

# Legislating the Creative Economy

## The CREATE Act & The PLACE Act

Narric Rome, Americans for the Arts

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**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

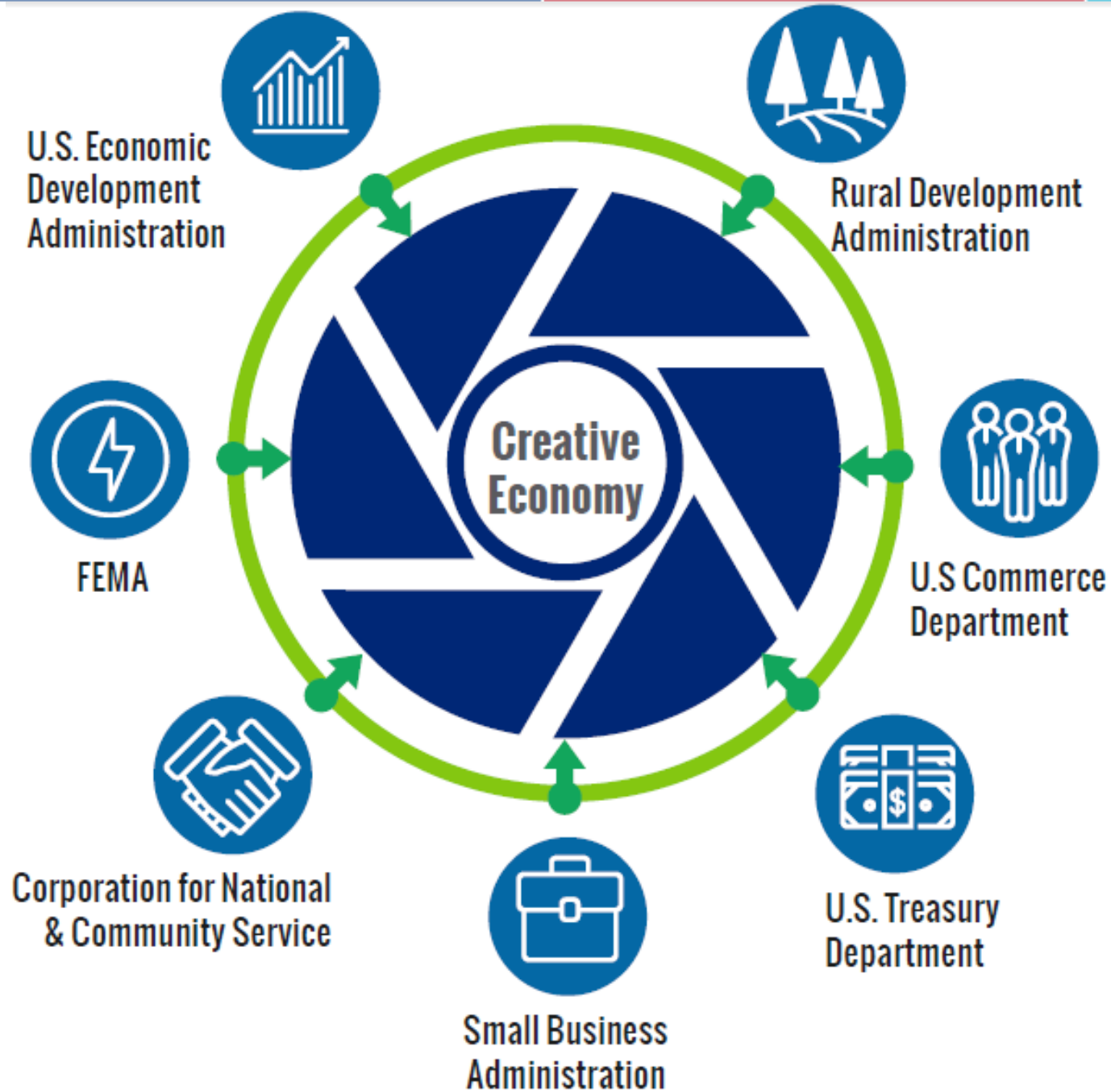
***Comprehensive  
Resources for  
Entrepreneurs in the  
Arts to  
Transform the  
Economy***

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

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## 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



Leah & Scott Decapio, Glen Haven, CO: Flood, 2013



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## THE PROBLEM

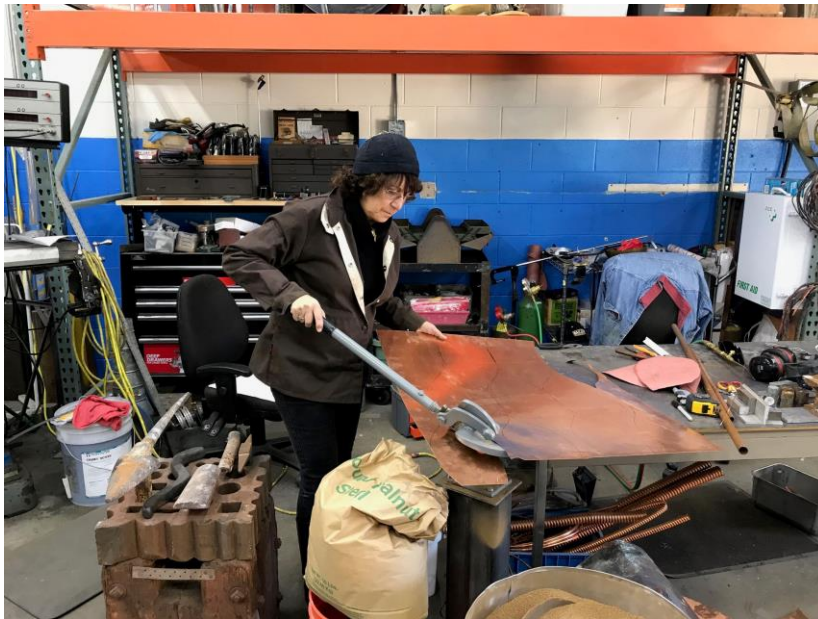
Self-Employed Workers often sustain loss or damage of critical tools, protective gear, or specialized equipment necessary to earn a living in their trade, art, or craft. Inability to return to work quickly results in loss of sustaining income, loss of jobs, gigs, orders, and customers.



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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



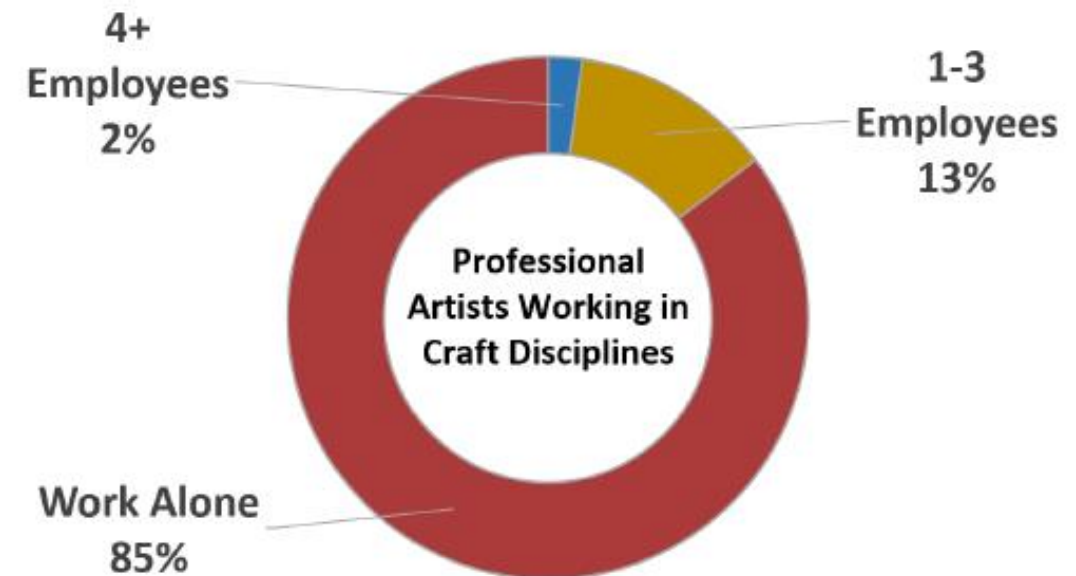
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## THE PROBLEM

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.



Source: CERF+, 2007

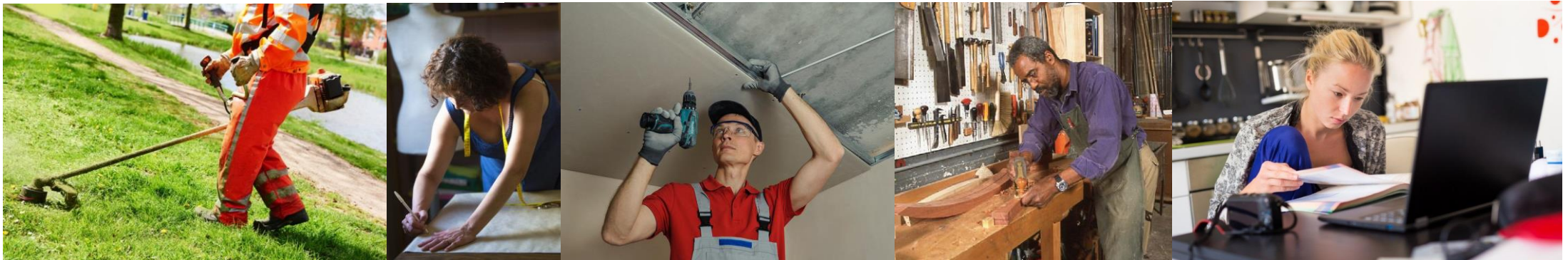
Artists are 3½ times more likely than other workers to be self-employed!

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## THE SOLUTION

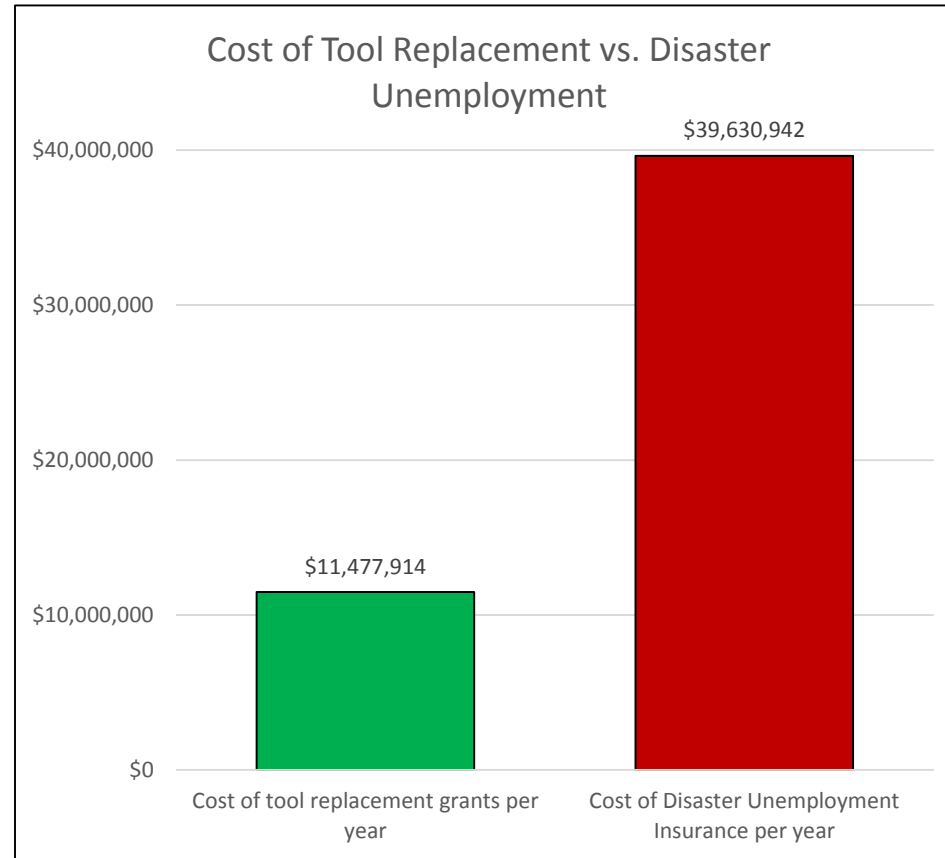
The CREATE & PLACE Act directs FEMA to change regulations to:

- 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



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## THE COST AND THE SAVINGS



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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



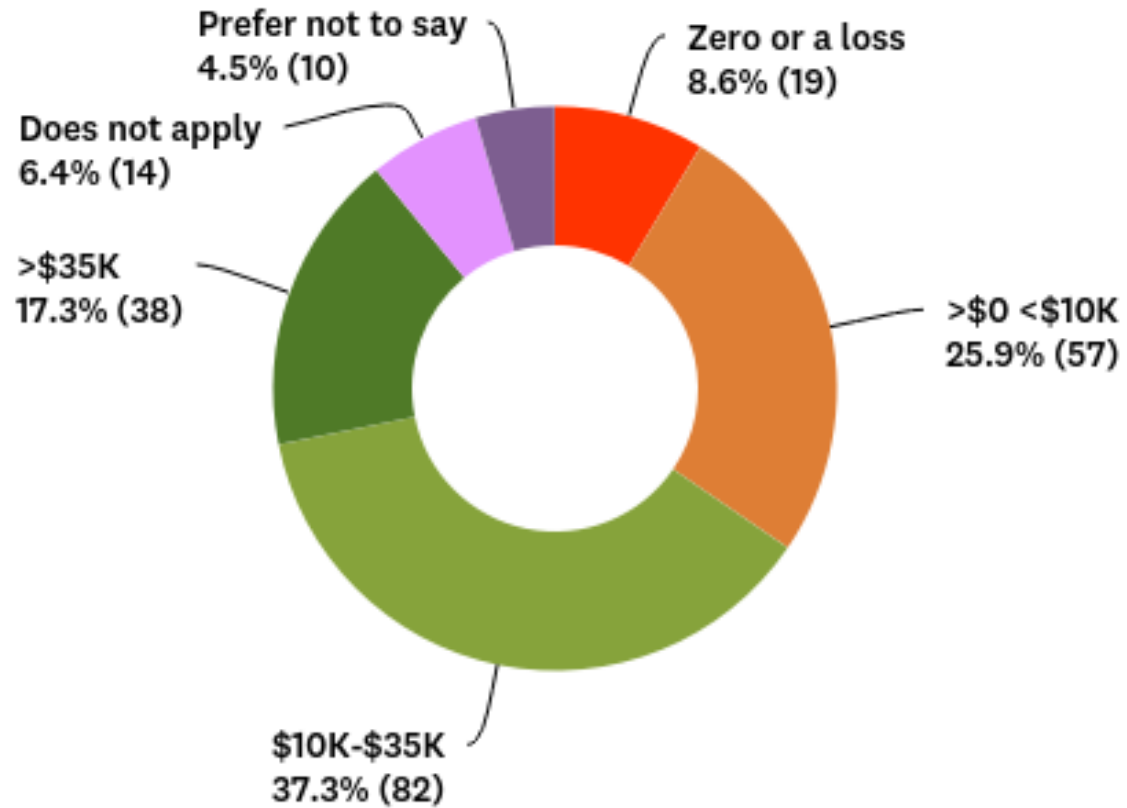
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## Coronavirus Response THE BAD

- 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)



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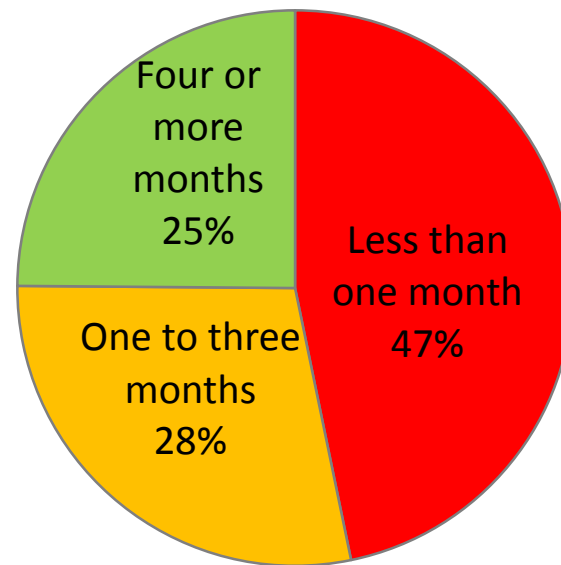
## Coronavirus Response from CERF+ Survey THE UGLY

- 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.

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## ARTISTS' CASH RESERVES

*All* craft artists: Cash reserves for how long?



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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.

The CREATE Act

## Supporting Artists, Entrepreneurs and the Creative Economy

**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)**