



Illinois Creative Workforce Activation

The Impact of COVID-19 on the
State's Creative Sector

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INTRODUCTION

The arts and culture sector is a powerful generator of income, employment, innovation, and entrepreneurship, delivering a range of social and economic benefits to the communities it serves. Nationally, the creative industries, which include arts, culture, and design, employ 8.8 million workers and generate more than \$1.7 trillion in sales annually.¹ Arts and culture contribute 4.5% of U.S. gross domestic product (GDP), more than the share contributed by construction, agriculture, and transportation.² In Illinois alone, the creative economy generates around \$30 billion dollars and employs almost a quarter of a million workers.³

The onset of COVID-19 and the restrictions on gatherings implemented in March 2020 have dealt the arts and culture sector and the creative occupations a severe blow. The for-profit and nonprofit arts and culture industry lost an estimated \$150 billion in sales of goods and services and nearly a third of its jobs (2.7 million) between April and July last year, according to a study by Brookings.⁴ Results from the Census Small Business Pulse Survey (Table 1.) show that 61% of Arts, Entertainment, and Recreation

¹ Richard Florida and Michael Seman, *Lost Art: Measuring COVID-19's Devastating Impact on America's Creative Economy*, Metropolitan Policy Program, Brookings, August 2020, p.5. Retrieved from https://www.brookings.edu/wp-content/uploads/2020/08/20200810_Brookingsmetro_Covid19-and-creative-economy_Final.pdf

² Information from the Arts and Cultural Production Satellite Account (ACPSA). Retrieved from https://nasaa-arts.org/nasaa_research/creative-economy-state-profiles/

³ Ibid.

⁴ Florida and Seman, *Lost Art*, p.3.

businesses, reported that COVID-19 continues to have large negative effects through the beginning of 2021, second only to the accommodation and food service industry, 65% of which reported continuing negative effects due to the pandemic.

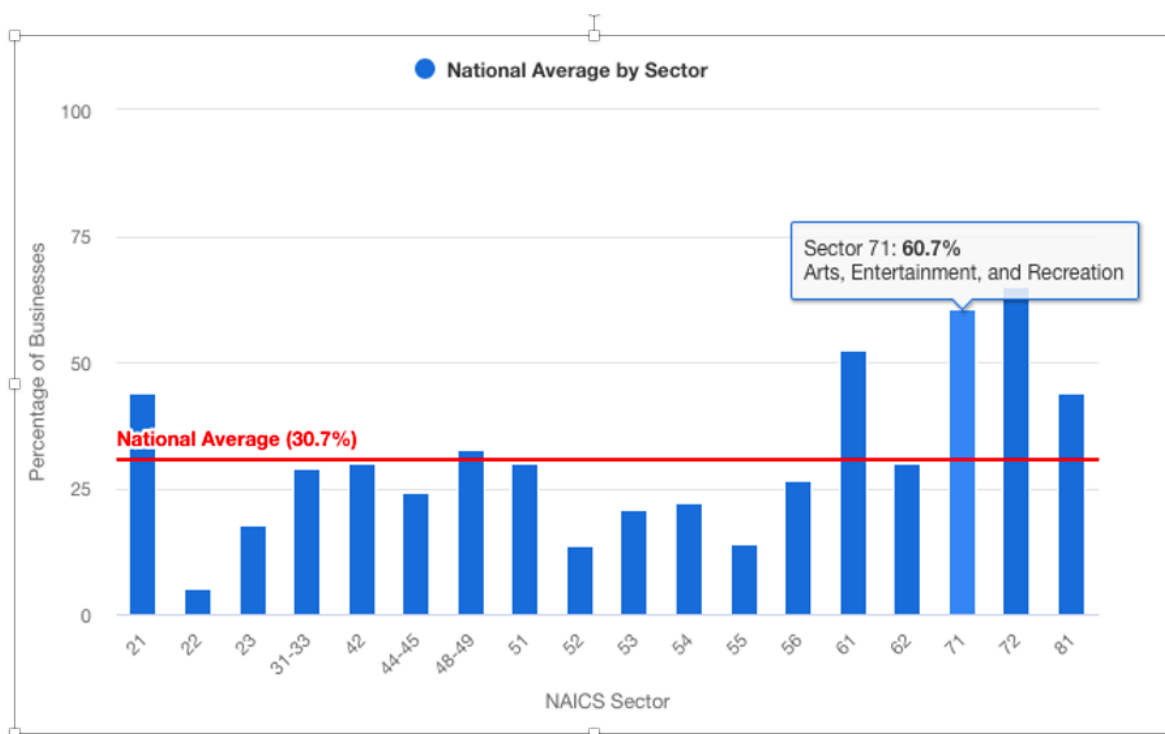


Table 1. Percentage of businesses that reported a large negative effect on their business due to COVID-19. Source: Census Bureau Small Business Pulse Survey, collected January 4- January 10.

The fine and performing arts industry has been hardest hit by the pandemic, with an estimated loss of \$42.5 billion in sales and a 50% reduction of their workforce.⁵ Table 2 shows that the total revenue of performing arts companies fell from \$4.8 billion at the end of 2019 to \$1.3 billion in the third

⁵ Ibid. p.6.

quarter of 2020—a 72% decrease in revenue in the space of 9 months. Table 3 shows that consumer spending on performing arts admissions has also dramatically decreased, falling from around \$35 billion at the end of 2019 to less than \$5 billion by June 2020—an 87% decrease in the space of 6 months.

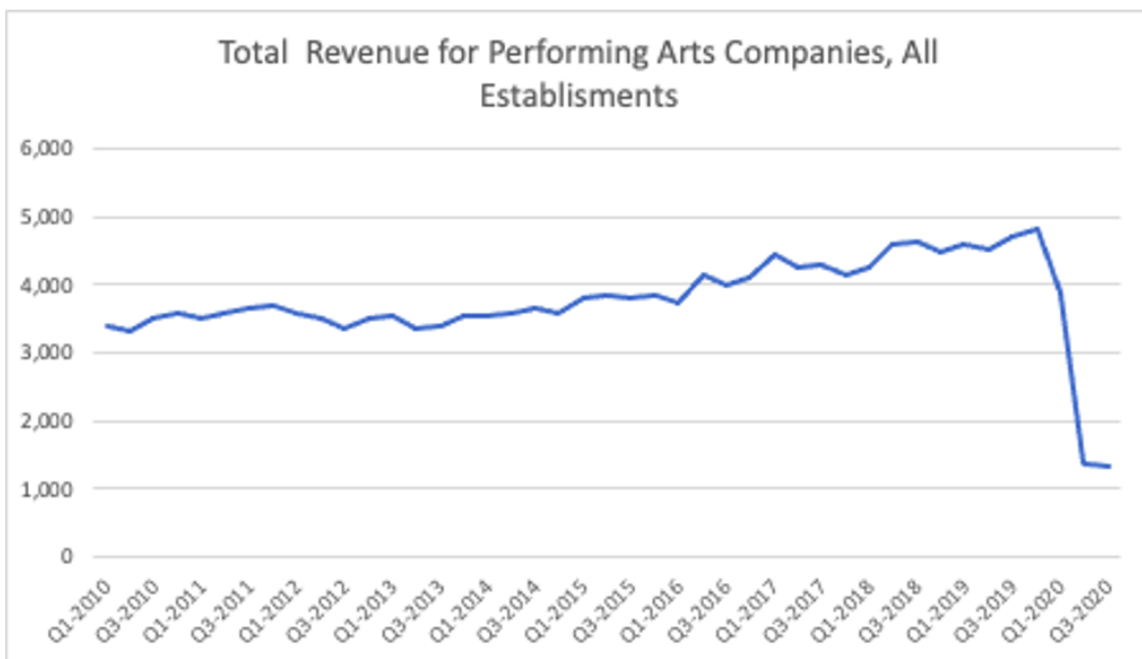


Table 2. Total revenue for performing arts companies, all establishments, between Q1-2010 and Q3-2020. Source: U.S. Census Bureau Quarterly Services Survey. Analysis: Arts Alliance Illinois.

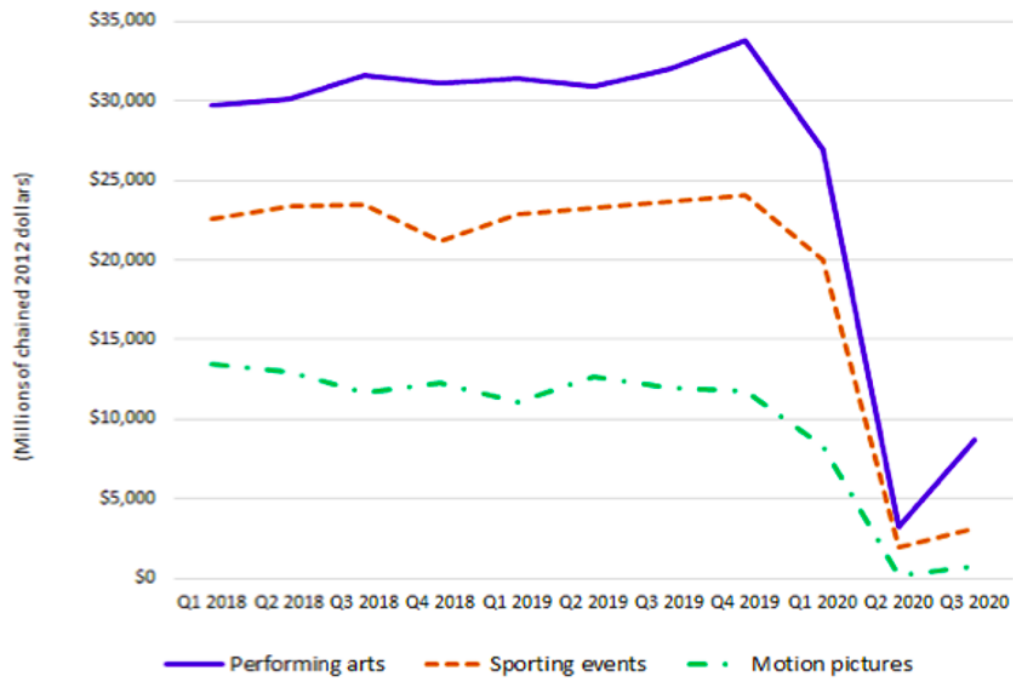


Table 3. Consumer spending on admissions to performing arts events, sports events and movies.
Source: U.S. Bureau of Economic Analysis. Analysis: collaboration between the National Endowment for the Arts, Federal Emergency Management Agency (FEMA), and Argonne National Laboratory.

COVID-19 AND ARTS AND CULTURE NONPROFITS

Studies that focus solely on the pandemic's impact on nonprofits provide an equally alarming portrait of the state of the sector. Reports from an ongoing national COVID-19 impact survey of arts and culture organizations conducted by Americans for the Arts (AFTA) show that the pandemic has had a self-reported \$15.2 billion dollar economic impact on the nonprofit arts and culture sector to date nationally, and their sample represents only around 15% of arts and culture nonprofits in the US.⁶ These financial losses also translate to job losses, with 63% of organizations reporting that they have laid off or furloughed creative workers and staff.⁷

Indeed, arts and culture nonprofits appear to be disproportionately impacted by COVID-19 when compared to other nonprofits. A study conducted by Johns Hopkins Center for Civil Society shows that in December 2020 the sector reported an estimated 130,360 job losses since February. As shown in table 4, this marks a decrease in employment of 37%—which is more than double that of educational services and 12 times the percentage of jobs lost in the nonprofit healthcare industry.⁸ Arts and culture nonprofits are also predicted to take longer to recover than other nonprofit organizations, with an estimated recovery of 25.5 months based on average job recovery rates from

⁶ Americans for the Arts Research Update, "COVID-19's Impact on the Arts Research and Tracking Update," February 8, 2021. Retrieved from <https://www.americansforthearts.org/node/103614>

⁷ AFTA, "The Economic Impact of Coronavirus on the Arts and Culture Sector," accessed on February 10, 2020. Retrieved from <https://www.americansforthearts.org/by-topic/disaster-preparedness/the-economic-impact-of-coronavirus-on-the-arts-and-culture-sector>

⁸ Chelsea Newhouse, *News Release: Nonprofits Lost Over 50,000 Jobs in December, Reversing a Slow Recovery*, Johns Hopkins Center for Civil Society Studies, January 19, 2021, Retrieved from ccss.jhu.edu/december-jobs

July to December 2020.⁹ Eleven percent of the organizations surveyed by Americans for the Arts were “not confident” that they would survive the pandemic.¹⁰ Fifty-nine percent of organizations remain closed, 39% of which have no target date for re-opening.¹¹

	Estimated number of jobs as of February 2020 ^o	Estimated nonprofit job losses, December [^] vs. February 2020	Percent of nonprofit jobs lost, December [^] vs. February 2020
Arts, entertainment, & recreation	355,965	-130,360	-36.6%
Educational services	2,003,634	-299,933	-15.0%
Religious, grantmaking, civic, professional, & similar	818,562	-76,892	-9.4%
Social assistance	1,528,920	-137,714	-9.0%
Other fields*	555,421	-31,921	-5.7%
Health care	6,777,730	-212,351	-3.1%
TOTAL, ALL FIELDS	12,482,741	-929,073	-7.4%

Table 4. Estimated nonprofit job losses, December vs. February 2020, by field. Source: Johns Hopkins Center for Civil Society Studies.

⁹ Ibid.

¹⁰ AFTA, “The Economic Impact of Coronavirus on the Arts and Culture Sector.”

¹¹ Ibid.

COVID-19 AND THE CREATIVE SECTOR IN ILLINOIS

Illinois' arts and culture sector is the largest in the region, contributing \$30.3 billion dollars to the state's economy and comprising 3.7% of the gross state product annually, which is higher than other industries such as construction and agriculture. With the onset of COVID-19, the sector has seen an estimated cumulative loss of \$5.3 billion in revenue and 104,618 in jobs between April and July 2020, ranking fifth in the nation in terms of revenue and job losses.¹² Data gathered from a survey conducted by Arts Alliance Illinois shows that the state's arts and culture organizations and individuals reported an average financial loss of \$363,550 through June 2020.¹³ Once again, performing artists and performing arts organizations and venues were disproportionately impacted by the pandemic. While they accounted for 58% of the respondents, their estimated financial impact accounted for almost 70% of the total impact reported by all organizations, with an average loss per organization of \$425,633.¹⁴ Many arts and culture organizations in Illinois are also uncertain about their future. AFTA's survey shows that 13% of arts organizations surveyed in Illinois are "not confident" that they will survive COVID-19. Sixty-three percent have laid off or furloughed creative workers and staff, and 33% were concerned that they would not be able to make payroll.

The sharp rise in unemployment insurance (UI) claims in Illinois' arts and culture sector since the onset of COVID-19 (table 5) shows that it is among the most adversely affected in the nation. In December 2020 the number of UI

¹² Florida and Seman, *Lost Art*, p.12.

¹³ Arts Alliance Illinois, Arts Alliance COVID Impact Survey Data, accessed February 1. Retrieved from <https://datastudio.google.com/u/0/reporting/7569f0f0-a125-4374-b466-d8f95e6a4026/page/Ph3>.

¹⁴ Ibid. This includes dance, music, theater, opera, and performing arts venues.

claims in the arts, entertainment, and recreation industry increased by 264% over the prior year. This is higher than the national annual percentage increase in this industry, which is 240%. It is also higher than the overall percentage increase in unemployment insurance claimants across all industries in Illinois since last year, which is 220%. Moreover, the accommodation, food service, and retail industries, which comprise another major alternative source of income for many artists and performers, also showed sharp increases from last December 2019 (672.3% for accommodation and food service and 261.6% for retail).

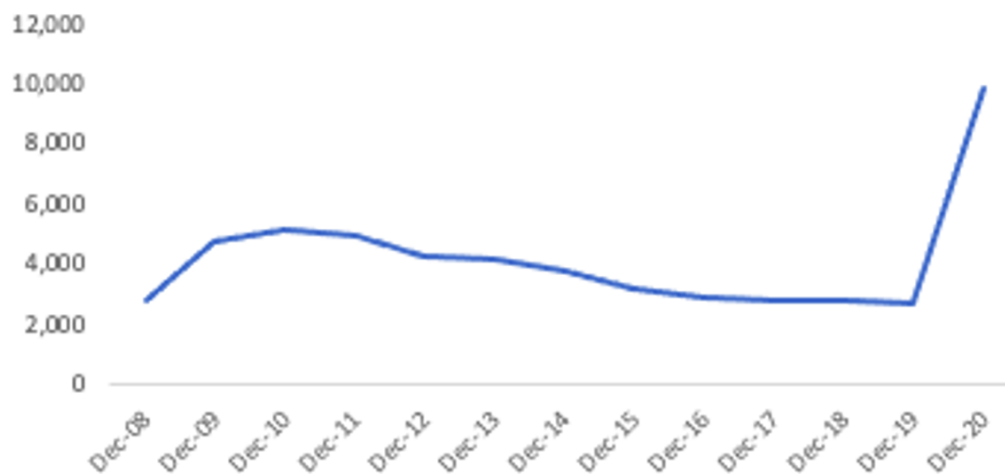


Table 5. Number of Unemployment Insurance Claimants in the Arts, Entertainment, and Recreation Industry in Illinois. Data Source: U.S. Department of Labor

A CRISIS IN CREATIVE OCCUPATIONS

Outside the industry impact, COVID-19 has also dealt a severe blow to the creative occupations. Even before the pandemic, artists and creative workers faced greater job and financial insecurity than many other occupations and professions. Although the arts and culture industry has grown or kept apace with the broader economy, the workforce has not. A recent study commissioned by the National Assembly of State Arts Agencies (NASAA) shows that while average state level per capita employment rose by 3% between 2001 and 2017, arts jobs per capita fell by 26%.¹⁵

The composition of the creative workforce is a major contributor to this employment and economic insecurity. According to the National Endowment for the Arts (NEA), artists are almost four times more likely to be self-employed than other workers.¹⁶ Performing artists are the likeliest of all to be self-employed.¹⁷ Creative workers comprise the largest segment of what has come to be known as the “gig economy,” a growing sector of the workforce that works mostly on a contractual basis.¹⁸ While some do so by necessity or choice, many of these workers are legally entitled to be employees but are

¹⁵ Douglas S. Noonan and Paul H. O’Neil, *The Arts and Culture Sector’s Contributions to Economic Recovery and Resiliency in the United States: Technical Report*, National Assembly for State Arts Agencies, p.11.

¹⁶ Iyengar, Sunil, Bonnie Nichols, Patricia Moore Shaffer, Bushra Akbar, Melissa Menzer, Andrew Moyseowicz, Lyndsi Pace, and Helen Santoro. *Artists and Other Cultural Workers: A Statistical Portrait*, Washington, DC: National Endowment for the Arts, April 2019, xi.

¹⁷ S. A. Resetar, J. V. Marrone, and D. Schwam, “Arts and Cultural Workers Are Especially Vulnerable to the Pandemic. Commentary” Rand Blog, Rand Corporation, July 23, 2020. Retrieved from <https://www.rand.org/blog/2020/07/arts-and-cultural-workers-are-especially-vulnerable.html>.

¹⁸ According to the Gig Economy Data Hub, a partnership between Cornell University’s ILR School and the Aspen Institute’s Future of Work Initiative, more than a quarter of workers participate in the gig economy in some capacity, and one in ten workers rely on the gig work for their primary income. See Gig Economy Data Hub, “How many gig workers are there?” accessed February 24, 2021. Retrieved at <https://www.gigeconomydata.org/basics/how-many-gig-workers-are-there>.

misclassified as independent contractors by their employers as a cost cutting measure, according to a recent study by the Urban Institute that examines the working arrangements of arts and culture workers in the United State and California.¹⁹ The report shows that nationally and statewide, between 10 and 30 percent of audited employers misclassified their workers.²⁰ Audits conducted by California's state economic development department (EDD) identified more than four thousand misclassified workers in the music industry between July 2018 and December 2019 and almost two thousand in the theater industry within the same period.²¹

Without the support available to traditional workers, independent contractors often exist in a permanent state of financial precarity, lacking access to wage and safety protections and social insurance programs such as unemployment insurance, workers compensation, and affordable health insurance. Unlike regular workers, they are required to pay for Social Security and Medicare through their own self-employment taxes.²² According to the Urban Institute, self-employed creative workers also earn significantly less than both

¹⁹ Jenny R. Yang, Amanda Briggs, Jessica Shakesprere, Natalie Spievack, Shayne Spaulding, and K. Steven Brown, *Arts Workers in California: Creating a More Inclusive Social Contract to Meet Arts Workers' and Other Independent Contractors' Needs*, Urban Institute, January 2021, p. v.

²⁰ Ibid., p. 6.

²¹ Ibid.

²² According to the 2017 the Bureau of Labor Statistics'(BLS) Contingent Worker Supplement (CWS), "contingent wage and salary workers were half as likely to be covered by employer-provided health insurance as noncontingent workers. One-fourth of contingent workers had employer-provided health insurance in May 2017, compared with half of noncontingent workers." See U.S. Bureau of Labor Statistics, "Contingent and Alternative Employment Arrangements Summary," June 7, 2018. Retrieved from <https://www.bls.gov/news.release/conemp.nr0.htm>. For information on how COVID-19 has exacerbated economic precarity for gig workers see L. Herrera, B. Justie, T. Koonse, & S. Waheed, S., "Worker Ownership, COVID-19, and the Future of the Gig Economy," UCLA: Institute for Research on Labor and Employment, October 2020. Retrieved from <https://escholarship.org/uc/item/3h60d754>

traditionally employed artworkers and self-employed workers across the workforce, as shown in table 6.²³

	United States	
	Arts workers	Whole workforce
Employees	\$38,319	\$34,973
Self-employed	\$23,315	\$31,157
Total	\$32,844	\$34,141

Table 6. Median Income of Arts and Other Workers by Worker Classification, 2018. Source: Urban Institute using calculations based on American Community Survey five-year estimates, 2014–18.

Because many creative workers struggle to subsist on the money earned through their creative practice, they often have to work outside the sector in order to make a livable wage. A survey conducted by the Pew Research Center shows that only a fraction of self-identified artists reported receiving all of their annual income from their creative practice.²⁴ Research by the NEA shows that many artists work multiple jobs in other industries to supplement their income or gain insurance coverage, particularly in the education, healthcare, and leisure and hospitality industries.²⁵ Performing artists are most likely to rely on other means of employment. According to the NEA, a third of all musicians held their creative work as their secondary job, and the percentage of actors who seek creative work as their secondary employment is almost as high.²⁶

²³Jenny R. Yang, Amanda Briggs, Jessica Shakesprere, Natalie Spievack, Shayne Spaulding, K. Steven Brown, *Arts Workers in California: Creating a More Inclusive Social Contract to Meet Arts Workers' and Other Independent Contractors' Needs*, Urban Institute, January 2021, p.12.

²⁴ According to a study conducted by the Pew Research Center's Internet and American Life Project, "One-third of self-identified artists say they receive income from their artistic pursuits. However, just 7% earn all of their annual income from art." See Mary Madden, *Artists, Musicians and the Internet*, Pew Internet and American Life Project, December 5, 2004, p. 6.

²⁵ Iyengar et al., *Artists and Cultural Workers*, p.5.

²⁶ Ibid., p.5.

COVID-19 has exacerbated the financial instability of creative workers, nationally and statewide. An estimated 2.3 million creative jobs have been lost, marking a \$74 billion loss in average monthly earnings.²⁷ AFTA's survey shows that more than 63% of creative workers reported that they have become fully unemployed because of COVID-19. Of the creative and artistic workers that responded, 35% had jobs outside the creative sector and 49% of them have also lost these alternative sources of income. Ninety-five percent of respondents reported a loss of income, with each creative worker losing an average of \$21,800 in income generated by their creative practice since the onset of the pandemic. Fifty-five percent reported having no savings to fall back on, 32% had faced eviction, and 52% had experienced food scarcity.

The situation is especially dire for artists who are black, indigenous, and people of color (BIPOC). According to AFTA, unemployment rates among BIPOC artists as a result of the pandemic is 69%.²⁸ That is almost 10 percent higher than white artists. Performing artists are also disproportionately impacted by the pandemic. Data from the Bureau of Labor Statistics shows that the performing arts occupations have a much higher rate of unemployment than other creative occupations, with 80% of dancers and choreographers unemployed, 48% of actors, and 29% of musicians and singers compared to architects (3%), designers (7%), and non-performing

²⁷ Florida and Seman, "Lost Art," p.3.

²⁸ Americans for the Arts Research Update, "COVID-19's Impact on the Arts Research and Tracking Update," February 8, 2021. Retrieved from <https://www.americansforthearts.org/node/103614>

artists (7%) (table 7). Even before the pandemic, dancers, choreographers and actors were among the lowest paid of all artists, with average annual earnings of \$31,200 and \$38,500 respectively.²⁹ The spike in unemployment caused by the pandemic has placed an added strain on a sector that was already facing financial uncertainty, greatly impeding their chance of recovery.

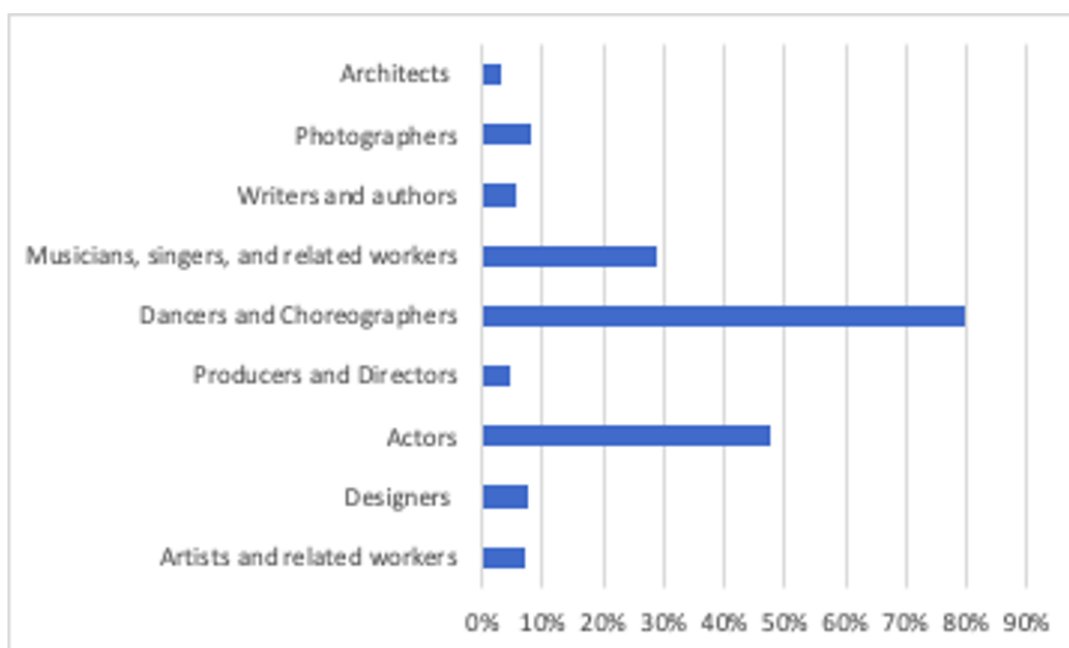


Table 7. 2020 Quarter 4 Unemployment Rates in Arts and Design Occupations. Data source: BLS. Analysis: Arts Alliance Illinois.

²⁹ Iyengar et al., *Artists and Other Cultural Workers*, xi.

COVID-19 AND THE CREATIVE WORKFORCE IN ILLINOIS

Before the pandemic, Illinois was among the states with the highest employment of performing artists, including actors, musicians, and singers.³⁰ While the unemployment numbers for these occupations are not available on the state level, Illinois is one of the states hardest hit by COVID-19 when it comes to job losses in the creative occupations. According to Brookings, the state had an estimated 86,671 job losses in the creative occupations between April and July 2020 (the fifth highest in the nation), marking a loss of \$2,783 million in average monthly earnings.³¹

COVID-19's disproportionate impact on Illinois' creative occupations is also revealed by the sharp rise in unemployment insurance claims in Illinois' arts, entertainment, sport and media occupations, which have increased by 371% since December 2019, as shown in Table 8.³² This is far higher than the percentage increase in unemployment insurance claims across all occupations and industries in Illinois, which is 238% and is substantially higher than construction (44%), transportation (238%) and sales and related occupations (265%).

³⁰ U.S. Bureau of Labor Statistics, Occupational Employment and Wages, May 2019. Retrieved from <https://www.bls.gov/oes/current/oes272011.htm> and <https://www.bls.gov/oes/current/oes272042.htm>

³¹ Florida and Seman, *Lost Art*, p.14

³² Data Source: Illinois Department of Employment Security. Analysis: Arts Alliance Illinois.

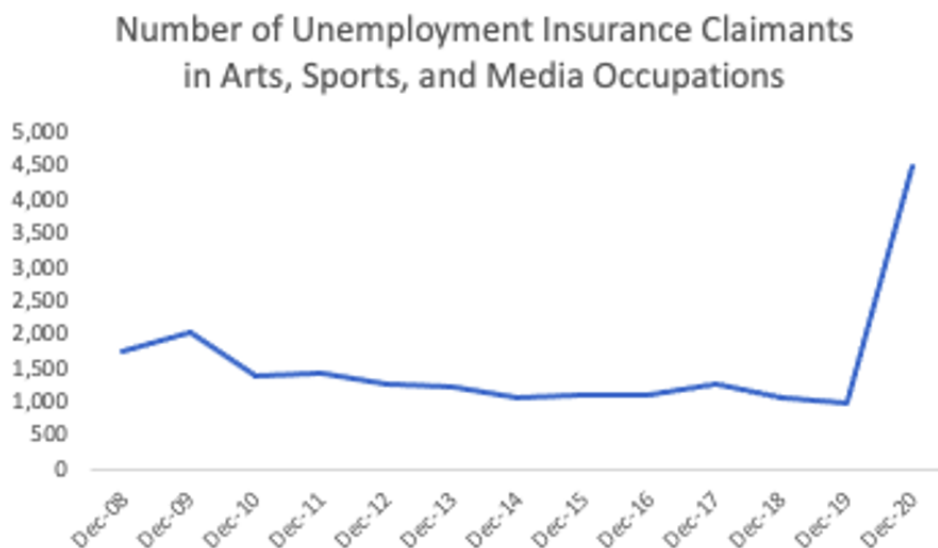


Table 8. Number of Unemployment Insurance Claimants in the Arts, Sports, and Media Occupations in Illinois. Data Source: Illinois Department of Employment Security. Data analysis: Arts Alliance Illinois.

Again, the food service and retail occupations that comprise major alternative sources of income for many artists and performers also showed sharp increases in unemployment insurance claimants in Illinois from last December 2019 (food preparation and serving occupations rose by 832% and sales and related occupations rose by 265%). As shown in Table 1, accommodation and food service businesses are also reporting the highest negative impacts as a result of COVID-19 according to the Census Bureau's Quarterly Services Survey.

BIPOC artists in Illinois are once again the most adversely impacted. Of the BIPOC artists that responded to AFTA's COVID-19 Impact Survey, 66% reported that they were unemployed, versus 52% of white respondents.³³ Our

survey also shows that smaller BIPOC arts and culture organizations also reported 20% more revenue losses than their predominantly white counterparts.³⁴ The experiences of local arts organizations and individuals in the face of the pandemic support these findings. Joseph Podlasek, CEO of Trickster Cultural Center, Schaumburg, notes that “specifically for the Native community, most of our arts and crafts vendors and special events and festivals are how they make their living. It’s not a hobby or a side job, that’s their living. Without events, they’re all starving.” Performer, writer, educator and producer Aimy Tien fears that “the industry is not coming back quickly enough to get us all working.” She states that “even industries where our skills crossover like advertising/branding have been slow to hire at the same rates.”

³³ Isaac Fitzsimons, Americans for the Arts, email to Aisha Motlani, Arts Alliance, January 29, 2021.

³⁴ Op. cit. note 14.

FINDING A PATH FORWARD AND NEXT STEPS

Grants from sources such as the Arts for Illinois Relief Fund (AIRF), as well as federal, state, and local relief programs such as the Federal Pandemic Unemployment Compensation (FPUC), the Paycheck Protection Program (PPP) have provided temporary relief, but even those have been limited in reach. The AIRF had more than nine thousand applicants for grants to individual artists in financial need from the pandemic and was only able to fund 2,493 with available dollars. The PPP program was extended to sole proprietors, but for gig and contract workers, or otherwise unincorporated laborers who've lost work, the sole source of support for job losses has been unemployment.

Long term solutions are needed to ensure that creative workers are able to survive the pandemic and thrive in its aftermath. As one Chicago-based literary artist put it, "while we all have been a starving artist at one point or another, we would prefer not to literally starve because of situations beyond our control." Given that 13% of surveyed Illinois arts and cultural organizations reported that they are "not confident" that they will be able to recover from the pandemic and taking into consideration the record losses of creative jobs that may never return, it is vitally important that we expand the employment opportunities and career paths open to creative workers. Illinois must invest in the retention of its highly skilled creative workforce.

This should involve direct support for artists applying their creative practice in new fields, industries, and contexts, as well as workforce programs that will enable them to adapt their skills to other industries and environments.

Broadening the opportunities available to artists does not involve abandoning

the art and culture sector. Indeed, it may help to buoy up this sector, speeding up its recovery and further strengthening the interdependence between the general state economy and the creative economy. Diversifying the creative workforce will contribute to its resilience in the face of current and future uncertainties and ensure that the creative workers and the arts and culture industry continue to positively impact other sectors and society as a whole.

* * *

Having outlined the impact of COVID-19 on Illinois' creative sector, our next step is to review current research on the intersections between the arts and culture sector and workforce development initiatives nationwide. We will assess best practices in "back to work for creatives" programs from other states and localities, focusing specifically on those that are oriented towards advancing racial equity. We will also provide initial skill mapping and case studies from around the country, demonstrating that the talents, skills, and abilities artists and creatives bring to address challenges in public health, housing, and transport can transform ways of working in those industries. Imagine artists, like Willa Taylor from the Goodman Theater, training artists to use their communication and facilitation skills and their creative practice to run neighborhood community engagement projects in transportation,

housing, and development. Imagine what can be achieved by visual artists like Amanda Williams in Chicago, who curated and hired other local artists to create a billboard campaign advancing COVID education messages in BIPOC communities for the City of Chicago. There are thousands of creative workers like this around the state of Illinois, ready to support civic and social issues with their talents. We will highlight more of these models and artists in our next phase of work.

Based on this feasibility study of other models, and by diagramming and correlating artists abilities with opportunities to highlight those skills outside of the cultural sector, we will develop a pilot program framework that includes high-level concept, pilot implementation strategy, proposed partners, budget, fundraising goals for public-private partnership, and suggestions for longer term expansion/scaling. While our study focuses on stabilizing displaced creative workers it also exposes the urgent need to revise the organizational infrastructure of the creative industry as a whole. We recognize the need to support and reimagine arts and culture venues and businesses to adapt to not only the technological demands and safety measures that COVID-19 has brought to the fore, but the opportunity embedded in this time of transformational change to explore new models and ways of working. It is only by stabilizing workers and the industries that employ them that we can truly migrate from a model of relief and recovery to one of resilience.

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