



# RED ALERT: COVID-19 AND THE CREATIVE ECONOMY IN MINNESOTA

The creative economy are big business in Minnesota, but due to the COVID-19 pandemic and economic crisis, the creative sector is among the **most impacted industries** nationally and in the state.<sup>1</sup> Investing in the arts directly improves the health of the broader economy,<sup>i</sup> including boosting tourism, travel, and spending at hotels and restaurants. Without recovery investment, the creative engine and local economies will continue to struggle.<sup>2</sup>

## THE CREATIVE ECONOMY IS BIG BUSINESS IN MINNESOTA

| THE U.S.'S CREATIVE ECONOMY |  | MINNESOTA'S CREATIVE ECONOMY |   |
|-----------------------------|--|------------------------------|---|
| <b>\$919.7 billion</b>      | generated annually in the United States by the creative economy <sup>ii</sup>        | <b>\$12.6 billion</b>        | generated in Minnesota by the creative economy <sup>iii</sup>                 |
| <b>4.3%</b>                 | of GDP generated annually in the United States by the creative economy <sup>ii</sup> | <b>3.3%</b>                  | of GSP generated annually in Minnesota by the creative economy <sup>iii</sup> |
| <b>673,656</b>              | creative businesses in the United States <sup>iv</sup>                               | <b>13,039</b>                | creative businesses in Minnesota <sup>iv</sup>                                |
| <b>5.2 million</b>          | creative workers in the United States <sup>ii</sup>                                  | <b>95,024</b>                | creative workers in Minnesota <sup>iii</sup>                                  |

## COVID-19 HAS DEVASTATED MINNESOTA'S CREATIVE ECONOMY

| RIGHT NOW, IN THE UNITED STATES...     |   | RIGHT NOW, IN MINNESOTA...             |   |
|--|---|--|---|
| <b>\$150 billion</b>                   | lost revenue for creative economy businesses through July 2020 (est.) <sup>v</sup>    | <b>\$2.2 billion</b>                   | lost revenue for creative economy businesses in 2020 in Minnesota (est.) <sup>v</sup>         |
| <b>67%</b>                             | creative businesses <b>severely impacted</b> by COVID-19 <sup>vi</sup>                | <b>64%</b>                             | Minnesota creative businesses <b>severely impacted</b> by COVID-19 <sup>vi</sup>              |
| <b>2.7 million</b><br>(52% unemployed) | creative workers made <b>unemployed</b> by COVID-19 <sup>v</sup>                      | <b>56,190</b><br>(57% unemployed)      | creative workers made <b>unemployed</b> by COVID-19 in Minnesota <sup>v</sup>                 |
| <b>\$77.2 billion</b>                  | <b>total loss of revenue</b> for creative workers in 2020 (est.) <sup>v</sup>         | <b>\$1.4 billion</b>                   | <b>total loss of revenue</b> for creative workers in Minnesota in 2020 (est.) <sup>v</sup>    |
| <b>\$15,140</b><br>(a 43% loss/person) | average <b>loss of creative revenue per creative worker</b> in 2020 <sup>v, vii</sup> | <b>\$14,312</b><br>(a 37% loss/person) | average <b>loss of creative revenue per creative worker</b> in Minnesota in 2020 <sup>v</sup> |
| <b>55%</b>                             | creative workers now have <b>no savings</b> <sup>vii</sup>                            | <b>45%</b>                             | creatives in Minnesota now have <b>no savings</b> <sup>vii</sup>                              |

## COVID-19 HAS PARTICULARLY HURT MINNESOTA'S CREATIVES OF COLOR

| RIGHT NOW, IN THE UNITED STATES...   | RIGHT NOW, IN MINNESOTA...   |
|--|--|
| Black, Indigenous, and creatives of color (BIPOC) report <b>higher rates of unemployment (69% vs. 60%)</b> and are <b>losing a larger portion of their income (61% vs. 56%)</b> . <sup>vii</sup> | <b>77%</b> of BIPOC creative workers have become <b>unemployed</b> (vs. 58% of white creative workers). <sup>vii</sup> |

<sup>1</sup> According to the international [Organization for Economic Co-operation and Development](#), as well as [Johns Hopkins University](#).

<sup>2</sup> **What is the creative economy?** An \$878 billion economic ecosystem of for-profit and nonprofit creative industries, artists, educators, entrepreneurs, vendors, policymakers and funders that produce and distribute creativity- and arts-based goods and services. They use their creativity to create jobs, revenue, community resources, and cultural engagement.

## THE CREATIVE SECTOR DRIVES TRAVEL, TOURISM, AND HOSPITALITY

**\$.83 of every dollar**

invested in an artist is **reinvested in local economies** in the form of supplies, rentals, supplemental hiring, and other expenses that would not occur without that initial investment.<sup>viii</sup>

**\$31.47**

average amount each arts attendee spends *beyond the ticket cost* on meals, retail, parking, lodging, local transportation, childcare, and souvenirs. **That's over \$100 billion each year to support local merchants, energize downtowns, and pay salaries and wages in non-arts sectors directly because of cultural events.**<sup>x</sup>

## CREATIVE WORKERS AND BUSINESSES STAND READY TO AID RECOVERY

**76%**

of artists have used their art to raise morale and create community cohesion during the pandemic.<sup>vii</sup>

**83%**

of creative workers are ready today to put their creative practice to use as part of the national recovery.<sup>vii</sup>

**89%**

of arts nonprofits boosted morale through their art during the pandemic.<sup>vi</sup>

## THE CREATIVE ENGINE CAN POWER AMERICA'S ECONOMIC RECOVERY

*Any investment in infrastructure, community, and workforce recovery must include the creative economy.*

### **Additional Relief for Creative Workers and Companies**

To address the devastating long-term impact of the COVID-19 pandemic on the creative economy, and to preserve cultural infrastructure and capitalize on the economic and social rebuilding benefits of the arts, creative workers and creative businesses seek additional investment in relief efforts to support the sector.

### **Improved Conditions for Independent Contractors**

91% of all arts, culture, and recreation businesses are solo entrepreneurs, and millions of creative workers are independent workers.<sup>ix</sup> This locks them out of unemployment benefits, affordable health insurance, and access to capital—which must change to ensure a sustainable living.

### **Restart Funds & Hiring/Retention Incentives**

Both directly and by redistribution to local and state government, the creative sector seeks financial runways to allow cash-strapped creative businesses to restart and produce new sellable creative products and incentives for businesses and schools to accelerate rehiring and encourage retention of creative workers.

### **Changes to Inequitable Federal Policies**

At no additional cost to the government, the creative sector seeks adjustments to various existing federal policies that disallow or discriminate against creative workers and other independent workers. These are outlined in the CREATE and PLACE Acts.

### **Federal Investment in Residencies, Commissions**

Echoing previous federal works programs, the creative sector seeks artist and creative worker residencies within federal departments, direct commissioning of individual artists and cultural organizations, and the integration of creative workers into health, safety, education, and community development programs.

### **Stronger Representation within Government**

To coordinate the policy relevant to the creative economy, with a particular focus on recovery and relief, the creative sector recommends the installation of an Arts, Culture, and Creative Economy senior advisor to maximize the impact and recognition of creative enterprise.

**These recommendations are adapted from the [Put Creative Workers to Work](#) platform, which has been endorsed by over 2,300 creative businesses and workers in all 50 states.<sup>xi</sup>**

<sup>i</sup> Source: [U.S. Bureau of Economic Analysis](#), 2020

<sup>ii</sup> Source: [U.S. Bureau of Economic Analysis](#), 2019

<sup>iii</sup> Source: [U.S. Bureau of Economic Analysis - State Profiles](#), 2019

<sup>iv</sup> Source: Americans for the Arts, [Creative Industries](#), 2017

<sup>v</sup> Source: Brookings Institution, [Lost Art](#), 2020

<sup>vi</sup> Source: Americans for the Arts, [COVID-19 Impact on the Nonprofit Arts Sector](#), 2020, as of December 20, 2020

<sup>vii</sup> Source: Americans for the Arts, [COVID-19 Impact on Creative Workers](#), 2020, as of December 20, 2020

<sup>viii</sup> Source: [Creative MN](#), 2017, \$36,731 supports 1 artist job, artist re-spends \$30,000.

<sup>ix</sup> Source: CERF+, Pandemic Assistance Falls Short for Self-Employed Workers, 2020

<sup>x</sup> Source: Americans for the Arts, [Arts & Economic Prosperity 5](#), 2017

<sup>xi</sup> Find out more at [www.creativeworkers.net](http://www.creativeworkers.net).