

CARES Act Overview (Relief Included for Arts Sector)

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for the Arts

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Arts Sector Push for Economic Relief

- **Americans for the Arts and our National Partners** pushed for Congress to include relief for the nonprofit arts sector in any COVID-19 relief package.
- **Our coalition worked with our Congressional champions** to bring ours asks to the attention of House and Senate Leadership.
- **Reps. Chellie Pingree (D-ME) and Suzanne Bonamici (D-OR)** led a letter asking for \$4 billion in economic relief for the arts sector. Dear Colleague letter to House Leadership
- **Sen. Tom Udall (D-NM)** led a similar letter to Senate Leadership also asking for \$4 billion in economic relief for the arts sector.

CARES Act Highlights

- **Coronavirus Aid, Relief, and Economic Security (CARES) Act:** Signed into law by President Trump on March 27, 2020.
- **Contained important relief for nonprofits, sole proprietors, self-employed workers, and independent contractors:**
 - **Paycheck Protection Program:** Low-interest loans (that can be forgivable) administered by local lenders for nonprofit employers with up to 500 employees.
 - **Emergency Assistance Grants:** An advance for Economic Injury Disaster Loans (EIDL) that does not have to be paid back.

CARES Act Highlights

- **Paycheck Protection Program (PPP):**
 - The CARES Act authorizes **\$350 billion** in small business interruption loans to be administered by the **Small Business Administration (SBA)**.
 - Congress added an additional **\$310 billion** for PPP last week.
 - Typical loan amounts would be 250% (2.5 times) of one month's payroll costs.
 - To be completely forgiven, money can be spent on things like payroll costs, continuation of healthcare benefits, rent, and utilities (75% must be spent on payroll and employers must retain employees).

CARES Act Highlights

- **Emergency Assistance Grants with EIDL:**
 - The CARES Act provides **\$10 billion** in funds for Emergency Assistance Grants.
 - Congress added an additional **\$50 billion** for the EIDL program and an **additional \$10 billion for Emergency Assistance Grants** last week.
 - It allows small businesses to receive immediate cash payments of \$10,000 in three days and waive certain requirements on loans of less than \$200,000.

Sector Asks for “CARES 2.0”

- **Congress is beginning to put together a fourth COVID-19 relief package that has been referred to by some as “CARES Act 2.0.”**
- It is expected to include money for state and local governments, who’s budgets have been severely hurt by this pandemic.
- Americans for the Arts—along with many of our National Partners—recently sent to Capitol Hill recommendations on how to provide for nonprofits in future COVID-19 relief legislation.

Sector Asks for “CARES 2.0”

The Arts Sector and COVID-19 Relief April 2020

As Congress and the Administration consider additional forms of COVID-19 federal assistance that may be targeted or widespread, we urge support for relief that will sustain the arts sector's unique capacity to support the U.S. economy, uplift the human spirit, and provide lifelong learning.

In the months to come, the American economy will need the arts and culture sector to deliver on its unique mission and also to catalyze economic activity in other devastated industries such as restaurants, hotels, travel, and tourism. In March 2020, the Bureau of Economic Analysis reported that the arts and culture workforce contributed \$877.8 billion, or 4.5 percent, to the nation's gross domestic product (GDP) in 2017. The arts sector is an economic engine that directly employs more than 5 million workers. Attendees at nonprofit arts events spend \$31.47 per person, per event, (beyond the cost of admission) on items such as meals and parking—valuable commerce for local businesses and essential during times of economic recovery.

Investing in the arts sector is an investment in our nation's capacity to drive economic activity, generate creative solutions to complex problems, support the health and well-being of communities, and educate and inspire lifelong learners. The arts sector serves artistic and educational missions through myriad occupations filled by individuals who work in full-time, part-time, hourly, seasonal, and freelance capacities. The unexpected loss of revenue and the declines in charitable contributions are immediately impacting arts organizations and individual livelihoods and will worsen over time. The next COVID-19 federal relief efforts should:

- Recapitalize and expand the programs in the CARES Act. Arts organizations, related arts businesses, and self-employed workers are attempting to access SBA Economic Injury Disaster Loans and Advances, the Paycheck Protection Program, and expanded unemployment benefits. Given demand and limitations, expanded eligibility and improved guidance is urgently needed.
- Increase funding for the Paycheck Protection Program and eliminate the 500-employee cap for 501(c)(3) nonprofit organizations. Provide dedicated funding available to nonprofit organizations.
- Fully fund the Economic Injury Disaster Loan program and eliminate the \$1,000 per employee cap imposed by SBA so businesses with one or very few employees can access funds.



Signatories as of April 16, 2020

The Arts Sector and COVID-19 Relief

American Alliance of Museums
American Craft Council
American Federation of Musicians
American Institute for Conservation
American Museum of Ceramic Art
Americans for the Arts
Arrowmont School of Arts and Crafts
Association of Art Museum Directors
Association of Independent Colleges of Art & Design
Association of Performing Arts Professionals
Carnegie Hall
CERF+: The Artists Safety Net
Chorus America
Dance/USA
Future of Music Coalition
Glass Art Society
Grantmakers in the Arts
League of American Orchestras
LitNet
Local Learning: The National Network for Folk Arts in Education
National Alliance for Musical Theatre
National Assembly of State Arts Agencies
National Association of Latino Arts and Cultures
National Coalition for Arts' Preparedness & Emergency Response
National Council for the Traditional Arts
National Council on Education for the Ceramic Arts
Network of Ensemble Theaters
New York Foundation for the Arts
OPERA America
PEN America
Penland School of Craft
Performing Arts Alliance
Performing Arts Readiness
Phi Beta Kappa Society
Recording Academy
Society of North American Goldsmiths
South Arts
The Actors Fund
The Authors Guild
Theatre Communications Group
Watershed Center for the Ceramic Arts

#ARTSADVOCACY





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