

SJAA Budget Talking Points FY21-22

The arts, culture, and creative industries ecosystem in California, the Bay Area, and San José is vast and impactful. After more than a year of sheltering in place and Zooming in and out, there has never been a more critical time for hope, inspiration, healing, and the mental health benefits that arts and artists can bring to our communities.

The California creative economy **generates \$230 billion annually**, which is over 8% of the gross state product —, ahead of the construction and transportation industries — and **employs over 750,000 workers**.

According to Americans for the Arts, San José's nonprofit arts industry generates nearly **\$200M in annual economic impact** and supports **more than 4,000 jobs**.

The impacts of the COVID-19 pandemic on California's creative industry have been severe:

- **\$43.1 billion in lost revenue** for creative economy businesses in 2020
- **453,332** creative businesses severely impacted by COVID 19
- **59% unemployment** in the creative sector
- **\$18,584 average loss** of creative revenue per creative worker (a 37% loss/person)
- **60%** of CA creatives with no savings

These impacts have been felt the hardest by small arts businesses and nonprofits, and predominantly in communities of color. After more than a year of lost revenue due to the pandemic, these organizations need help reopening and putting their people back to work.

We call on the City of San José to:

Fully fund the Cultural Grants program administered by the Office of Economic Development and Cultural Affairs at pre-pandemic levels — approximately \$8.3M in FY19-20.

Offset significant shortfalls in the Transient Occupancy Tax (TOT) during the pandemic with American Rescue Plan (ARP) funds. This is already being done in Los Angeles and other cities.

Invest \$5M of ARP funds in creative workforce development, including grants and payroll protection loans to creative nonprofits and small businesses to help them employ more artists and creative workers.

Invest another \$1M in ARP funds in an economic relief program for San José artists hardest hit by the COVID 19 pandemic, similar to a monthly stimulus payment program recently implemented in San Francisco.

Use an equity lens to guide all outreach, engagement, deliberations, and decisions in order to keep these programs accessible to our entire creative community.