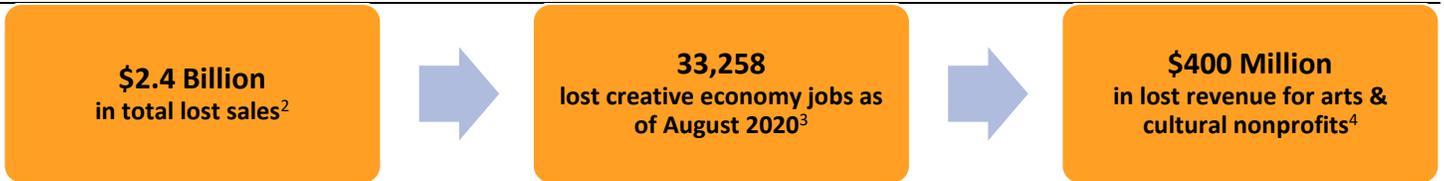




ARTS AND CULTURE SECTOR IS AN ECONOMIC DRIVER

Represents 5% of CT's economy | Generates \$9 billion annually | Supports 57,000 nonprofit jobs  
Returns \$7 for every state \$1 invested<sup>1</sup>

COVID-19 HAS DEVASTATED THE SECTOR



CT CAN'T RECOVER WITHOUT THE ARTS

Empty Downtowns | Venues Closed | Economic & Job Loss | Permanent Closure & Damage

LEGISLATIVE ACTION IS REQUIRED

Prevent further economic injury and job losses | Address the impact of shutdown and accumulated losses | Help Accelerate Recovery, not only for the sector but for all of Connecticut

The **Tourism Fund** is CT's mechanism to fund arts, culture and tourism. The fund's revenue source is the Hotel Occupancy Tax, which has underperformed as a result of the pandemic's impact on the hospitality industry. According to the Office of Policy and Management (November 2020) "**the Tourism Fund will end FY 2021 with a \$13.8 million negative fund balance.**"

PRIORITY: **REPLENISH THE TOURISM FUND** to prevent further economic injury and job losses in the sector and maintain flat funding. **GROW THE TOURISM FUND** to help stabilize sector and accelerate recovery

- **DEDICATE 25% OF PROCEEDS FROM LODGING TAX TO TOURISM FUND** by increasing the allocation from 10% to 25%. *The increase does not affect lodging tax rates.*
- **ALLOCATE A PORTION OF PROCEEDS FROM OTHER STATE TAXES AND/OR NEW REVENUE.**

PRIORITY: **ENSURE FUNDING FOR CT OFFICE OF THE ARTS AND CT HUMANITIES** reflects their roles as the state's main source of support for arts and culture nonprofits in every municipality.

PRIORITY: **ENSURE THAT ARTS AND CULTURAL NONPROFITS ARE SUPPORTED BY ADDITIONAL FEDERAL FUNDING TO CT** with a focus on grants for operating support as opposed to loans.

Federal Legislators	State Legislators & Administration	CT Arts Alliance
Continue to ensure dedicated federal funding to arts & cultural organizations survival and workers' jobs.	Address accumulated losses, prevent further economic injury and permanent job and institutional loss.	Establish a statewide advocacy network of arts advocacy teams to call on and engage in advocacy efforts.

<sup>1</sup> U.S Bureau of Economic Analysis CT State Report and Arts & Economic Prosperity 5 for State of CT  
<sup>2</sup> U.S. Bureau of Economic Analysis CT State Report  
<sup>3</sup> Lost Art: Measuring COVID-19's devastating impact on America's creative economy (Aug. 2020, Metropolitan Policy Program at Brookings)  
<sup>4</sup> COVID-19's Impact on the Arts Research and Tracking Update: Americans for the Arts

## **TOURISM FUND 101**

**What is it?** The Tourism Fund (TF), administered by the Connecticut Department of Economic and Community Development (DECD), invests in the Connecticut experience – creating jobs, attracting tourists and employers, generating revenue for local businesses, and building vibrant communities. It is a special non-lapsing fund that is separate from the general fund.

**How is it funded?** Connecticut levies a 15% occupancy tax on hotel stays up to 30 days in length. Currently, 10% of the total tax revenue collected is deposited into the TF each quarter. The TF is currently down by 50% year over year and continues to decrease due to plummeting lodging tax receipts during the pandemic.

**What does it fund?** The TF fund invests in arts, culture and tourism through line items in the budget appropriated by legislators:

- CT Office of the Arts ("Arts Commission") – The state investment is matched by nearly \$1M federal National Endowment for the Arts (NEA) funding
- CT Humanities – The state investment is matched by \$800k in federal National Endowment for the Humanities (NEH) funding
- CT Office of Tourism ("Statewide Tourism Marketing")
- Arts, Cultural & Tourism Direct Line Items (individual organizations and consortiums)

### **DECD currently designates and administers funds through the following categories and offices:**

Arts & Culture – administered CT Office of the Arts:

Arts Commission (funds CT Office of the Arts services, programs and competitive grant program), CT Humanities, Performing Arts Centers, New Haven Festival of Arts and Ideas, Performing Theaters Grant, Art Museum Consortium, CT Flagship Producing Theaters Grant, Hartford Urban Arts Grant, Neighborhood Music School, National Theatre of the Deaf, Greater Hartford Arts Council, New Haven Arts Council, Cultural Alliance of Fairfield, New Britain Arts Council, Litchfield Jazz Festival, Arte Inc., CT Virtuosi Orchestra, New Haven Symphony, Twain/Stowe Homes, Amistad Committee for the Freedom Trail, Barnum Museum

Tourism – administered by CT Office of Tourism:

Statewide Tourism Marketing, Stepping Stones Museum for Children, Nutmeg Games, Discovery Museum, CT Open, Beardsley Zoo, Maritime Center Authority, Mystic Aquarium, Connecticut Science Center, Northwestern Tourism, Eastern Tourism, Central Tourism, Op-Sail, Amistad Vessel

**How does TF benefit CT?** The TF investments provide:

- Funding to the Office of the Arts and Connecticut Humanities that is re-granted through hundreds of competitive grants statewide reaching every municipality.
- Tourism marketing to position the state as a prime destination for leisure and business travelers.
- Operating support to select institutions to drive economic and community development and tourism.

These funds provide essential support for cultural events, performances and exhibitions; community programs, educational opportunities for all ages, local arts projects and initiatives. This funding is the only source of state funding for many cultural organizations and is critical to leveraging additional support from corporations, foundations and individuals.

## **CT OFFICE OF THE ARTS (“ARTS COMMISSION”) 101**

In CT, the state agency charged with fostering the health of the creative economy is the Office of the Arts (COA). It administers grant-making programs and operational funding that are critical to overall health of the arts sector in Connecticut, and which bring in National Endowment for the Arts matching funds. It does so with the highest national standards for review and reporting that include transparency, accountability and industry wide best practices. In addition to grants, COA supports statewide arts education initiatives, professional development, workforce development, creative sector research, special projects focused on underserved and rural communities, poet laureate and state troubadour programs, and the Poetry Out Loud initiative.

The Office of the Arts is funded through the “Arts Commission” budget line item with a federal match from the National Endowment for the Arts and receives support from other public and private sources.

COA uses the lenses of relevance, equity, access, diversity, and inclusion (READI) to guide programmatic and investment decisions within a framework of artistic excellence.

### **CT Humanities 101**

CT Humanities (CTH) is an independent, non-profit 501(c)3 state affiliate of the National Endowment for the Humanities. It is the only statewide public humanities organization serving as the primary access point for grant funding for hundreds of Connecticut non-profits, including museums, cultural centers, historical societies, libraries, and civic organizations that enrich and support every community in the state.

For over 40 years, CT Humanities has supported these organizations through grantmaking for exhibits, programs, and digital projects that benefit every Connecticut citizen. CTH has earned public trust through its responsible stewardship of federal, state, and private funds, its peer-review grant-making process, its online educational resources, and its work to support, stabilize, and strengthen the organizations and communities it serves.

In the fiscal year 2020, their work served all 169 Connecticut communities.



# RED ALERT: COVID-19 AND THE CREATIVE ECONOMY IN CONNECTICUT

Creativity, arts, and culture are big business in Connecticut, but the unique nature of the COVID-19 pandemic and the ongoing economic crisis has made the nonprofit creative sector **the hardest hit sector in the country**.<sup>1</sup> Research shows that investment in the arts directly improves the health of the broader economy.<sup>1</sup> Without investment and incentives from federal and state governments, the creative engine driving our local and national economies will continue to struggle.<sup>2</sup>

## THE CREATIVE ECONOMY IS BIG BUSINESS IN CONNECTICUT

THE U.S.'S CREATIVE ECONOMY	
<b>\$878 billion</b>	generated annually in the United States by the creative economy <sup>ii</sup>
<b>4.5%</b>	of GDP generated annually in the United States by the creative economy <sup>ii</sup>
<b>673,656</b>	creative businesses in the United States <sup>iv</sup>
<b>5.1 million</b>	creative workers in the United States <sup>ii</sup>

CONNECTICUT'S CREATIVE ECONOMY	
<b>\$9.3 billion</b>	generated annually in Connecticut by the creative economy <sup>iii</sup>
<b>3.5%</b>	of GSP generated annually in Connecticut by the creative economy <sup>iii</sup>
<b>10,403</b>	creative businesses in Connecticut <sup>iv</sup>
<b>58,932</b>	creative workers in Connecticut <sup>iii</sup>

## COVID-19 HAS DEVASTATED CONNECTICUT'S CREATIVE ECONOMY

RIGHT NOW, IN THE UNITED STATES...	
<b>\$150 billion</b>	lost revenue for creative economy businesses through July 2020 (est.) <sup>v</sup>
<b>67%</b>	creative businesses <b>severely impacted</b> by COVID-19 <sup>vi</sup>
<b>2.7 million</b> (52% unemployed)	creative workers made <b>unemployed</b> by COVID-19 <sup>v</sup>
<b>62%</b>	of creative workers have experienced a <b>drastic decrease in work</b> <sup>vii</sup>
<b>\$77.2 billion</b>	<b>total loss of revenue</b> for creative workers in 2020 (est.) <sup>v</sup>
<b>\$15,140</b> (a 43% loss/person)	average <b>loss of creative revenue per creative worker</b> in 2020 <sup>v, vii</sup>
<b>55%</b>	creative workers now have <b>no savings</b> <sup>vii</sup>

RIGHT NOW, IN CONNECTICUT...	
<b>\$2.4 billion</b>	lost revenue for creative economy businesses in 2020 in Connecticut (est.) <sup>v</sup>
<b>61%</b>	Connecticut creative businesses <b>severely impacted</b> by COVID-19 <sup>vi</sup>
<b>33,258</b> (56% unemployed)	creative workers made <b>unemployed</b> by COVID-19 in Connecticut <sup>v</sup>
<b>57%</b>	of creative workers have experienced a <b>drastic decrease in work</b> <sup>vii</sup>
<b>\$1.11 billion</b>	<b>total loss of revenue</b> for creative workers in Connecticut in 2020 (est.) <sup>v</sup>
<b>\$18,835</b> (a 29% loss/person)	average <b>loss of creative revenue per creative worker</b> in Connecticut in 2020 <sup>v</sup>
<b>49%</b>	creatives in Connecticut now have <b>no savings</b> <sup>vii</sup>



<sup>1</sup> According to [analysis](#) from Johns Hopkins University, the Arts, Culture, and Recreation sector experienced job losses at three times the rate of the next-most-impacted sector from January to August 2020.

<sup>2</sup> **What is the creative economy?** An \$878 billion economic ecosystem of for-profit and nonprofit creative industries, artists, educators, entrepreneurs, vendors, policymakers and funders that produce and distribute creativity- and arts-based goods and services. They use their creativity to create jobs, revenue, community resources, and cultural engagement.