

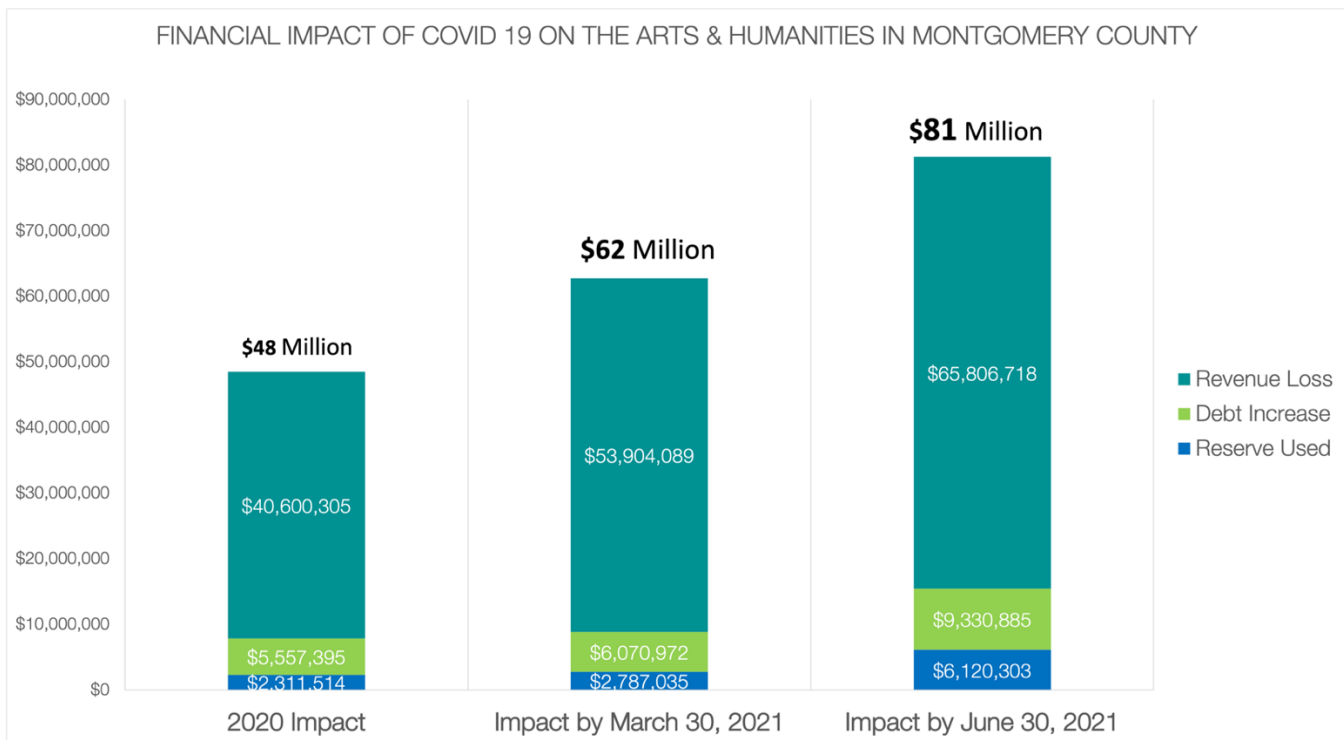
The Economic Impact of Covid-19 on Montgomery County’s Creative Economy

The Arts and Humanities Council of Montgomery County (AHCRC) conducted a survey in January, 2021 of 95 Montgomery County-based arts and humanities organizations from FY 2020 AHCRC Emergency Covid Relief Award recipients and FY 2020 and 2021 grant award recipients. The survey focused on the financial, operational, and economic impact of Covid-19 to nonprofit cultural businesses between March 12, 2020 and December 31, 2020. The survey also asked for projected impacts through March 31, 2021 and June 30, 2021.

Financial Impact to the Cultural Sector

Survey respondents reported \$48,469,214 in negative financial impact to their organizations in lost revenue, increased debt and reserve spending between March 12, 2020 and December 30, 2020. Projected aggregate negative impact increases to \$62 million by March 30, 2021 and \$81 million by June 30, 2021 if restrictions continue in a similar manner to December 31, 2020.

- Programming restrictions led to 2,844 cancelled contracts to individual artists, scholars and cultural educators from the 95 organizational respondents alone.



Financial Impact to Montgomery County Economy

Eighty-one percent (81%) of arts and humanities organizations surveyed present or produce in-person events that have been affected by the Covid-19 Pandemic and correlated government restrictions. Based on Data from the Arts and Economic Prosperity 5 study, a research project of Americans for the Arts, the average arts and humanities event attendee spends \$22.53 dollars in the local economy above the cost of their ticket price or admission cost. These expenditures include food, beverage, merchandise, travel, childcare, lodging and other non-event related expenses.

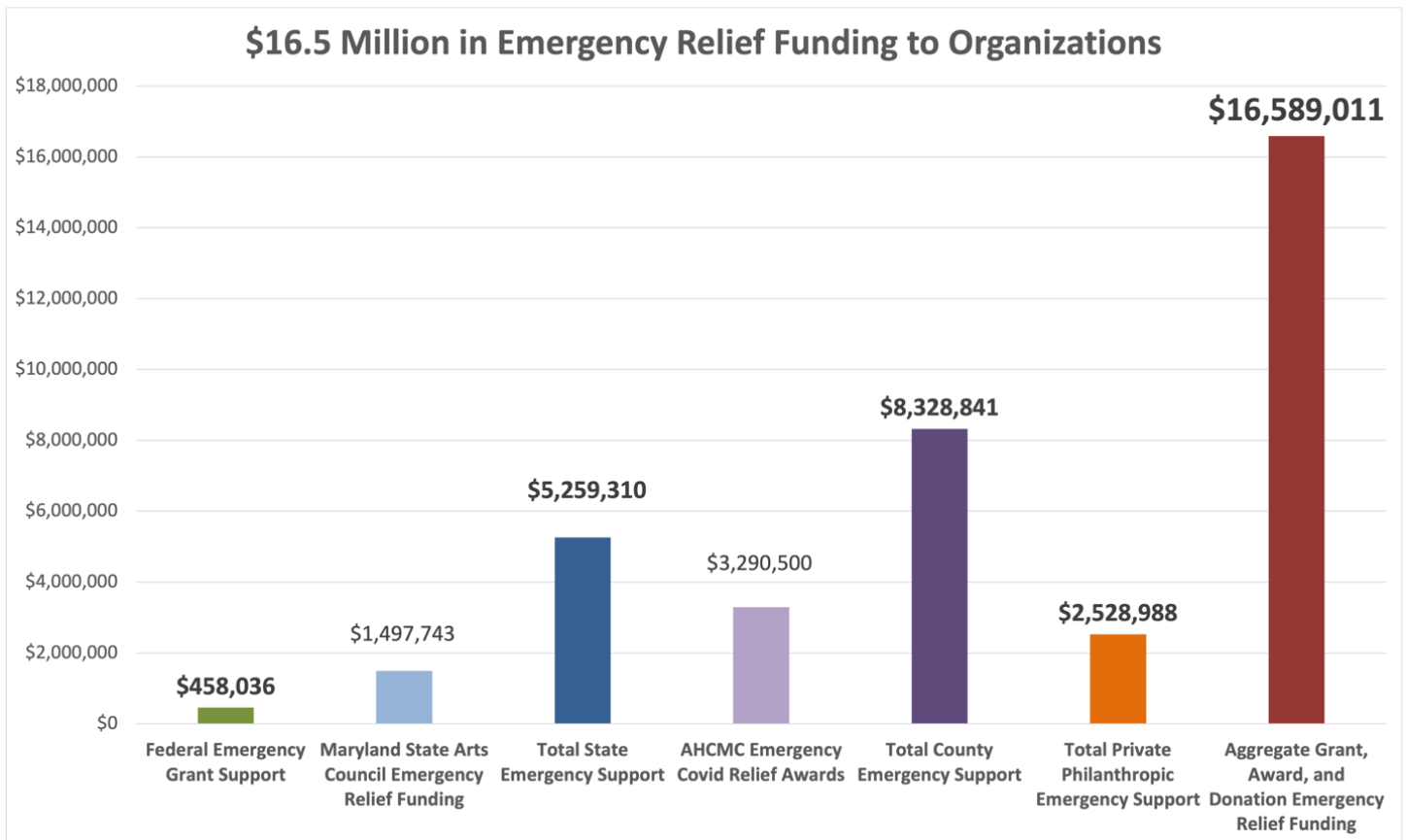
9,039 cancelled and postponed events resulted in \$57 million in lost economic activity from local audience spending in Montgomery County.



- Respondents reported canceling 8,528 events and postponing 511 events due to the Covid-19 pandemic and correlated government-imposed safety restrictions between March 12, 2020 and December 31, 2020.
 - Data from AHCMC FY 2020 grantee reports (the last full year available without pandemic disruption) were utilized to project the 2.5 million cancelled tickets between March 12, 2020 and December 30, 2020.
 - 75% of FY 2020 attendance represent a similar time frame as March 12, 2020 to December 30, 2020 with a 90% overlap in survey respondents and FY 2020 grantee data.

Support for the Arts and Humanities

Survey respondents reported \$16,589,011 in emergency relief funding from local, state, and federal grants as well as private philanthropic support from boards of directors, foundations, corporations, and individuals.



Emergency relief data combines County, State, and Federal sources that include the National Endowment for the Arts, National Endowment for the Humanities, Mid-Atlantic Arts Foundation, Maryland State Arts Council, Maryland Humanities, the Arts and Humanities Council of Montgomery County and Heritage Montgomery as well as both state and federal Small Business Associations, Commerce Departments, Labor departments, the Maryland Economic Strong Recovery Initiative, and all CARES Act Funding as reported by respondents.

- An additional \$12.2M in federal loan assistance including the Paycheck Protection Program, and \$440,000 in state loans through the Maryland Commerce Department supported local arts and humanities organizations from March 20, 2020 to December 31, 2020 but were not included as emergency relief funding because they were categorized as liabilities not grants or donations.

The Future of the Arts and Humanities

According to the 2019 Strength of the Creative Economy, the arts and humanities are a \$198 Million business sector in Montgomery County generating \$18 Million in state and local tax revenue from 3.4 Million cultural experiences for county residents and regional tourists annually. These audiences spend \$75.8 Million in the local economy and combine with direct spending and expenses from the sector to support 4,226 fulltime jobs and \$90.2 Million in household income.

With losses to the cultural sector projected at \$81 million by June 30, 2020 and losses in spending from audiences of up to \$75 million by March 12, 2021 continued emergency relief and increased operating funds for the arts and humanities are needed to ensure a healthy recovery for the sector and greater economy.

