Legislating the Creative Economy
The CREATE Act &
The PLACE Act

Narric Rome, Americans for the Arts
Craig Nutt, CERF+
Cornelia Carey, CERF+
The Creative Economy supports:

**$878 Billion industry**

**4.5% of the annual GDP**

**$26 Billion in Federal, State, and Local Tax Revenue**

**5.1 Million American jobs in the creative economy**
The CREATE Act
Supporting Artists, Entrepreneurs and the Creative Economy

Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy
The CREATE Act
Supporting Artists, Entrepreneurs and the Creative Economy

The CREATE Act:

▪ A collection of ten provisions
▪ Demonstrating federal policies that can support creative economy
▪ Increase intentionality around supporting creative economy
▪ Some successes: FEMA report language, SBA self-employed eligibility
The CREATE Act
Supporting Artists, Entrepreneurs and the Creative Economy

The CREATE Act supports **individuals** in creative economy:

- Expanding Small Business Administration (SBA)
- Requiring Economic Development Administration (EDA) and U.S. Department of Agriculture’s Rural Development Administration support creative economy
- Ensuring access to FEMA’s disaster relief assistance for artists
The CREATE Act

Supporting Artists, Entrepreneurs and the Creative Economy

The CREATE Act supports creative community development:

- Developing models to promote creative arts in local economy
- Creating Artist Corp to increase national service
- Ensuring creative placemaking is an eligible activity in the Community Reinvestment Act for private investment
The PLACE Act
Supporting Artists, Entrepreneurs and the Creative Economy

Promoting Local Arts & Creative Economy

Workforce Act
The PLACE Act
Supporting Artists, Entrepreneurs and the Creative Economy

The PLACE Act supports creative **workforce** programs:

- Technical assistance offered by small business development centers in order to foster strong business plans and the execution of those plans;
- The Creative Economy Grant Program to incubate small business in their “startup” phase by allowing for wage subsidies;
- Creative Economy Apprenticeship Grants established under the Department of Education to help teach the future creative economy workforce;
- Provisions for vocational programs, adults, prisoners, and displaced workers to access training and skills in the creative economy under existing programs.
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DISASTER RELIEF for Self-employed Workers including Artists

Cornelia Carey, Executive Director– CERF+ - *The Artists Safety Net*
Craig Nutt, Advisor on Policy and Government Relations
 CERF+ - *The Artists Safety Net*

National Coalition for Arts Preparedness and Emergency Response
THE PROBLEM

Self-Employed Workers are doubly vulnerable in disaster – they very often sustain damage to their households, AND to their ability to earn a living.

• 51.6% of U.S. businesses are home-based – according to the 2007 Survey of Business Owners by the U.S. Census

• 78% of artists working in craft disciplines are home-based
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THE PROBLEM

Self-Employed Workers often sustain loss or damage of critical tools, protective gear, or specialized equipment necessary to earn a living in their trade, art, or craft. Inability to return to work quickly results in loss of sustaining income, loss of jobs, gigs, orders, and customers.
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METAL SCULPTOR, RHONDA KAP
Cornell, California
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METAL SCULPTOR, RHONDA KAP
Lost her studio and all of her tools in the Woolsey Fire in November, 2018
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Omar Figueroa, Orocovis, Puerto Rico

Omar and his father, Oscar, lost their home, studio, and all their tools in Hurricane Maria.
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- CERF+ assisted 60 artists in Puerto Rico with $300,000 in grants and donated tools and equipment
- 73% of Artists CERF+ assisted in Puerto Rico received no other assistance
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PERFORMING ARTISTS NEED TOOLS, TOO!
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THE PROBLEM

Hundreds of self-employed musicians lost their tools in the 2010 Nashville Flood
THE PROBLEM
Self-Employed Workers fall through a crack between FEMA and SBA assistance

• Most work alone and do not have the size or resources to apply for and to qualify for SBA Disaster Business Loans.

• Are excluded from FEMA tool repair and replacement available to other workers through the Other Needs Assistance (ONA) program – a program that could potentially help self-employed workers get back on their feet after disasters.

Artists are 3½ times more likely than other workers to be self-employed!
THE SOLUTION

The CREATE & PLACE Act directs FEMA to change regulations to:

• Enable all self-employed workers to receive the tool replacement assistance available to other workers, and

• Streamline that assistance by eliminating a requirement to apply for and be denied an SBA Disaster Home Loan
THE COST AND THE SAVINGS

Cost of Tool Replacement vs. Disaster Unemployment

- Cost of Tool Replacement grants per year: $11,477,914
- Cost of Disaster Unemployment Insurance per year: $39,630,942

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Coronavirus Response
THE GOOD

• For the first time, self-employed workers are specifically being considered for disaster relief.
• Pandemic Unemployment Assistance (PUA) has a generous $600 add-on above traditional state unemployment assistance and disaster unemployment assistance.
• Economic Impact Disaster Loans (EIDL) are being offered by SBA, have an easy online application process, and $10,000 is potentially forgivable.
• Self-employed workers are eligible for Payroll Protection Program forgivable loans
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Coronavirus Response
THE BAD

• SBA decided to make the amount of forgivable Economic Impact Disaster Loans (EIDL) dependent on the number of employees capping assistance at $1,000 per employee.
• Payroll Protection Program forgivable loans are tied to payroll with only 25% above payroll available for other business expenses, putting those with no or few employees at a disadvantage.
• 80% of artists surveyed by CERF+ on Coronavirus assistance work alone and 18% have only 1-3 additional employees.
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NET SELF-EMPLOYMENT INCOME (220)

- $10K-$35K: 37.3% (82)
- $0 < $10K: 25.9% (57)
- >$35K: 17.3% (38)
- Does not apply: 6.4% (14)
- Zero or a loss: 8.6% (19)
- Prefer not to say: 4.5% (10)
Coronavirus Response from CERF+ Survey

THE UGLY

- From April 7-14 only 11% of artists applying for PUA had been approved, and from April 15-28 less than 17% of applicants were approved.
- From April 7-14 only 3% of artists applying for EIDL had been approved, and from April 15-28 only 6% of applicants were approved.
- From April 7-14 only 9% of artists applying for PPP had been approved, and from April 15-28 only 20% of applicants were approved. 70%-80% of artists did not apply.
ARTISTS’ CASH RESERVES

All craft artists: Cash reserves for how long?

- Less than one month: 47%
- One to three months: 28%
- Four or more months: 25%
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Coronavirus Response
THE TAKEAWAY

• Disasters will continue to happen during, and long after the pandemic.
• In the Coronavirus response the U.S. has acknowledged the importance and vulnerability to disaster of artists and other self-employed workers.
• The door has been opened to discussion of a more rational disaster response for this part of the economy.
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The Ask:
“Please Co-sponsor the CREATE Act” S.650, HR 1519
Introduced by:
Senator Tom Udall (D-NM)
Rep. Debbie Dingell (D-MI)

“Please Co-Sponsor the PLACE Act” S.3232
Introduced by Senator Brian Schatz (D-HI)