



Testimony: Priscilla M. Luce
Pennsylvania State Senate Testimony
COVID-19 Closure Effect on Tourism & Hospitality
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Good afternoon. Thank you to Senator Scavello for convening this hearing and for allowing me to speak today. My name is Priscilla Luce, interim president, and CEO of the Greater Philadelphia Cultural Alliance, which represents more than 460 arts and culture organizations in the 5-county Philadelphia region.

The arts and culture sector in the 5-county Philadelphia region has felt the tremendous economic impact of COVID-19 closures since March 2020. With two mandated shutdowns by the City of Philadelphia, arts and culture was closed for a total of eight months there. Bucks, Chester, Delaware, and Montgomery counties fared only slightly better. To demonstrate the breathtaking impact of closures on arts and culture, I would like to share findings from the Cultural Alliance's COVID-19 Economic Impact Survey. This provides the most complete view thus far of the economic, social, and programmatic damage inflicted on the Philadelphia region's arts and culture sector by the pandemic.

Let's begin by discussing the stark revenue loss we estimate the arts and culture sector has seen over the past year. From March 2020 through March 2021, the Cultural Alliance estimates a total revenue loss of 371.7 million dollars for the arts and culture sector in the 5-county Philadelphia region. This figure reflects a loss of 1 million dollars a day during the pandemic by the region's arts and culture sector.

This is important for three reasons.

1. First, this loss continues today. Without any action, we are likely to see this number rise dramatically by the end of 2021. We know that recovery for the sector will be a multi-year process and likely won't truly begin until 2022.
2. Second, this figure only accounts for the total revenue loss in our sector. It doesn't even begin to touch on the associated losses and indirect economic impact that arts and culture brings to other sectors like restaurants, shopping, hospitality and even parking.
3. Third, this represents a hollowing out of the sector with significant loss in jobs and programs that have a ripple effect through communities.

Building on this, we asked respondents: *If your organization does not receive any additional funding, how long will you be able to continue to survive on current contributed and earned income streams?*

The response is deeply troubling. **Without immediate action, the data points to a potential loss of up to 41% of the region's arts and culture sector by the fall of 2021.**

The Cultural Alliance has categorized this 41% - reflecting 102 organizations in Southeastern Pennsylvania – as “at-risk” based on their responses to the survey. Let me be clear. While we must protect the anonymity of our survey participants, I can assure that these at-risk organizations reflect long-established arts and culture organizations that serve as community anchors around which other organizations revolve, partner, and perform.

We also found that more than 6,500 individuals’ jobs have been affected, including layoffs, furloughs, reduced hours, and elimination of contractors. Of those jobs, more than 2,400 of them were positions eliminated through layoffs or furloughs. And this accounts only for the job losses reported by survey respondents and is likely significantly higher sector wide.

Clearly, the runway is short for many arts and culture organizations - and it shortens with every passing day. We continue to witness thousands of artists and administrators leave the sector for greater job security and better pay and benefits. Once lost, it is doubtful that they will return.

With no action and no additional funding for arts and culture, a choice is being made to risk the Philadelphia region’s reputation as an international destination, which will undoubtedly affect our ability to attract talent and businesses who want to operate in a culturally vibrant region.

The simple fact is that arts and culture must be viewed as a business engine for long-term recovery in the Commonwealth. This isn’t a “nice to have.” This is a \$3.4 billion industry in the 5-county region that employs thousands and generates hundreds of millions in tax revenue. We need federal stimulus funding now to help restart our sector so we can help restart the economy.

As the Senate begins to consider the disbursements of these funds, I not only ask that arts and culture be accounted for, I also ask that these disbursements occur in as streamlined and equitable a manner as possible. Last year in providing relief funding to the arts through DCED, a parameter was imposed that organizations needed to have received funding from DCED before to be eligible for a grant. With DCED funding already limited, this approach only served organizations with a pre-existing relationship, not necessarily organizations most in need. Equity must be a critical consideration not only in terms of allocations but in how funds are distributed.

As I want to be respectful of time, I will stop there. Again, I thank you for your time and attention.