

## TESTIMONY TO NEW YORK STATE SENATE FINANCE COMMITTEE AND NEW YORK STATE ASSEMBLY WAYS AND MEANS COMMITTEE JOINT LEGISLATIVE HEARING ON THE FISCAL YEAR (FY) 2023-24 EXECUTIVE BUDGET PROPOSAL: ECONOMIC DEVELOPMENT/ARTS

Thursday, February 9, 2023

### Testimony to New York State Senate Finance Committee and New York State Assembly Ways and Means Committee Joint Legislative Hearing on the Fiscal Year (FY) 2023-24 Executive Budget Proposal: Economic Development/Arts

By Dance/NYC

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Thank you for your consideration of this testimony, submitted on behalf of Dance/NYC ([Dance.NYC](https://www.dance-nyc.org)), a service organization that reaches over 5,000 individual dance artists, 1,200 dance-making entities, 500 non-profit dance companies, and the many for-profit dance businesses based in the metropolitan New York City area. Its areas of service are of special benefit to BIPOC (Black, Indigenous, and Peoples of Color), immigrant, disabled, low-income and small budget dance workers. Dance/NYC is a service organization for the dance sector in the metropolitan NYC area, and its action-oriented research and advocacy seek to represent and advance the interests of the dance field. It embeds the values of justice, equity, and inclusion into all aspects of its operations and frames the following requests through the lens of those values.

Dance/NYC joins colleague advocates working across creative disciplines in thanking you for your leadership and requesting:

- \$150 million in total baseline funding to the New York State Council on the Arts;
- \$15M statewide Cultural Equity Fund for cultural organizations in underserved communities and the prioritization of all new and existing funding and economic development programs for small budget arts and cultural organizations, and sole proprietorships, led by and primarily serving BIPOC, disabled, immigrant communities that have historically lacked access to resources and support;
- \$150,000 in funding for the establishment of an Arts Education Coordinator position within the New York State Department of Education (NYSED);
- \$2M to restore statewide summer school programs in Art, Music, Theater, Dance, and Media Arts, which were suspended due to the COVID-19 pandemic.

Contributions of the Arts and Culture industry are at the core of New York State's economic development and essential to its overall economic health. In addition to being the number one driver of tourism to the state, the arts and cultural sector generates \$123.2 billion in economic activity and accounts for 7% of value added to the New York State economy<sup>1</sup> and nearly 13% of New York City's total economic output.<sup>2</sup> In 2019, New York City's arts, entertainment, and recreation sector employed 93,500 people in 6,250 establishments amounting to \$7.4 billion in wages.<sup>3</sup> Arts and culture is also a major national export industry, with \$1.6 billion generated by the expenditures of cultural tourists and the proceeds of touring companies.<sup>4</sup> Adjacent industries that benefit the most from the dynamic economic activities generated by the arts and culture sector include real estate, business and professional services, wholesale and retail trade, eating and drinking establishments, hotels and personal services, utilities, transportation, medical and educational services, finance and insurance.<sup>5</sup> Independent artists, writers and performers, performing arts companies, and promoters of performing arts are among the top five core industries within the arts and cultural sector.

Studies have shown that the arts and culture sector has sustained and continues to incur some of the worst impact of the COVID-19 pandemic. A 2020 COVID-19 impact study by the Brookings Institution estimated that the creative industry in New York lost almost 280,000 jobs and \$26.8 billion in revenues, the second highest rates in the country after California.<sup>6</sup> In New York City, 95% of cultural organizations canceled programming, 88% modified the delivery of their programs, and 11% had to stop providing products or services to their communities resulting in accrued losses of over \$6.8 billion.<sup>7</sup> Dance/NYC's own study finds that dance organization, group, and project budgets shrunk by 31%, with the smallest organizations losing an average of 52%.<sup>8</sup> The study also reveals the disproportionate impact that the pandemic has had on small-budget groups and individual dance makers, which make up the majority of the dance-making sector but have historically lacked access to resources and support. Additionally, these impacts are felt most acutely by arts workers who identify as BIPOC, immigrants, and disabled among communities with less access to capital reserves. As of February 2022, total employment in the arts, entertainment, and recreation sector remains 18.8% below pre-pandemic levels.<sup>9</sup>

The New York State Council on the Arts (NYSCA) is the only State agency dedicated to supporting arts and culture. An investment of \$150 million in NYSCA would bolster the agency's capacity to provide grants to organizations for operations and capital investments and put individual arts workers back to work through employment programs. NYSCA has long served as a lifeline for arts and cultural organizations to sustain their work and deepen their engagement with communities, and a substantial increase in baseline funding for NYSCA can allow its provisions to adequately address the immediate needs of the sector and sustain its long term growth. The need in the arts and cultural sector far outweighs the resources currently available in NYSCA – in fiscal year 2022, NYSCA was allocated \$20 million for capital funding grants, though it received \$68 million in capital funding requests.

The growth and resilience of the cultural sector has long been impeded by historic underinvestment and underrepresentation in policymaking by the state and city governments and agencies of BIPOC, disabled people, and immigrant arts workers and community-based cultural organizations who face persistent systemic barriers that have long perpetuated patterns of inequity in the field. This includes lack of access to funding at the governmental and philanthropic levels. The creation of a \$15 million Cultural Equity Fund as a part of NYSCA's permanent programs can ensure that funding and programs reflect and serve the needs of historically marginalized and underinvested communities and the organizations that serve them.

Arts and culture are an integral part of a neighborhood cultural ecosystem that promote social well-being in the community.<sup>10</sup> Studies have shown that the presence of cultural resources is significantly associated with improved outcomes in mental health, education, youth involvement in the criminal justice system, community safety, and other dimensions of well-being of a community.

The qualitative benefits of arts education, in particular, are far-ranging. Arts education supports social and emotional well being while fostering creativity, critical thinking, team-building, self-reflection, and communication skills. Arts programming cultivates a welcoming, creative school

environment, and arts partnerships and after school programs support students and their families to participate as engaged members of their communities.<sup>11</sup> A well-rounded education in the arts opens diverse pathways to learning and expressions of knowledge for students with disabilities and English language learners, which provides students an outlet to recognize and express their social and cultural identities. Yet New York remains one of only 19 states that do not include the arts as a core subject in schools, a critical gap that the passage of [Senate Bill 285](#) and [Assembly Bill 1502](#), which will mandate incorporating arts and music education into the public school curriculum, will rectify. In order to advance the representation and prioritization of arts education in the State, New York State Education Department (NYSED) allocations outlined in the Governor's current budget can be supplemented by \$150,000 in funding toward the establishment of an Arts Education Coordinator position at NYSED and the further development of arts education programming in the State school system. This includes an allocation of \$2 million to restore statewide summer school programs in Art, Music, Theater, Dance, and Media Arts that were suspended due to the COVID-19 pandemic. Arts education fosters generational learning and engagement that further drive and sustain the economic contributions of the arts and cultural sector.

Arts and culture can lead New York's economic recovery and these investments can help ensure their resilience, growth, and long-term survival. Equity must be at the center of all budget allocations and funding programs across State agencies. Communities of color, disabled people, and immigrants continue to endure disproportionate economic and social impacts of the pandemic. Individual arts workers and small-budget cultural organizations serving these historically underinvested communities should be prioritized throughout the State's programs to support pandemic recovery and overall economic development.

For Dance/NYC and its constituents, the most urgent priorities are:

- \$150 million in total baseline funding to the New York State Council on the Arts;
- \$15M statewide Cultural Equity Fund for cultural organizations in underserved communities and the prioritization of all new and existing funding and economic development programs for small budget arts and cultural organizations, and sole proprietorships, led by and primarily serving BIPOC, disabled, immigrant communities that have historically lacked access to resources and support;
- \$150,000 in funding for the establishment of an Arts Education Coordinator position within the New York State Department of Education (NYSED);
- \$2M to restore statewide summer school programs in Art, Music, Theater, Dance, and Media Arts, which were suspended due to the COVID-19 pandemic.

Dance/NYC thanks you for your consideration and commends your leadership and ongoing efforts to ensure that New York remains a capital for arts and culture.

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<sup>1</sup> Bureau of Economic Analysis. Arts and Cultural Production Satellite Account, New York (2019). <https://apps.bea.gov/data/special-topics/arts-and-culture/summary-sheets/Arts%20-%20New%20York.pdf>

<sup>2</sup> Office of the New York City Comptroller (2019). The Creative Economy: Art, Culture and Creativity in New York City. <https://comptroller.nyc.gov/reports/the-creative-economy/>

<sup>3</sup> Office of the New York State Comptroller (2021). Arts, Entertainment and Recreation in New York City Recent Trends and Impact of COVID-19. <https://www.osc.state.ny.us/reports/osdc/arts-entertainment-and-recreation-new-york-city-recent-trends-and-impact-covid-19>

<sup>4</sup> Americans for the Arts. The Arts As an Industry: Their Economic Importance to the New York-New Jersey Metropolitan Region. <https://www.americansforthearts.org/by-program/reports-and-data/legislation-policy/naappd/the-arts-as-an-industry-their-economic-importance-to-the-new-york-new-jersey-metropolitan-region-0>

<sup>5</sup> Ibid.

<sup>6</sup> Florida, R. and Seman, Michael (2020). Lost Art: Measuring COVID-19's devastating impact on America's creative economy. Metropolitan Policy Program at Brookings. [https://www.brookings.edu/wp-content/uploads/2020/08/20200810\\_Brookingsmetro\\_Covid19-and-creative-economy\\_Final.pdf](https://www.brookings.edu/wp-content/uploads/2020/08/20200810_Brookingsmetro_Covid19-and-creative-economy_Final.pdf)

<sup>7</sup> SMU Data Arts and the New York City Department of Cultural Affairs' COVID-19 Impact on Nonprofit Arts and Culture in New York City (2020). <https://culturaldata.org/pages/covid-19-impact-on-nonprofit-arts-and-culture-in-new-york-city/>

<sup>8</sup> Dance/NYC (2021). Coronavirus Dance Impact Study Informational Brief. <https://www.dance.nyc/uploads/Covid-Impact-Study-Brief-210316.pdf>

<sup>9</sup> Office of the New York City Comptroller. New York by the Numbers: Monthly Economic and Fiscal Outlook no. 64, April 4, 2022. <https://comptroller.nyc.gov/newsroom/new-york-by-the-numbers-monthly-economic-and-fiscal-outlook-no-64-april-4th-2022/>

<sup>10</sup> Stern, M. and Seifert, S. (2017). The Social Wellbeing of New York City's Neighborhoods: The Contribution of Culture and the Arts. [https://repository.upenn.edu/siap\\_culture\\_nyc/1/](https://repository.upenn.edu/siap_culture_nyc/1/)

<sup>11</sup> New Victory Theater. Spark Change: Investing in performing arts education for all <https://bit.ly/NewVictorySparkChangeReport>