnesses representing different segments of the creative workforce.

The hearing explored both the impact of COVID-19 on the creative economy as well as the effectiveness of various federal grant programs to assist small businesses with long-term recovery. The committee noted to its Congressional members, “creative industries are among the most dynamic sectors in the American economy providing new opportunities for developing cities and entrepreneurs. Not only do these organizations and enterprises create jobs within their own industry, but they also stimulate economic activities in other sectors, attracting tourism, and creating a climate conducive to business development.”

Americans for the Arts’ highly respected national research on the size of the creative industry and the devastating impact of COVID-19 was widely cited during the hearing. Additionally, at the invitation of the committee, Americans for the Arts will be submitting official testimony for the record as well as providing information on seven creative economy bills moving forward in Congress today. *(See infographic on page 2)*

Seven Creative Economy Bills Introduced in Congress

The creative economy has finally caught the attention of Congress. Never has there been so many creative economy bills introduced than at this point in U.S. history. In the last several months, arts advocates have been working with members of Congress to introduce an historic lineup of pro-arts legislation.

Seven bills, introduced over the last year, together map a new, more equitable and impactful policy landscape for creative businesses and workers. These bills have the potential to improve the lives of all Americans by opening up billions of dollars in investment opportunity for creative businesses, entrepreneurs, and arts workers, while significantly boosting the U.S. economy. They are:

1. Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy Act (CREATE Act)
2. Promoting Local Arts and Creative Economy Workforce Act (PLACE Act)
3. The 21st Century Federal Writers Project Act (21CFWP)
4. Creative Economy Revitalization Act (CERA)
5. Performing Arts Tax Parity Act (PATPA)
6. Saving Transit Arts Resources Act (STAR Act)
7. Arts Education for All Act (AEFA)

The bills are summarized in a *four-page abstract*. To help boost Congressional support, local arts groups can publicly show their support for each of these bills on this *online endorsement form*. Individuals can also show their support by sending a customizable email to their members of Congress via our *Arts Action Center portal*. 
Message from Executive Director Nina Ozlu Tunceli

Dear Arts Action Fund Member,

Americans for the Arts is pleased to work with a variety of public partners like The United States Conference of Mayors to present our 2022 Public Leadership in the Arts Awards to elected officials at all levels of government. This past year, we were able to honor the achievements of the following leaders:

- Governor Bill Anoatubby of Chickasaw Nation
- Lt. Governor Bethany Hall-Long of Delaware
- State Representative Leslie Herod of Colorado
- Mercer County Commissioner Greg Puckett of West Virginia
- Mayor Sylvester Turner of Houston, TX
- Mayor Gavin Buckley of Annapolis, MD

Thank You to Our Members!

We exceeded the goal for our 2021 Year-End fundraising campaign. So many of you shared your appreciation with us valuing the work we did to help artists and arts organizations secure federal economic relief funds. You can count on us to build on this impact in 2022.

Nina

Federal Update

Congress is late...again. The FY22 appropriations package to fund all federal agencies for the current year has been under a "Continuing Resolution" since October. Caught up in the politics are funds to increase the grant-making budgets of the National Endowment for the Arts, the Humanities, Office of Museum Services, arts education grants, and many other related programs.

Congressional leaders are now negotiating to fold all of these appropriation bills into an "Omnibus" package. There is a possibility that the Omnibus may also include additional economic relief funding to the Small Business Administration to assist restaurants, gyms, and other venues that temporarily shuttered during the pandemic. There is also strong bipartisan support for the SOS Extension Act to be included in the Omnibus, so that SVOG grantees can extend their project period up to March 2023.

Decisions expected by mid-March.

Infographic of Seven Creative Economy Bills in Congress

<table>
<thead>
<tr>
<th>PLACE</th>
<th>CERA</th>
<th>STAR</th>
<th>21st C. FWP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting Local Arts and Creative Economy Workforce Act</td>
<td>Creative Economy Revitalization Act</td>
<td>Saving Transit Art Resources Act</td>
<td>21st Century Federal Writers Project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CREATE</th>
<th>PATPA</th>
<th>AEFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy Act</td>
<td>Performing Artist Tax Parity Act</td>
<td>Arts Education For All Act</td>
</tr>
</tbody>
</table>
While employment conditions improve for artists and creative workers, Covid-19 continues to disrupt in-person programming—and the arts recovery remains slower than other industries. Johns Hopkins University reports that, as of December 2021, the percentage of job losses at nonprofit arts organizations is more than three times worse than all nonprofit organizations (-12.5% vs. -3.7%).

Adding to the pandemic recovery woes for the nation’s arts organizations is the latest philanthropy research which shows that the arts were hit the hardest of all the charitable sub-sectors in 2020. Private sector giving to arts—by individuals, foundations, and corporations—decreased 7.5% in 2020, dropping to $19.47 billion (-8.6% when adjusted for inflation). In contrast, contributions to all charities were up 5.1% in 2020, reaching a record $471.44 billion.

Taken together, the data show that the arts received just 4.1% of all charitable giving—its lowest share since 2008 during the heart of the Great Recession.

The National Endowment for the Arts (NEA) has now fully administered the $135 million in American Rescue Plan (ARP) funds that Congress provided them in supplemental appropriations to help arts and culture organizations recover from the pandemic. The funds were distributed in three phases.

- In April 2021, the NEA awarded, by population formula, the first round of grants totaling $52 million to the 50 state arts agencies, 6 jurisdictional, and 6 regional arts agencies for re-granting to local arts organizations within their geographic areas.
- In November 2021, the NEA awarded a second group of competitive grants totaling $20.2 million to 66 local arts agencies to re-grant to local arts groups within their specific communities.
- In January 2022, the NEA awarded the final round of competitive direct grants totaling $57.75 million to 567 nonprofit arts organizations across the country.

It should be noted that an unprecedented 7,500 eligible nonprofit and governmental arts organizations applied for these NEA grants, requesting over $695 million. However, Congress had only appropriated $135 million.

You are encouraged to visit the Americans for the Arts ARP Trackers page where three of the most commonly used trackers examine how funding has been distributed in your area.
IN THIS ISSUE:

Small Business Committee Spotlights Creative Economy

Seven Creative Economy Bills Introduced in Congress

Message from the Executive Director

Federal Update

Infographic of Seven Creative Economy Bills in Congress

NEA's ARP Grants

Your 2022 Arts Policy Vote

Research Update

American Rescue Plan

Please cast your 2022 Arts Policy Vote at www.ArtsActionFund.org/2022ArtsPolicyVote by March 23, 2022