

March 16, 2020

Dear Friends:

We write in recognition of the severe hardship faced by many Americans in the wake of the Coronavirus pandemic, and in solidarity with our colleagues in the arts and culture sector who face an increasingly daunting array of challenges.

Not only have ticket sales and entry fees been lost, but many organizations have mounted entire productions that now must be cancelled. Others have cancelled spring fundraising galas – vital sources of contributed income. As 401Ks, endowments, and corporate profits falter, immediate and near-term fundraising efforts are all but certain to suffer.

Like many small and mid-sized businesses nationwide, the average arts organization in the United States has scant reserves to cover these losses. A 2018 report from the National Center for Arts Research at SMU found that the average US-based museum or performing arts organization had less than two months of working capital; the average orchestra, only 15 days. This means that cash disruptions grow more likely, by the day, for all but the wealthiest cultural organizations.

For many, it is a lack of clarity on the duration of the crisis that causes the most anxiety. Should we proceed with rehearsals for a new production scheduled for May? Do we issue next season's subscription brochure?

Should we move forward with our capital campaign? Will our reserves outlast the downturn, or are more drastic measures necessary? These are some of the sensible and challenging questions we have heard from arts leaders across the nation.

There is no easy solution. But we recommend the following steps be considered:

1. Ask donors of restricted funds to relax those restrictions, freeing capital for general operating needs
2. Develop extended payment plans with vendors; solicit payment forgiveness from vendors owed money
3. Ask ticket buyers of cancelled performances and fundraising events to forego a refund and, instead, contribute the value of their ticket, allowing artists and employees to be paid
4. For those in city-owned facilities, ask for delayed payment or payment forgiveness
5. Seek to renew external lines of credit, or begin discussions with one's foundation supporters, loyal donors and board members about the formation of low- or no-interest loans
6. Activate the greater organizational "family" – more of whom are likely home from work – to support the organization in a volunteer function
7. If circumstances demand increased liquidity, borrow, judiciously, from endowments and restricted reserves (recognizing that many organizations will not have this option).

Critically, arts organizations must continue to plan for the future, and, in the meantime, work to maintain their visibility, relevance, and service –through online activity, thought leadership, and consistent communication. When we exit this difficult period, it is the organizations that have maintained visibility and go on to produce the most exciting and important art that will benefit from the burst of engagement we expect to see after a period of social distancing. Now is not the time to become overly cautious or timid about art-making and marketing.

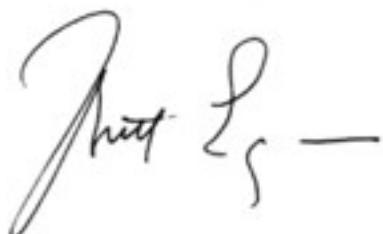
Finally, and urgently – many organizations will simply not survive a weeks- long downturn of the current magnitude without a substantive and immediate response from foundations and others with access to capital. As such, we respectfully call on foundations and local government arts agencies throughout America to immediately consider means to release restrictions on current grants; provide additional, unrestricted, general operating support; and help secure low- or no-interest loans for organizations in need. We are aware that many foundations are already considering these actions and we are truly grateful. Simultaneously, we urge arts managers and their board members to evaluate closely their position and request no more than is necessary to stave off cash disruption.

According to [Americans for the Arts](#), each year our country's 100,000 non-profit arts and culture organizations account for \$166.3 billion in total direct expenditures; support 4.6 million jobs; and generate \$27.5 billion in revenue for local, state, and federal governments.

As such, we submit that immediate action to buttress arts and culture institutions presents a critical, effective, and substantive step in the wider effort to ensure economic and social stability for all Americans during this difficult time. Given the likelihood this money will be deployed immediately by arts organizations in need, swift action will benefit not only organizations, but their artists, employees, vendors, and communities — recycling that dollar at multiple levels throughout the community. Now is the time to put that capital to work.



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