



culturaladvocacycoalition

Initial Impacts of COVID-19 on Arts and Culture Organization

We asked our membership to weigh in on the impacts COVID-19 is having on their organizations, below are some of the responses we received. It's clear that this pandemic, and the recommended social distancing is having a serious fiscal impact on arts and culture organizations across the state. Below is just a sample of the responses we've received.

While it is still too early to tell the magnitude of the situation, it looks like the overall impact to Oregon Arts and Cultural organizations could be devastating.

Portland Ballet Theatre

The impact that a closure has on The Portland Ballet is significant. We operate primarily on earned income. Our 150+ academy families pay tuition for 10 months of the year. This regular income stream is essential to paying our administrative staff and faculty. While we hope that families will help us navigate this time by continuing their tuition payments during our closure, we cannot anticipate whether or not we will have enough monthly income to continue to pay all staff for their regular hours.

While our next performance does not fall within the 30-day period of banning all events over 250 people, it comes only a month after on May 8, 9, 10. Our dancers work for months rehearsing for these performances as a valuable part of their ballet education. We have already cancelled two guest artists (a choreographer & musician) who had planned on traveling to Portland for rehearsals and performances several times over the next two months. The cancellation of the choreographer has eliminated our collaborative performance piece with Sebe Kan African Dancers, a project 3 years in the making that has cost over \$20,000. This public performance is also at Portland State University and it is unknown whether or not they will be open to the public for those dates. We are anticipating that this performance will not be able to take place as the time needed to prepare, rehearse, and execute an event like that is limited given the current closures.

Lastly, our daily drop-in ballet classes for adults are paid for as individual classes. If we do not hold them, we receive no income for them to pay the teachers. While these instructors often work at other jobs, many of them work only in the dance industry and other closures are likely affecting their other income streams.

We created an adjusted budget to anticipate income shortfalls to see where that leaves us at the end of our fiscal year on June 30, 2020.

Worst Case Scenario: if we aren't able to collect tuitions or ticket revenue, we are looking at a loss of up to \$100,000. Additionally, if we have to cancel our summer program, which takes place in July while tuition is paid in May and June, it could result in an additional \$100,000 loss. This substantial loss, which would put us in the red, includes the total cost of continuing to pay all staff between now and the end of June.

Portland Opera

We're in the thick of it right now and to give some perspective, with the cancellation of our upcoming performances of Bajazet and the cancellation mid run of Frozen, are losses thus far are upwards of a million dollars.

High Desert Museum

The High Desert Museum made the difficult decision to close from March 17 to March 29, which includes one of our busiest times of year, school spring breaks. We are losing revenue from admissions, the café, the museum store and from canceled programs, including day camps for elementary children held the last week of March. Our programs are presently canceled through April 11. With the potential ahead of extending our closure and more program cancellations, we estimate a loss ranging from \$300,000 for the two-week time period to \$1 million if the pandemic's impacts spread into a four-month window. We also anticipate a decline in membership. We have the ability to continue paying our 50.5 FTE staff for the next several weeks but will be forced to reassess after that. We are the largest cultural organization east of the Cascades and an economic driver for our community with a \$5M budget that predominantly stays in Central Oregon. Immediate aid for payroll will help us help Oregonians stay employed and ready to bring rich, educational experiences to our region as soon as we can.

The nuts and bolts summary:

Short term (we open up in early April) and longer term (closed for some of the next 3 months):

Short term impact – minimum of \$300k loss in revenue

Longer term impact – at least \$1M loss in revenue

We have 50.5 FTE and a \$5M budget of which \$3M is staff

PHAME

These are the immediate impacts that PHAME will experience because of the Covid-19 outbreak. This is only projected out through the end of April – of course if this goes longer, the impacts will be worse.

1. Fundraising: While we were lucky enough to have been able to hold our Gala on March 8th, our attendance was low. Kate Brown issued the state of emergency in Oregon about 6 hours before we were scheduled to start. We have not been able to do an exact head-count, but we suspect we were down about 35-50 donors and made about 30k less than expected. Many of our items were travel related – last year we sold our Mexico trip 4 times, this year we sold it once (for less money than last year)

We also have a fundraiser scheduled for mid-April that we will need to cancel, I suspect.

2. Our spring term for PHAME starts on March 30th. Every week our school cannot be open past March 30th, we will lose tuition money if people ask for refunds. We will also be unable to employ our teaching and campus staff, which will cause them financial hardship. Our salaried staff has already offered to also work reduced hours at reduced pay should the campus staff be laid off, in order to make it more equitable across the board.

Eugene Symphony

At this time, the Eugene Symphony has been able to reschedule most performances that will fall during the Governor's four-week ban on large gatherings, so it's hard to estimate what direct economic impact these measures will have on earned revenue for now. If the ban extends into April or May, that will be a different story...

That said, we feel sure that the COVID-19 pandemic will have a significant negative effect on contributed revenue, as donors may either defer giving out of concerns for the hit their personal wealth has taken in the stock market slide, or from general unease, or from directing their charitable giving toward human service or health care nonprofits. Right now, we're preparing for a drop of at least 30% compared to what we typically raise in the final quarter of our fiscal year, which if true could lead to an operating deficit north of \$100,000. That would be painful.

I know this isn't much help at this time, but as I said, we're just not sure yet how this plays out. It ain't good, I can say that with confidence...

Oregon Ballet Theatre

We just ran our scenarios and it looks like we have realistic scenario that would mean a \$1,000,000 loss for FY20. This includes lost ticket revenue, school revenue, and a portion of donation revenue. Of course, if markets continue this unprecedented volatility, this number could be worse.

Oregon Public Broadcasting

In terms of impacts at OPB, we've seen an immediate, sharp spike in in events-related on-air sponsorship spots being canceled. Many of these spots mention upcoming events and exhibits,

many related to cultural orgs across the state. So far, it's been a significant, six-figure hit, but could deepen.

We also expect some membership and major giving declines based on income declines and investment losses, but the extent is still TBD.

Otherwise, most of our core functions are uninterrupted. But a lot of our video production requires folks to work in person, some of which could be disrupted.

Artist Repertory Theatre

- * Losses on the play Indecent (2/19 - 3/8) \$50,000
- * Cancellation of Gala - scheduled for Saturday 3/14 \$160,000
- * Patron Travel to the Humana New Work Festival/Louisville \$22,000
- * Patron Travel to New York for Broadway Plays, now canceled - \$40,000
- * Potential cancellation of Looking For Tiger Lily 5/2 - 5/31 \$125,000
- * Loss of Education class revenue \$30,000
- * Loss of philanthropic support due to cancelation of plays - \$100,000
- * Total projected losses through end of fiscal year 6/30/2020 - \$527,000

Portland Art Museum and Northwest Film Center

On Friday, March 13, 2020, the Portland Art Museum and Northwest Film Center (NWFC) made the difficult and responsible decision to close our galleries through at least March 31. This action followed our decision, earlier in the week, to cancel immediately all of our community programs and events, including the Portland International Film Festival which was already under way.

The Museum and NWFC currently employ 257 people, and we are committed to paying their salaries through the month. **We currently estimate fiscal loss in excess of \$1 million per month by forgoing revenues from Museum admissions and NWFC ticketing, event rental spaces, café, and store. We also estimate a decline in membership revenue.**

Jackson County Genealogy Library

Jackson County Genealogy Library has closed effective Monday, March 16, 2020. All classes and programs are cancelled at least through April 3, 2020 when we will determine if we can reopen. The estimated loss for the cancelled classes is approximately \$300.00. I do not have the figures at this time if we remain closed and cancel any of the April classes.

Beaverton Literacy Council

Our organization teaches English to over 200 immigrants each week. Our classes not only teach language, but also build community for our students and act as an important bridge between immigrants and the community. Being an immigrant is very isolating. Class time is sometimes the only social and meaningful interaction that our students get outside their families. Our

teachers help students with their mail, interactions with their children's school, and "how to" for so many things that are new and different in their lives.

- We have had to cancel all classes due to COVID-19. This leaves so many of our students without the support and meaningful interaction that our classes provide. I worry about students experiencing bewilderment and even depression at being cooped up in their homes.
- Our teachers are staying in touch with their students as well as possible. However, we have lower level students from all around the world who don't understand much English, and the teachers often don't speak the students' language. That makes communication by phone & internet much more challenging.

Portland Center Stage

It's still early for us, of course, but some initial impacts are:

- We have furloughed starting Sunday about 48 staff for the month. These are folks related to running the shows: stage management, backstage crews, part time box office, food and beverage staff, some operations staff. We are able to keep them on health coverage for the month, and provide one week's pay to bridge the gap until unemployment insurance kicks in.
- The majority of our staff (another 20 FTE) are currently still fully employed during the month's closure. If things get extended beyond April 8, we'll have to review that, of course.
- We are working through our options for what reopening on April 9 looks like, in terms of which shows will be in that opening. There are a lot of union contracts to shuffle. Depending on what that looks like in terms of what shows we do, we may have more furloughs to add to the mix next week.
- So far, the majority of our existing ticket buyers are sitting tight for rescheduling or accepting vouchers. But it's very early, we may see more requests for refunds than received to date, which are about \$15,000
- In terms of lost revenue for new ticket sales during this period, we average about \$10k per day in ticket sales. So, while we are still keeping sales active for post April 8, most people are doing a wait and see. So that's about \$300k in lost ticket revenue this month, which impacts cash hugely.
- We launched our season renewals last Monday, so we're waiting to see what impact this has on those. In theory, we hope most folks view next September as after the crisis. But will they do a wait and see as well on renewal? And what are their financial fears that may make them postpone buying subscriptions for next season? Potentially as much as a \$1 million hit to this spring's revenue.
- On the rentals side of our business, we have had three conferences cancel or reschedule, even before we announced our closure, so that's about \$60k in income, although some of that will be deferred to next fiscal year in the rescheduled event.· Obviously, if we cannot reopen on April 9, the picture changes dramatically and could

be a coffin nail. PCS has no cash reserves; accounts payable are about \$500k at the moment.

Unrelated to our closure but related to the virus, we yesterday had one major donor (\$25k level) rescind their renewal for their gift due to direct business impact they are experiencing. On the plus side, we also saw some immediate responses from donors to the positive yesterday, and we are focused right now on how to hit the ground as hard as we can in fundraising this month.

Crossroads Carnegie Art Center

Crossroads Carnegie Art Center in Baker City, is seeing significant decreases in attendance. We have classes that are still happening as the virus has not been “found” here. Most in the valley believe it is here and circulating but with no testing or likelihood of testing we are stuck. Crossroads has been on germ patrol for weeks now.

We have older students of our adult programs who are self-quarantining due to underlying health issues.

A local music establishment had limited its attendance to 150.

We are trying to make decisions on our First Friday Art Walk for all First Friday’s moving forward. This event in Baker City, can be more than 250 but as people are moving from venue to venue so we are struggling to make a best decision. Our small business owners (arts partners) are freaking out as they are seeing their customers drying up.

As school events cancel, numerous other events are cancelling. We have not cancelled classes as our programming is usually small groups. One challenge that is looming is all pre=planning for summer programs is now in jeopardy. The longer schools stay out the later they will run to make up seat time. Which will impact our traditional programming and our ability to make money.

One of your challenges is not being able to access additional hand sanitizer and wipes to keep our space as clean as possible.

Our board has just voted Paid Sick Leave for our small staff and we have gone through a process of what we will do if staff gets sick vs what happens if we are healthy but quarantined. We are working to assure we have technology with little to no support. We just sent an employee home whose partner has a cough/cold.

As a travel and tourism attraction we are deeply concerned for the future and how travel and tourism is impacted. This is the great unknown and is creating fear for staff.

Grants- Just yesterday we had been working to diversify our funders and just received an email. That this new foundation was saying no, due to market fluctuations. We can see clearly that the funders are going to retract funding as the market is in decline. This is of the greatest concern.

So as our donors retract, our funders retract, our ability to sell things or provide services become challenge.

Our total monthly payroll for our 5 employees is \$9059.00 a month

Our monthly commissions paid to teachers of our classes (which has been cancelled)- \$5386.00 a month

Our 2019 monthly commission paid to artists for the sale of artwork- projections per Month- \$2204.00 a month

We are a town of 10,000 people in a county of 16,000 people. So, these are real numbers for our community.

Rural economies have still never recovered from the last recession.

We continue to stay positive and protect our little community and support our neighbors the best we can. Our greatest fear is the age of our community and how many could be lost in this pandemic.

OMSI

Every aspect of our revenue – camps, classes and educational outreach, museum entry and membership, event rentals, fundraising and more will be directly impacted. Despite having well diversified revenue streams this event is impacting all of them in significant ways. Spring break is one of the biggest months for general admission and the OMSI gala in the beginning of May is the biggest fundraiser. Across all revenue OMSI is projecting a total loss of \$2,500,000 based on a four-week closing. We are currently running scenarios for an eight-week closing as well.

Beyond economic impact, the educational support OMSI provides to schools and families across the state has been greatly affected, and we are working to creating remote programming to help supplement that loss. This is our peak season for school field trips and spring break visits, so over 250,000 people will miss out on the immersive museum experiences.

Community partnerships will also be impacted, and the support our educators offer to community groups has been halted.

As we go through scenario planning and revised forecasting, we cannot be certain of projected impacts. But it will not be surprising if strategic investments will be delayed while we recover and rebuild.

Oregon Shakespeare Festival

I'm here to provide an early look from OSF's perspective, but I caution that the constantly-changing nature of this situation means that our reality is shifting daily. I or various of my colleagues would be happy to give you more information as things continue to evolve.

For now, OSF has cancelled all performances and public non-play events (e.g., education events, backstage tours) starting March 12 and running through at least April 8. That was pursuant to the Governor's executive order of last week; with the new one today, it sounds like we will be cancelled for several weeks more at a minimum. In an effort to blunt the effects of this on our employees, we have committed to keeping our full staff, including actors, on payroll through the period ending March 29. We are still assessing what happens after that but furloughs of a large portion of our company are increasingly likely. The impact of the currently-announced cancellations is 58 mainstage performances, which would become a total of 128 by April 30, affecting up to six plays. In addition to the five plays in performance right now, we were rehearsing one more which was to open in mid-April, and we were scheduled to go into rehearsal on the three plays for our outdoor Allen Elizabethan Theatre later this month. The final two plays of the year were to start rehearsal in early May and early June.

At this time, our finance staff has not been able to ad up the total economic impact of these changes, both lost revenue and additional expense, but it will clearly be significant. I would be happy to provide you with more information on that as we gain more clarity on the situation.

One factor which may not be top of mind for the Governor is that OSF is a significant provider of housing – we manage around 120 units of housing and at this time of year they're nearly all full with actors and visiting artists. We are working through this as a component of our planning; how to plan for care should any of our housing occupants become ill, what to do when housing occupants aren't able to travel home due to immune compromises, etc. This adds significant complexity and makes OSF more akin to a college than to what many picture when they think of a theatre company.

The impact on the Ashland and Rogue Valley community just from the loss of OSF's audiences, to say nothing of the announced new rules on restaurants, bars, and other gathering places, will be massive. We are already hearing of the impact on our partners in the lodging and dining sectors, and I imagine it's only going to get worse. OSF is a critical driver of tourism activity in the Rogue Valley and our recovery from this situation is going to ensure that other sectors of the economy are also able to bounce back at some point in the future.

Oregon Humanities

We have hundreds of open grant contracts that if this continues, will be out of compliance. We are strategizing how best to rework contracts to make sure we are in compliance and the recipients can continue to keep awards. The last thing anyone wants is the money back. As you know all public events have been cancelled so this impact is widespread. We did a survey for wildfire impacts and found that helpful.

Theatre Vertigo

Hello, I am reaching out on behalf of Theatre Vertigo in SE. We are a very small theatre with only 40 seats and an annual budget of approx. \$83,000. We rely on ticket sales and rentals from other small theatre companies to be able to pay our rent which is \$2,200/month and utilities which are about \$575/month. Due to the virus, we had to completely cancel the rest of our March

production which set us back approximately \$7,800 in ticket sales and our renters for April and May pulled out setting us back another \$4,000. We also could not afford to pay our artists their full stipends due to the sudden cancellation. Our theatre has gone completely dark and is under the threat of having to close permanently as we do not have the income to pay for rent past April.

NW Children's Theatre

At this point we have canceled:

- The launch of our first statewide tour: Projected 12,000 attendees & \$130,000 in ticket sales.
- Spring Break Camps: Projected 90 students & \$22,000 in tuition
- Spring Class Term: Projected 220 students & \$37,000 in tuition

We are likely looking at canceling our spring production of *Seussical* as well with a projected attendance of 11,000 & ticket sales of \$90,000.

We have committed to paying all staff and contractors through the next pay period, using what little reserves we have. After that, we will be out of revenue and our options will be much starker. At this point cash flow is sharply negative. We have no revenue coming in, existing bills, refund requests, and a staff to care for.

Chamber Music Northwest

In the short term over the next 60 days, cancellation of 13 March-May concerts BodyVox will result in the loss of approximately \$75,000 in ticket revenue. This will also have an additional \$25,000 negative impact on BodyVox Dance, who are collaborating with us on one project. We anticipate attendance and giving for our June-July Summer Festival of nearly 100 concerts and events - if it occurs - will be 30% less than normal, for an additional loss of approximately \$250,000.

Should circumstances require us to cancel or scale down the Summer Festival, our losses will total approximately \$650,000. Nearly all of this loss is what would normally be paid in compensation to 100 musicians and staff.

Oregon Coast Council for the Arts

Our very quick analysis here is what the financial impact of COVID-19 has on the Oregon Coast Council for the Arts through June 30, 2020. Combining OCCA activities at the Newport Performing Arts Center, the Newport Visual Arts Center and our Capital Campaign, conservatively we stand to lose over \$358,206 through June 30, 2020.

Events take lead time to book or reschedule. Our festivals, classes, workshops and camps cannot be created on a dime. What is in place now is mostly gone by the wayside. (For example, OCCA 25th Newport Paper and Book Arts Festival scheduled for April 16-19 is now cancelled at over \$25,000 in lost revenue.)

The above figures DO NOT include all the financial impact on our 10 resident companies that call the PAC home, as they are their own separate 501(c) 3. One company has canceled a huge three-week musical, for example, that they have spent four months.

In summary:

The economic devastation as a result of COVID-19 could be felt for years to come due to donors having less expendable income; patrons may be less likely to return for events; a greater number of non-profits will be searching for money from grantors and funding sources in an attempt to recover their losses; overall tourism to the Newport area will be decreased. The ripple effect is incalculable.

The John G. Shedd Institute for the Arts, Eugene

Since there has, as yet, been no evidence of COVID-19 in Lane County, we can't say that the pandemic has had any form of direct impact on The Shedd Institute's operations. However, the pandemic's spread worldwide and how governments, businesses, and individuals are reacting and responding to it have had a vast impact on us, operationally and, potentially, existentially. The rapidly-evolving Federal, state and local mandate and recommendation responses to the COVID-19 pandemic has made our ability to respond and plan effectively even more difficult: we put a plan together in the morning and by afternoon one or another federal, state, or county proclamation, mandate or statement sends us back to the drawing board. As I write Governor Brown has tightened things down even more.

The impact on The Shedd is on several fronts, representing our 3 service areas and management of our building.

CAPITAL CAMPAIGN/REMODEL. We are deep into a 6-year comprehensive phased remodel of our 70,000 sqft building in downtown Eugene. The current phase of that remodel is a \$4.1 million complete restructure of our 36,000 sqft music school wing. When the markets began to drop, we had approximately \$1.2 million remaining on that contract, which was to be covered by pledge payments coming due this quarter. Not surprisingly, these pledge payments have all been put on hold. We can see our way out of this, by May, but it is a huge challenge and will mean taking on unanticipated debt. We have had to put subsequent remodel phases on hold.

CULTURAL SERVICES & COMMUNITY SERVICES. The Shedd Institute produces and/or presents over 100 concerts/shows in between 130-140 performances each year. 31 of those performances (representing 21 unique concert/productions) between March 15 and May 15 will be either canceled or postponed representing a massive loss of income. In addition, we serve other community non-profit and service organization who rent our facilities – all but one of 14 rental events representing 8 rentals have been cancelled or postponed.

EDUCATIONAL SERVICES. The Shedd Institute's Community Music School serves over 600 students each week both on site and throughout the community. Our onsite instructional offerings (private lessons and classes) are still in operation. However, our extensive Music &

World Cultures field trip school program has been canceled due to school shut downs and public assembly restrictions (now down to 10 from 250 an hour ago). This represents 5 programs which average between 250 and 500 students each. In addition, 9 community workshops have been canceled.

STAFF. The Shedd is responsible for the livelihood of 21 full time (.8 FTE or above) salaried staff, 25 part-time “venue assistants”, 41 faculty, and hundreds of artists. Faculty, musicians/artists, and part-time venue assistance are employed hourly and are easier to cut back on, although they all depend on their earnings working at The Shedd as a part of their livelihood. Our 21 regular salaried employees REALLY depend on The Shedd for their livelihoods. The Shedd is working hard to keep all of our staff on board, but we are currently not sure how we are going to pull it off. Our regular monthly payroll for Feb 2020 (including regular, part-time and faculty) was **\$79,126**. The Shedd’s pay roll for musicians & artists + musicians/artists engaged by contract was **\$25,421**. The Shedd’s monthly regular staff payroll is very consistent month-to-month. Musician/artist compensation (payroll + contract) is highly variable based on what concerts/productions happen to be in place any given month: for Feb 2019, for instance, Shedd Musician/artist compensation = **\$94,947** due to a large national act and a special self-produced classical music/theatrical/dance project on our schedule. This against an almost complete loss of concert & community rental income and a severe downturn in contributed income.

In short, this is an unfolding, deepening disaster for us. We are, of course, not the only cultural institution in this boat. At least we didn’t face the overnight cancellation of the biggest cultural project of our year the way the Eugene Opera did...or, frankly, the Eugene Ballet, Eugene Symphony will in just a few weeks. The Shedd is more diversified than our peers, and that helps us somewhat. But we are all in dire straits.

For brevity we did not include all of the organizations that responded to our query. Additional respondents included:

Literary Arts

Disjecta Contemporary Art Center

Eugene Science Center

The History Museum of Hood River County

Blackfish Gallery

Vibe of Portland

The Very Little Theatre

Portland Columbia Symphony

Music Portland

Tumalo Art Co.

These are clearly troubling times for all Oregonians. As we look to recover from this horrific pandemic, and seek Federal funding, we hope you will keep our cultural organizations in mind.