

Early COVID-19 Impacts
on OAC-Funded Arts
Organizations

SURVEY FINDINGS

April 2020

ONTARIO ARTS COUNCIL



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CONSEIL DES ARTS DE L'ONTARIO

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un organisme du gouvernement de l'Ontario

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Ce rapport est également disponible en français.

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Introduction and Methodology

In April 2020, the Ontario Arts Council (OAC) undertook a survey to gather some high-level indicators of the early impacts of COVID-19 on OAC-funded arts organizations. The survey focused on three key measures: revenue loss, staffing impacts and activity levels.

The survey was intentionally brief to reduce the burden on organizations, and was meant to complement the more detailed work being done by the various art service organizations and others, whose impact surveys are naturally more specific to their individual sectors – and therefore aren't easy to aggregate into overall figures.

The survey was sent to leaders of arts organizations that had received either a project or operating grant from OAC in the past two years.

A survey link was sent via email to key contacts at 715 organizations on April 1, 2020. The survey was open for two weeks – until April 14, 2020. A total of 441 responses were received – representing a response rate of 62%. Given that many offices are closed and functioning from home with reduced staff, it is likely that some of the 715 organizations' staff emails are not being monitored. For this reason, the response rate for organizations that the survey invitation actually reached is likely somewhat higher.

It is important to note that this survey provides an initial point-in-time snapshot of the early impacts of COVID-19 on Ontario's arts organizations given that the outlook is changing daily.

Even at this early stage, it is clear that the negative impacts of this situation will have devastating and multi-layered impacts on Ontario's arts sector, both immediate and over a long period of time. These impacts will be felt by the most vulnerable of the artists and arts organizations that OAC supports as well as the most well established.

At an appropriate time, OAC will undertake a more comprehensive analysis to provide a deeper understanding of the overall impact of COVID-19 on Ontario's arts sector.

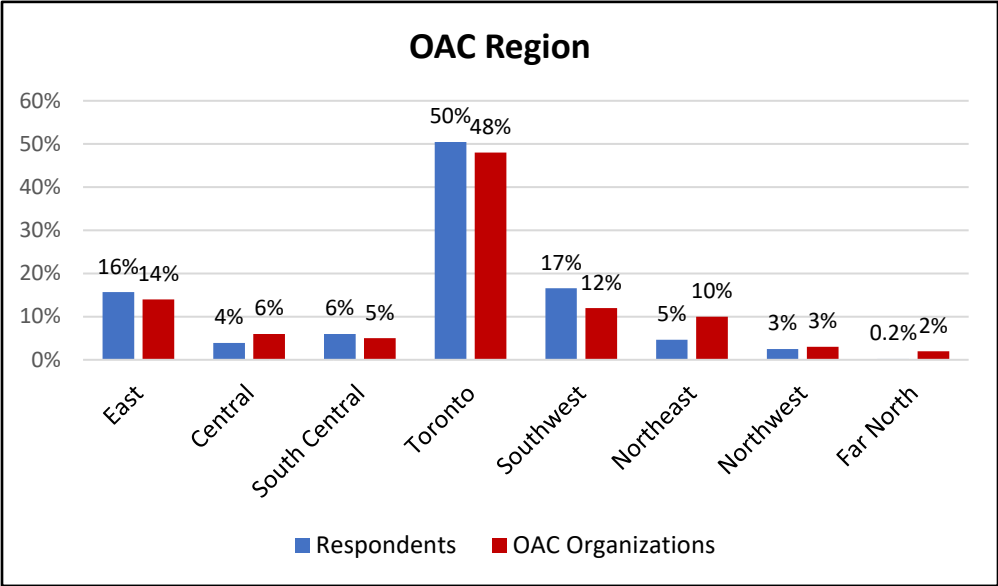
Highlights

- The anticipated loss of revenue up to the end of June due to COVID-19 for all organizations combined totaled \$128 million.
- The \$128 million anticipated loss of revenues to the end of June due to COVID-19 represents an average loss of 16% of the responding organizations' total annual revenue.
- Close to three-quarters (71%) of responding organizations confirmed that they will have to take some action relating to staff/personnel decisions by the end of June if the current situation continues.
- Almost all (94%) of the responding organizations have cancelled or postponed performances, exhibitions, screenings, readings or other events due to COVID-19.

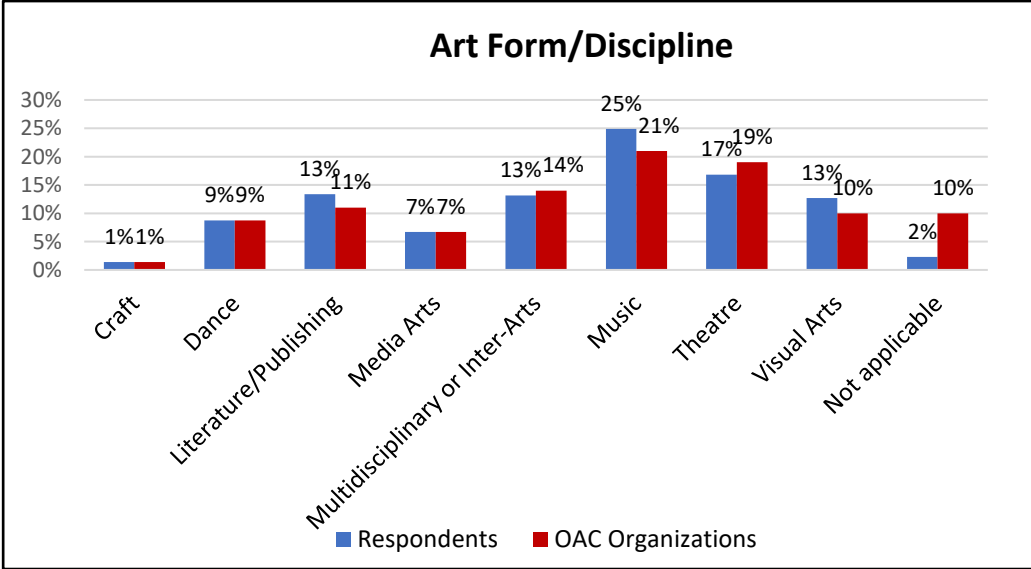
Respondent Profile

Respondents were asked to indicate the region in which their organization is based and the art form/discipline that is the main focus of their organization’s mandate.

The overall distribution of respondents by both region and art form/discipline largely reflected the actual distribution of OAC-funded organizations.



However, the Southwest region was slightly over-represented among survey respondents, and the Northwest and Far North regions were slightly under-represented, compared to the actual distribution of OAC organizational grant recipients.



Impact of Revenue Loss Due to COVID-19

Respondents were asked what their organization's current estimate of anticipated loss of revenue up to the end of June 2020 due to COVID-19.

The anticipated loss of revenue up to the end of June due to COVID-19 for all organizations combined totaled \$128 million.



**Anticipated loss of revenue
up to the end of June 2020 due to COVID-19**

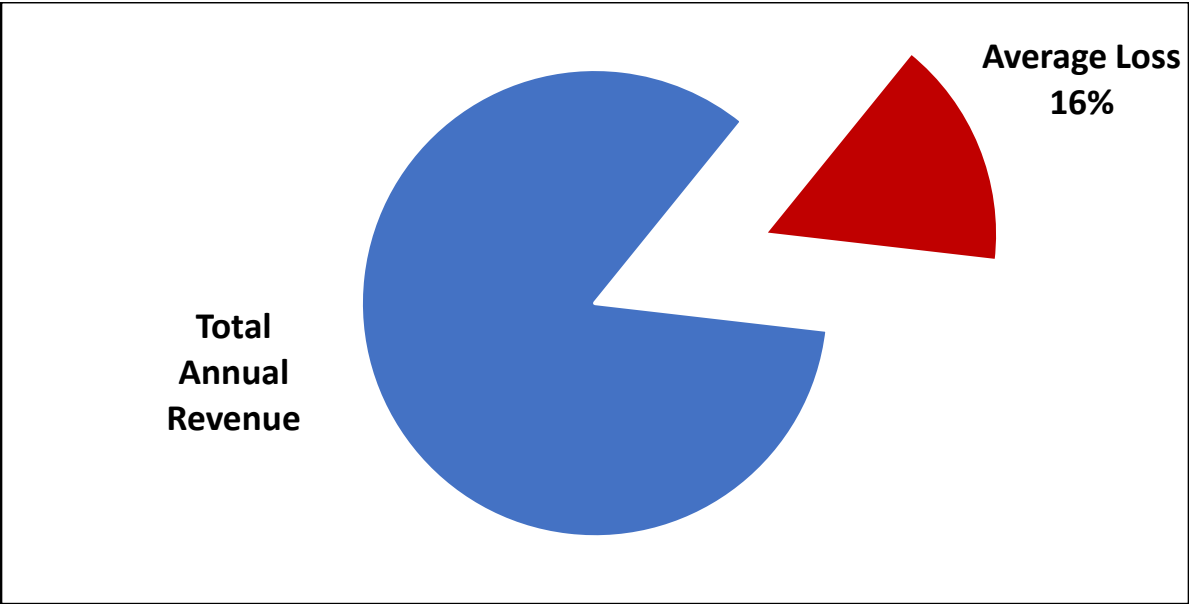
↓ \$128 million

n=434

Impact on Total Annual Revenue

The \$128 million anticipated loss of revenues to the end of June 2020 due to COVID-19 represents an average loss of 16% of the responding organizations' total annual revenue. It is important to note that this represents only the loss *so far* – i.e. only to the end of June.

What proportion (%) of your organization's total *annual* revenue does this loss represent?



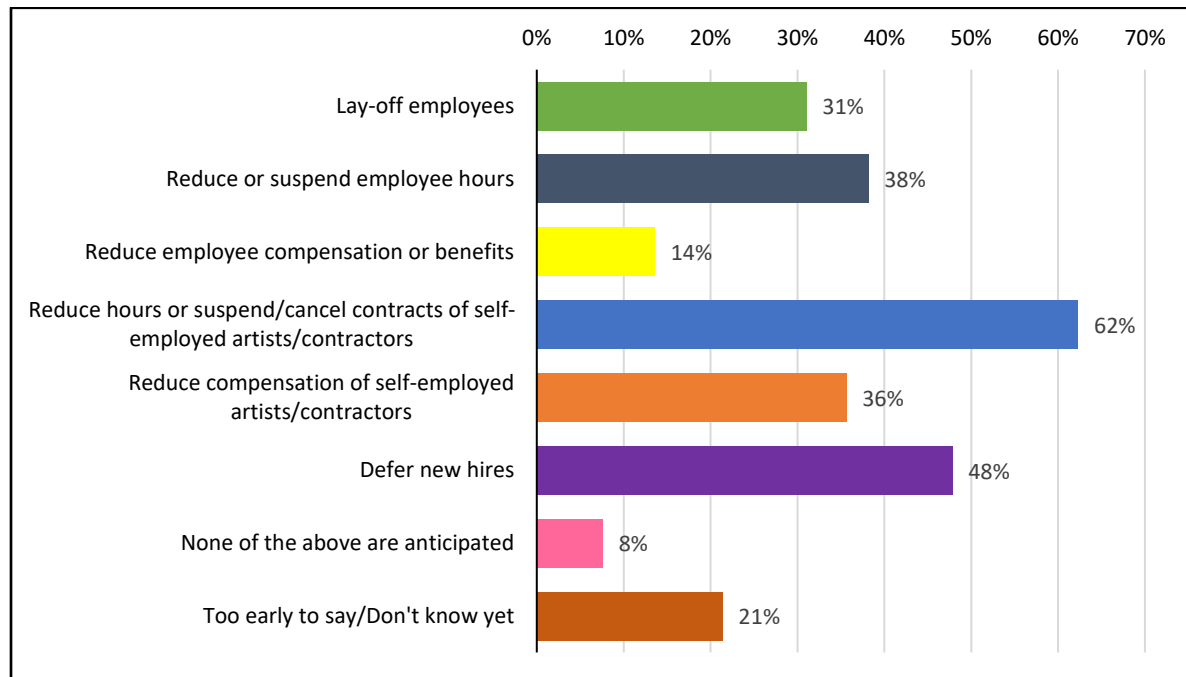
n=432

Staff/Personnel Impacts

Close to three-quarters (71%) of responding organizations confirmed that they will have to take some action relating to staff/personnel decisions by the end of June if the current situation continues. This includes 31% that indicated that they would have to lay-off employees (i.e. full- or part-time salaried or hourly employees), 38% that would have to reduce or suspend employee hours, and 14% that would have to reduce employee compensation. Fully 62% of responding organizations indicated that they would have to reduce hours or suspend/cancel contracts of self-employed artists or other independent contractors and 36% said that they would have to reduce the compensation of these artists and other independent contractors.

One in five respondents (21%) indicated that it is too early to say or don't know whether or not they will have to take any such actions before the end of June 2020. Only 8% of responding organizations said that they are not anticipating taking any of these actions before the end of June.

Which, if any, of the following actions relating to staff/personnel decisions will you have to take by the end of June if the current situation continues? (Please select all that apply.)

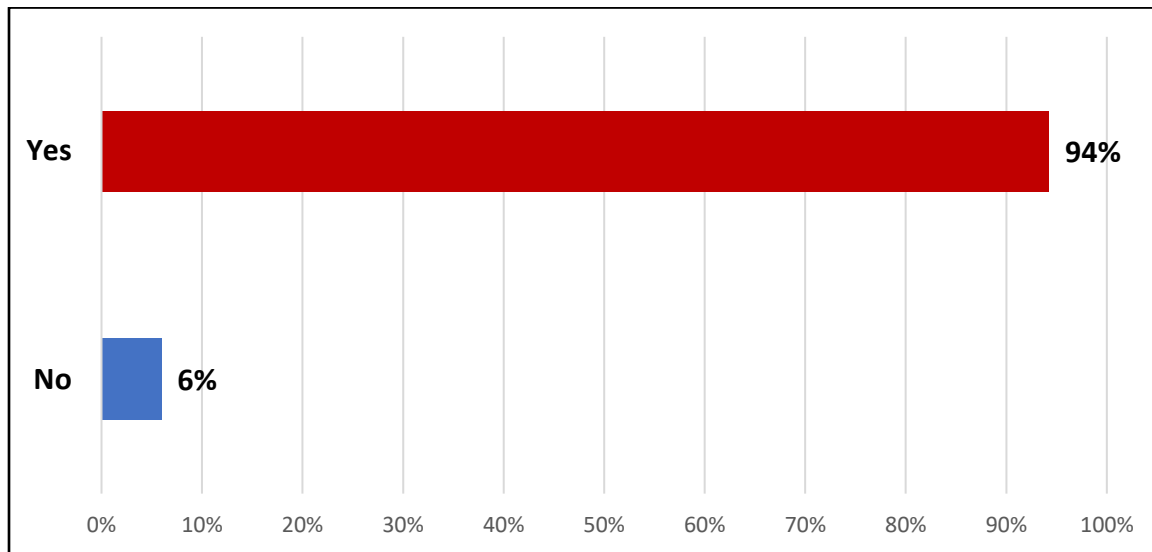


n=435

Activity Impacts

Almost all (94%) of the responding organizations have cancelled or postponed performances, exhibitions, screenings, readings or other events due to COVID-19. Only 6% had not yet done so.

Has your organization cancelled or postponed performances, exhibitions, screenings, readings or other events due to COVID-19?

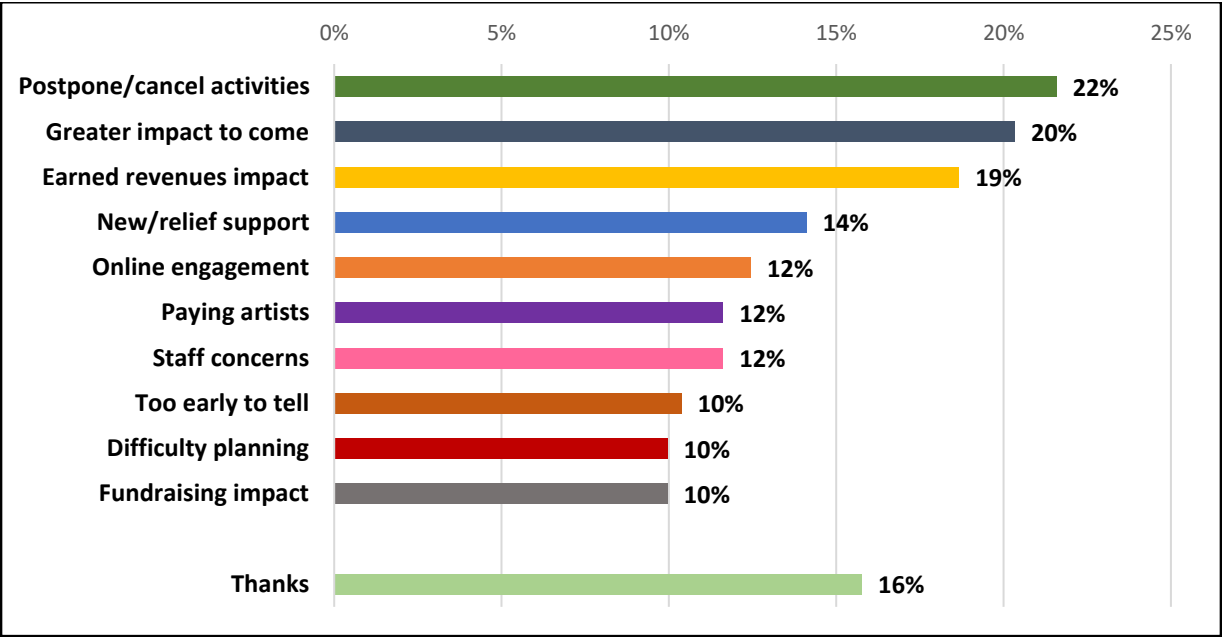


n=435

Comments

Respondents were given the option of adding comments. Over half (55%) chose to do so. The comments touched on a wide range of topics – and usually included mention of more than one issue.

The chart below shows the percent of respondents that mentioned the various topics in their comments. It is important to note that this does *not* indicate the relative importance respondents placed on these issues – only what was top of mind and/or concerns they chose to mention in the comments.



n=241

Many of the respondents took the opportunity to describe the activities that they have had to cancel or postpone. Many provided details about the current or anticipated impacts on their earned revenues and fundraising. Concerns relating to staff (e.g. layoffs, compensation, and their health/stress) and concerns about honouring contracts with their artists were both identified as priorities. The need for new or relief support (beyond regular grants) was frequently mentioned.

Numerous organizations noted that they are exploring online engagement as a way to keep connected with their audiences/visitors, donors and members. Some of these noted the inherent challenges in doing so.

Many noted that it is too early at this point to tell what the full impact of COVID-19 will be, and/or cautioned that the greater impact is yet to come. The difficulty that this uncertainty is causing for planning – for the summer, fall and further into next season – was also raised.

While these were the most frequently mentioned topics, concerns were also expressed about audience loss/retention, cash flow issues, the need for stable support and the financial pressures caused by committed expenses (such as rent).

Finally, while not an issue or concern, 16% of the responding organizations thanked OAC for either gathering this data, our communications with the sector or our flexibility in programs in response to the current situation.

Sample Comments

As noted, the comments made by respondents touched on a range of issues – often several issues in one comment. The following represent just a few examples of the comments provided.

- *We have honoured all employment and temporary contracts, but have postponed two productions. Private fundraising has been significantly reduced, in addition to the loss of ticket revenue over this period while we continue to pay contracts. We say that performances are postponed, but rescheduling them while honouring contracts for next season will be extremely difficult. We also anticipate the increased competition for donations will have a negative impact on our ability to manage next season.*
- *We have cancelled 75% of our operations as a result of COVID-19 and are waiting to make a decision on the remaining 25%. (Original in French)*
- *We've lost 100% of our revenue due to covid-19, our doors closed on March 15 and cannot open until people are able to gather again in large groups. Our multi-purpose space hosts theatre rehearsal & productions, music concerts & rehearsals, public workshops & events. We expect it to be many months before people can and are comfortable meeting in large groups again.*
- *Our staff remains our primary concern at this time. The loss of revenues from cancelled and postponed programs, including ticket sales, advertising sales, rentals, partnerships and sponsorships, has meant that, effective April 6th, our organization can no longer maintain the status quo with respect to staffing. We are exploring the various options: temporary layoffs, reduced hours, deferred salaries, or some combination thereof. The lack of clear and detailed information on government relief programs to date has meant that we may have to make staffing decisions without a full understanding of the best options for both the staff and the organization.*
- *Deeply concerned for the health of our organization and that of our independent artists. The organizational projected loss of 5% until the end of June might not seem significant, as we remain hopeful at this time, that we will be in a position to move forward with an abbreviated version of the September festival. However, I'd like note that we are anticipating a projected loss of a minimum of 45% to the overall annual 2020 projected budget.*
- *There is a good chance we will have to cut hours or cut pay of the remaining 1.5 staff members before the end of June. Approx. 25% of our revenue comes from our summer art camps and educational programs. This is typically the time of year when we would see registrations for these programs, this is obviously not the case yet this year. We have had zero registrations since*

March 13th and at this point it is debatable whether these programs will even run. If closures and cancellations continue into the summer months this will severely impact our revenue for the entire year as most of our visitation and the majority of our education income occurs between May and September.

- I feel as though we are still very much in the early stages of this pandemic and projections of anything are from the perspective of today. In 8 weeks, all of the information I have provided could well be different. Our current losses could increase significantly in that time frame.*
- It is impossible to make plans. It is becoming clear that next season is also in jeopardy. One thought was to push this year's May concert to 2021 and bump next season's big concert.*
- The impact of the pandemic on the publishing industry is likely to be felt well beyond the end of June. Even if stores and businesses are reopened over the course of the summer, the impact of the current shutdown will have far-reaching impacts on all parts of the supply chain, including creators, impacts that simply can't be quantified at this point. We appreciate the OAC's support during this time and look forward to on-going conversations with the OAC about how best to support the industry.*
- It's been hard to make decisions as information has been (understandably) constantly shifting. This is definitely affecting our planning for the fall. Our earned revenue has gone to zero and it's really hard to guess how willing people will be to gather, even once they are allowed to do so.*
- Thank you for asking! We appreciate the early disbursement of funds for 2020-2021 to assist with cashflow. But the best help would be to have special Covid-19 recovery grants, over and above 2020-2021 operating grants, to help us pay for extra communications during the summer and early in the season to regain our patrons. We will need to do more paid online marketing and also more direct mail than usual.*
- Government support will be required for all arts organizations to some degree as most rely on live performances and events in person for revenue generation. Online option even if small fee cannot replace the other. If province wants any arts and culture in the future, it will need to provide some backstop for a year or two or we will have a lot less arts. It is unclear if private donors will come to the plate as many will be hit financially as well.*
- There are challenges being in northern Ontario with operations impacted by limited access to high speed internet. Our organization had been delivering face to face work shops and has pivoted operations to focus on developing content to the digital space for our projects. There will be new learning curves for the organization as it goes through change.*
- Given the assault on human and financial (including endowed funds) resources caused by the pandemic, I suspect when we come out the other end, many institutions will have changed dramatically from what they were when we "went in," that is, in terms of: who and how many staff; what we do for audiences and how we do it; how we meet, communicate and share information amongst colleagues and institutions; and so forth.*