



San José Arts Advocates

May 26, 2021

Honorable Mayor and City Council,

San José Arts Advocates (SJAA) is a collaborative project dedicated to education, advocacy, and action to support arts and culture. We write to you today on behalf of San José's creative community — including individual artists, nonprofit arts and culture organizations, creative businesses, and arts advocates — to ask that you use the City's FY2021-2022 budget to fully invest in our arts and cultural ecosystem, leveraging San José's projected \$212 million in American Rescue Plan (ARP) funds to fill funding gaps left in the wake of the ongoing COVID-19 pandemic.

The arts, culture, and creative industries in California, the Bay Area, and San José are 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 alone generates nearly **\$200 million in annual economic impact** and supports **more than 4,000 jobs**.

The impacts of COVID-19 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 revenue** per creative worker (a 37% loss/person); and
- **60% of 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.

While we thank the City Manager for including \$2 million for the arts in his Budget Addenda for Community and Economic Recovery to backfill COVID-related declines in Transient Occupancy Tax (TOT) revenue, it is simply not enough. In order to support the recovery and resilience of our essential creative community, we call on city leaders 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 all shortfalls in TOT revenue dedicated to Cultural Affairs using ARP funds.** This is already being done in Los Angeles and other cities.
- **Invest \$5M of ARP funds in local creative workforce development,** including grants to creative nonprofits and small businesses to help them employ more local artists and creative workers on projects to rebuild civic life throughout San José.
- **Invest another \$1M in ARP funds in an economic relief program for individual San José artists** hardest hit by the COVID-19 pandemic, similar to a monthly stimulus payment program recently implemented in San Francisco.
- **Use the core values of equity and transparency to guide all outreach, engagement, deliberations, and decisions** in order to keep these programs accessible to our entire creative community.

We thank you for your previous support of San José's creative community, and we are grateful for the opportunity to share our concerns and recommendations with you. Please feel free to reach out to us with any questions or to engage in a dialogue on these critical issues.

Sincerely,

San José Arts Advocates
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cc:
City Manager
Budget Director
Economic Development Director
Cultural Affairs Director