

FOLLOWING THE FUNDING:

Distribution of Federal COVID-19 Relief Funds for the Arts and Culture Sector

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EXECUTIVE SUMMARY

Throughout the COVID-19 pandemic, U.S. federal government agencies provided relief funding to businesses and individuals alike. In this study, we use publicly available data to assess the distribution of federal relief funds that were purposely directed to support the arts and culture sector. Specifically, we address the following four questions:

1. Which federal relief programs provided funding to the arts and culture field?
2. What was the distribution of funding to for-profit and nonprofit arts and culture?
3. How did the relief funds flow geographically?
4. How did Payroll Protection Program (PPP) relief funding to the arts and culture sector stack up to that of other industry sectors of the U.S. economy?

There were four U.S. federal government relief funding programs that supported the arts and culture field: The Paycheck Protection Program (PPP), the Shuttered Venue Operators Grant (SVOG) Program, the American Rescue Plan (ARP), and Coronavirus Aid, Relief and Economic Security (CARES) Act grants. We tracked the flow of federal relief funding using three approaches to defining arts and culture sector industries:

1. BEA/NEA: The Bureau of Economic Analysis' (BEA) Arts and Culture Production Satellite Account definition, which is also used by the National Endowment for the Arts (NEA). This broadly defined set of establishments includes nonprofit (e.g., theater, museums) as well as for-profit (e.g., graphic design, commercial photography) creative industry entities.
2. AVI: A narrower definition used by SMU DataArts in its Arts Vibrancy Index (AVI) analyses, which focuses primarily on nonprofit arts and culture industries and independent cultural workers, and also includes film and sound. For this study, we also included zoos and botanical gardens in this definition.
3. AVI minus film & sound: The narrower AVI definition of arts and culture without film and sound recording industries. Eliminating these two predominantly commercial industries puts more focus on nonprofit arts and culture industries.

Applying these three definitions for arts and culture, we explored the flow of funding in three ways: (1) overall, (2) relative to payroll, and 3) the number of funding awards made in relation to the number of establishments. We also examined geographic distribution of funding to arts and culture according to the three definitions of the arts and culture sector in these three ways. Lastly, we looked at how PPP funding for the arts and culture field stacked up to that awarded to other U.S. industry sectors.

Funding Distribution Maps

This report is accompanied by a series of [interactive maps visualizing the distribution of COVID-19 relief funding to arts and culture in communities across the country.](#)

These maps can be used to:

- Visualize the geographic flow of funding to arts and culture in three ways: 1) overall, 2) relative to payroll, and 3) by the number of funding rewards in relation to the number of establishments.
- Toggle between three definitions of the arts and culture sector with varying levels of emphasis on for-profit versus nonprofit entities.
- Look up funding distribution, arts vibrancy, and community metrics for any county in the United States.

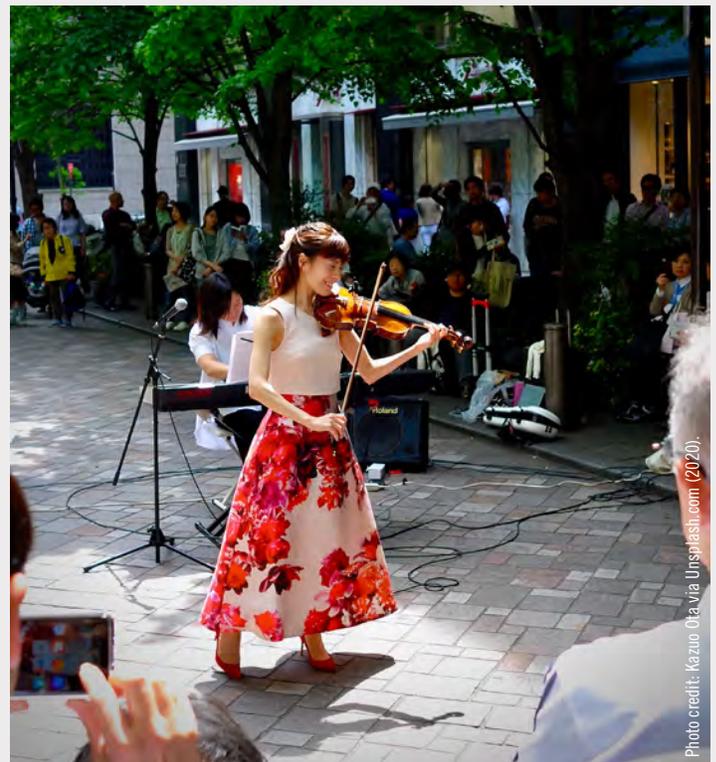
EXECUTIVE SUMMARY

The following key findings emerged from analysis of the federal relief funding data integrated with Census Bureau data:

- 1. Overall, the total amount awarded nationally to arts and culture using the BEA/NEA definition was roughly 3.1 times greater in total dollars compared to the funding awarded using the AVI definition:** \$53 billion by the broader definition and \$17 billion using the narrower definition. Total government relief drops to \$16 billion when we exclude the film and sound industries from the AVI definition.
 - It makes sense that establishments in the BEA/NEA sector definition received more funding since this definition contains three times more industries than the AVI definition (see the Appendix), and it captures 24% more establishments with 3.9 times more employees.
 - **Eight of the 10 counties that were awarded the highest levels of overall relief funding were the same regardless of the sector definition.** For all eight, the overall amount using the BEA/NEA definition was between two and three times greater in total dollars compared to the funding awarded using the AVI definition. The high level of overlap may be an indicator of clusters of commercial and nonprofit cultural activity that form and create agglomeration economies.
 - **Federal relief funding according to all three definitions was broadly distributed across the country,** with support directed to establishments in 96% of counties according to the broader BEA/NEA definition, 89% of counties using the narrower AVI definition, and 88% of counties when assessed by AVI minus film and sound.
 - According to all three sector definitions, **no single region of the country received an exceptionally high share of total federal relief dollars.**
 - On a per-county basis, the three definitions tell a fairly consistent story about geographic distribution of funding, with relatively rare exceptions. The 7% of counties where establishments received relief funding using the BEA/NEA sector definition but no funding via the AVI definition were nearly all located in either the Midwest or the South.
- 2. The more for-profit industries included in the sector definition, the lower the percentage of payroll supported by federal relief funding and the higher the percentage of businesses that received funding.**

- For relief coverage of payroll and number of grants relative to establishments, non-metro areas generally performed higher than the metro areas, and the Midwest and South performed higher than the West and Northeast.
- 3. PPP funds constituted 77% of total relief support for the BEA/NEA definition, 43% for AVI, and 38% for AVI minus film and sound.**
 - 4. Across all sectors of the U.S. economy as defined by the North American Industry Classification System (NAICS), PPP grants covered an average of 9% of total payroll;** that figure was 13% for the Arts and Entertainment sector. (This sector definition, used by Federal statistical agencies to classify businesses, shares some overlap with the industries included in the BEA/NEA and AVI definitions but they all have distinct differences.)
 - 5. Among all U.S. industry sectors, Arts and Entertainment received the fourth-highest level of PPP dollars relative to total sector pay.**

The sections that follow explain how we arrived at these key findings and offer some additional insights.



DISTRIBUTION OF FEDERAL COVID-19 RELIEF FUNDS FOR THE ARTS AND CULTURE SECTOR

Which federal relief program provided funding to the A&C field?

Throughout the COVID-19 pandemic, U.S. federal government agencies provided recovery funding to businesses and individuals alike. Four federal relief programs provided support to the arts and culture field. The Small Business Administration (SBA) administered two of them: The Paycheck Protection Program (PPP) and the Shuttered Venue Operators Grant Program (SVOG). Both were open to commercial and nonprofit establishments. PPP offered forgivable loans aimed at workforce retention for small businesses whereas SVOG provided emergency funding for shuttered venues to cover losses in revenue. Of federal relief funding for the arts using the broader sector definition, \$40.1 billion was distributed through PPP loans and \$11.9 billion through SVOG. These figures were \$7.4 billion and \$9.8 billion, respectively, using the narrower sector definition.

The National Endowment for the Arts (NEA) and Institute for Museum and Library Services (IMLS) administered the other two, which were open to nonprofit but not commercial establishments: American Rescue Plan (ARP) and Coronavirus Aid, Relief and Economic Security (CARES) Act grants, which were created to save jobs and to support exceptional pandemic-related expenditures. Given this, the amount distributed was the same regardless of how the arts sector is defined. Our analysis only includes ARP funding made through the competitive process. CARES Act competitive grants to arts and cultural organizations totaled \$53 million and ARP funding was split, with 60% of funding (\$99 million) going to arts and culture organizations through the agencies' competitive process,¹ and the remainder awarded directly to state and regional arts agencies to redistribute through their funding programs.

The SBA, NEA, and IMLS disbursed all relief funds from the four programs by the end of 2022.² **While these are the primary sources of data for this analysis, additional relief funding from state and local agencies also supported the arts and culture sector. However, due to differing levels of data reporting, this report does not capture those other public funds.**³

As was the case for many industry sectors, nonprofit arts and cultural organizations were able to access unprecedented levels of federal relief funding during this

extraordinary crisis. They are primarily eligible for federal support from either the NEA or IMLS on an annual basis. At \$16 billion in total, federal COVID-19 relief funding to nonprofit arts and cultural organizations was twice that of all NEA and IMLS funds awarded over 24 years (2000-2023) both to nonprofits and state and regional agencies. Moreover, while nonprofit arts and cultural organizations have received FEMA funding in the wake of natural disasters, the fact that nonprofit arts and culture was eligible to receive federal relief funds through the NEA and IMLS was unprecedented.

What was the distribution of funding to for-profit and nonprofit A&C?

In this section we first describe the complexities of defining the arts and cultural sector and the three definitions we used. Then we look at how funds flowed according to each definition.

THREE WAYS TO DEFINE THE A&C FIELD

Research in the arts field is fraught with different definitions of key concepts, such as artists and arts occupations. Likewise, there is no clear-cut definition of which organizations should be considered part of the arts and culture field. Therefore, we tracked the flow of federal relief funding using three approaches to defining arts and culture, presented here in order from the broadest to the narrowest definition:

1. **BEA/NEA:** The Bureau of Economic Analysis' Arts and Culture Production Satellite Account definition, which is also used by the NEA.⁴ This broadly defined set of establishments includes nonprofit (e.g., theater, museums) as well as for-profit (e.g., graphic design, commercial photography), creative industry entities.
2. **AVI:** A narrower definition used by SMU DataArts in its Arts Vibrancy Index (AVI) analyses, which focuses primarily on nonprofit arts and culture industries and independent cultural workers, and also includes film and sound. For this study, we also included zoos and botanical gardens in this definition.
3. **AVI minus film & sound:** The narrower AVI definition without film and sound recording industries so the focus is primarily on arts and culture nonprofits and independent artists, writers, and performers.

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Both the BEA/NEA and AVI approaches utilize the North American Industry Classification System (NAICS) codes to define industries.⁵ Of the 39 total NAICS codes included in our analyses, nine are shared by both definitions, 27 are unique to the BEA/NEA definition, and three are unique to the AVI definition (see the Appendix).

For each of the three arts and culture definitions described above, Table 1 shows the number of Total Employees and Businesses (columns B and C) and Total Payroll (column D).⁶ There are some key calculations in Table 1 worth mentioning:

- 1. The number of creative businesses (column C) is comprised of both businesses and non-employee businesses,** the latter of which include sole proprietors, independent contractors, and self-employed persons.⁷ There are far more non-employee arts and culture businesses than there are businesses, and the balance between the two varies with each of the three definitions. Of the nearly 1.4 million total BEA/NEA-defined establishments, 63% (roughly 859,000) are non-employee businesses. Eighty-four percent (approximately 923,000) of the roughly 1.1 million AVI-defined establishments are non-employee businesses, as are 87% (about 911,000) of the 1.0 million AVI minus film and sound entities. Regardless of the sector definition, the majority of non-employee businesses are independent artists, writers, and performers (NAICS code 71150).
- 2. We do not know how many people “work” in non-employee businesses,** but presumably at least one person does. Therefore, we add one person per non-employee business to the number of reported employees to estimate the total number of people working in each industry to arrive at Total Employees (column B). We also add receipts for non-employee businesses to Payroll to estimate Total Pay (column D). Average salary (column E) is a simple calculation of Total Payroll (column D) divided by the number of Total Employees (column B).
- 3. In column F of Table 1, we provide the number of businesses with more than 500 employees.**⁸ Businesses with more than 500 employees received additional scrutiny to determine eligibility for PPP funding and were not assured funding consideration. We do not know how many businesses were deemed ineligible for funding nor the number of employees involved, but we implemented an admittedly naïve

adjustment that “nets out” the number of large businesses and employees. To accomplish this, we subtracted the number of businesses with greater than 500 employees (column F) from the number of Total Businesses (column C) to arrive at Net Businesses (column G). We multiplied the number of businesses with greater than 500 employees (column F) x 1000 (estimated employees) and subtracted this result from the number of Total Employees (column B) to generate the number of Net Employees (column H). We then multiplied the number of Net Employees (column H) x Average Salary (column E) to generate Net Payroll (column I).

There are key differences in the number of industries (see the Appendix) and in the size of the establishments captured by the three definitions. The BEA/NEA broad definition of arts and culture includes 24% more establishments than the narrower AVI definition, and 30% more than the narrowest definition, AVI minus film and sound (Table 1, column C). There are roughly 3.9 times more people who work in arts and culture according to the BEA/NEA definition as compared with the AVI definition (Table 1, column B).

More evidence of the disparity in staffing for the different approaches can be seen in the number of businesses with 500 or more employees (Table 1, column F); they number 1,052 for the broader BEA/NEA definition, 29 for the narrower AVI definition, and only 6 when we focus only on the narrowest definition of AVI without film and sound. **Average salaries were 69% higher for establishments captured in the BEA/NEA definition than for those in the AVI definition minus film and sound** (Table 1, column E).

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TABLE 1: Government Relief Funding Distribution for Three Arts and Culture Definitions

A	B	C	D	E	F	G	H	I	J	K	L	M
A&C Sector Definition	Total Employees	Total Businesses	Total Payroll ^a	Average Salary	Businesses w/500+ Employees	Net Businesses	Net Employees	Net Payroll ^a	Total Gov Relief	Relief Coverage of Payroll	# Awards	% of Businesses w/Awards
BEA/NEA (Broader)	6,194,210	1,363,554	\$345,241,585	\$55,736	1,052	1,362,502	5,146,486	\$287,045,788	\$52,943,388,734	18%	588,510	43%
AVI (Narrower)	1,565,608	1,099,218	\$61,990,552	\$39,595	29	1,099,109	1,536,608	\$59,364,651	\$17,416,639,325	29%	227,657	21%
AVI excluding film & sound (Narrowest)	1,392,950	1,047,573	\$46,000,377	\$33,024	6	1,047,567	1,386,950	\$45,697,357	\$16,116,488,443	35%	198,104	19%

^a Payroll and Net Payroll figures are in thousands (000s).

FEDERAL RELIEF FUNDING DISTRIBUTION TO FOR-PROFIT AND NONPROFIT ARTS AND CULTURE

Here we examine funding distribution to the arts and culture field according to the three sector definitions in three ways: (1) overall, (2) relative to payroll, and 3) the number of awards made in relation to the number of establishments. We examined funding relative to total payroll because the stated objective of government relief funding programs such as the PPP was to help businesses keep their workforce employed.

Insights were derived from further examination of the data that appear in Table 1. Specifically:

1. Column J shows the total government relief funding (i.e., aggregate PPP, SVOG, ARP, and CARES) for each definition of the arts and culture field.
2. Column K shows total government relief funding through the lens of Relief Coverage of Payroll, or the percentage of Net Payroll (column I) supported by Total Government Relief funding (column J).
3. Column L displays the number of relief funding awards made per sector definition, and column M shows the number of awards as a percentage of eligible businesses (column L divided by column G).

In summary, these key findings emerged:

1. **Overall, the total amount awarded nationally using the BEA/NEA definition was roughly 3.1 times greater in total dollars compared to the funding awarded using the AVI definition:** \$53 billion by the broader definition and \$17 billion using the narrower definition, dropping to \$16 billion when we exclude the film and sound industries from the AVI definition.

- Understandably, **more funding flowed to the BEA/NEA-defined organizations since this definition contains three times more industries than the AVI definition** (see Appendix) and it captures 24% more entities with 3.9 times more employees.
 - **PPP funds constituted 77% of total relief support for the BEA/NEA definition, 43% for AVI, and 38% for AVI minus film and sound.**
 - PPP and SVOG funds both flowed to for-profit and nonprofit creative entities. However, SVOG funds played a much greater role in relief for the AVI and AVI minus film and sound definitions of the field than for the BEA/NEA definition, which makes sense given the set of industries each includes (see Appendix). For instance, SVOG funding was not available to sectors like interior and industrial design services, graphic design, or advertising agencies, all of which are part of the BEA/NEA definition.
2. **The more for-profit industries included in the definition, the lower the percentage of payroll supported by federal relief funding.** The BEA/NEA-defined cohort received an average of 18% of net payroll from federal relief funding. That figure was 29% for the AVI cohort and 35% for AVI minus film and sound. It is worth noting that net payroll for the BEA/NEA-defined cohort was nearly five times higher than it was for the AVI cohort. **It would have taken another \$31.6 million in federal relief to provide the BEA/NEA-defined cohort with the same relief coverage of payroll as the AVI-defined cohort.**
 3. **The more for-profit industries included in the sector definition, the higher percentage of estab-**

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lishments that received funding. The percentage of establishments with awards was 43% for the BEA/NEA definition of the sector, dropping to 21% for the AVI definition and 19% for AVI minus film and sound. A contributing factor is the very high number of non-employee businesses in the AVI-defined cohort, with or without film and sound. Many small organizations and independent contractors likely had less organizational capacity and connections than their larger peers, especially during a time of crisis, so less likelihood of applying for and receiving funds.

How did the relief funds flow geographically?

This analysis looks into the geographic distribution of funds according to the three definitions of the arts and culture field in three ways: 1) overall, 2) funding as a percentage of arts and culture payroll, and 3) number of federal relief funding awards made relative to the number of arts and culture establishments.

Key take-aways from these analyses are as follows:

- 1. On a per-county basis, the three sector definitions tell a fairly consistent story.**
 - **The difference between NEA/BEA and AVI on a per-county basis is primarily magnitude**, with variation in the ranges most prominent in the overall funding distribution analysis since it reflects dollars rather than percentages.
 - The 7% of counties where establishments received relief funding using the BEA/NEA sector definition but no funding via the AVI definition were nearly split in location between the Midwest and the South. These two regions have roughly three times the number of counties as the West and Northeast.
 - **Eight of the top 10 counties per overall distribution amount were the same regardless of sector definition.**
 - Across all outcomes, there is little difference between AVI and AVI minus film and sound.
- 2. Federal relief funding according to all three definitions was broadly distributed across the country, with support directed to establishments in nearly every county.**
 - Support flowed to establishments in 96% of counties according to the broader BEA/NEA definition, 89% of counties using the narrower AVI definition, and 88% of counties when assessed via AVI minus film and sound.
- 3. According to all three sector definitions, no single region of the country received an exceptionally high share of total federal relief dollars.** Nevertheless:
 - More overall arts and culture federal relief dollars were directed to metro areas, which makes sense since they tend to have more establishments.
 - **Regardless of how the arts and culture field was defined, the Midwest received less overall funding than other regions** (\$9.5B compared to \$13B-\$16B for the other regions). Relative to the other regions, it has fewer arts and culture establishments to fund, with more counties having too few arts and culture establishments for the Census Bureau to report on and still retain their anonymity.
- 4. The three sector definitions all show that the South and Midwest performed highest, and non-metro areas everywhere generally performed higher than the metro areas, on dollars per payroll and number of grants relative to establishments.**
 - While the South and Midwest have very different profiles in terms of number of establishments and total payroll as well as number of relief funding grants and dollars, roughly half the number of establishments in both regions were awarded a grant (as compared with roughly one-third of establishments in the West and Northeast), and they covered about one-fifth of payroll with relief funds (relative to 16% for the West and Northeast) according to the BEA/NEA definition.
 - Differences in these payroll support percentages speak to the amount of federal funding received as well as the range in region-to-region average annual salary levels for those working in the arts, which is lower in the South and Midwest than in the West and Northeast. Some of the regional

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discrepancy in wages is attributable to cost of living and some to wage inequality, among other factors.

- For non-metro areas, part of this higher performance is due to percentages where the values are relatively small, such that any change to either the numerator or denominator can have a large impact on the percentage change.

The per-county results are displayed in three interactive maps.⁹ It is important to note that the Census Bureau has suppression rules designed to avoid reporting data that can be attributed to one or only a few organizations, so it reports undefined values for arts and culture establishments/employees for counties where numbers are too few to retain anonymity. Therefore, in the interactive maps, the figures for Dollars as a percentage of Payroll and Number of Awards as a percentage of Number of Establishments are left blank for counties with undefined values from the Census Bureau. Likewise, these counties are marked “undefined” in the legend and appear white in the maps of Federal Relief Dollars as a Percentage of Arts and Culture Payroll and Number of Federal Relief Awards as a Percentage of Establishments. Total Dollars distributed overall are reported for every county in the maps since this metric is not dependent upon Census Bureau data.

In all three maps, 3,000+ counties across the United States are color-coded to visualize the intensity with which federal funding flowed to each county’s arts and culture organizations. Within each map, toggles allow the viewer to see results according to the three definitions. The maps also provide the county’s pre-pandemic level of arts vibrancy (scored from low to high, 0-100) as well as its socio-economic and demographic characteristics and calculated funding flows. Screenshots for the three maps can be found in Figure 1 (Overall Distribution of Federal Relief Funds), Figure 2 (Federal Relief Dollars as a % of Arts and Culture Payroll), and Figure 3 (Number of Federal Relief Awards as a % of Establishments).

Eight of the 10 counties that were awarded the highest levels of overall relief funding were the same regardless of the definition used (see Table 2; top counties for AVI and AVI minus film are the same set with a swap in one ranking). For all eight, **the overall amount using the BEA/NEA definition was between two and three times greater in total dollars compared to the funding awarded using the AVI definition.** Dallas County, TX, and Orange County, CA, were among the top 10 recipients of federal relief funds using the BEA/NEA definition but not the AVI definition, whereas Davidson County, TN, and Miami-Dade County, FL, were among the AVI but not the BEA/NEA top 10.

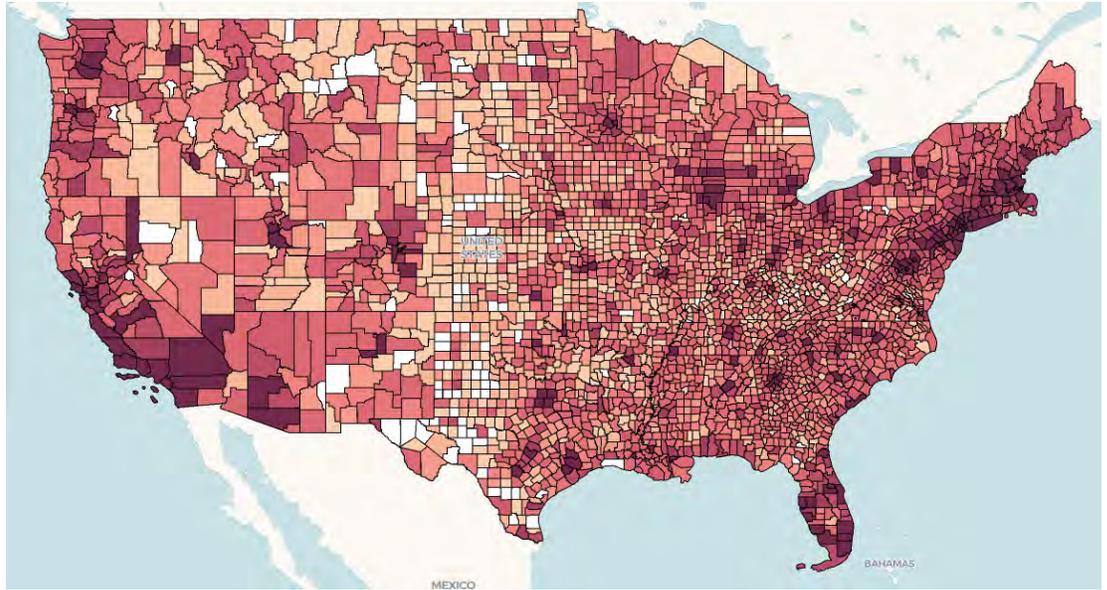
TABLE 2: Top 10 Counties for Overall Federal Relief Funding by BEA/NEA and AVI Definitions, with Principal Cities

BEA/NEA Definition		Overall Relief Ranking	AVI Definition (inc. film & sound)	
County	Principal City		County	Principal City
New York	New York, NY	1	Los Angeles	Los Angeles, CA
Los Angeles	Los Angeles, CA	2	New York	New York, NY
Cook	Chicago, IL	3	Cook	Chicago, IL
San Francisco	San Francisco, CA	4	San Francisco	San Francisco, CA
Dallas	Dallas, TX	5	King County	Seattle, WA
Orange	Anaheim, CA	6	Harris	Houston, TX
Kings	Brooklyn, NY	7	Kings	Brooklyn, NY
King	Seattle, WA	8	Miami-Dade	Miami, FL
Harris	Houston, TX	9	San Diego	San Diego, CA
San Diego	San Diego, CA	10	Davidson	Nashville, TN

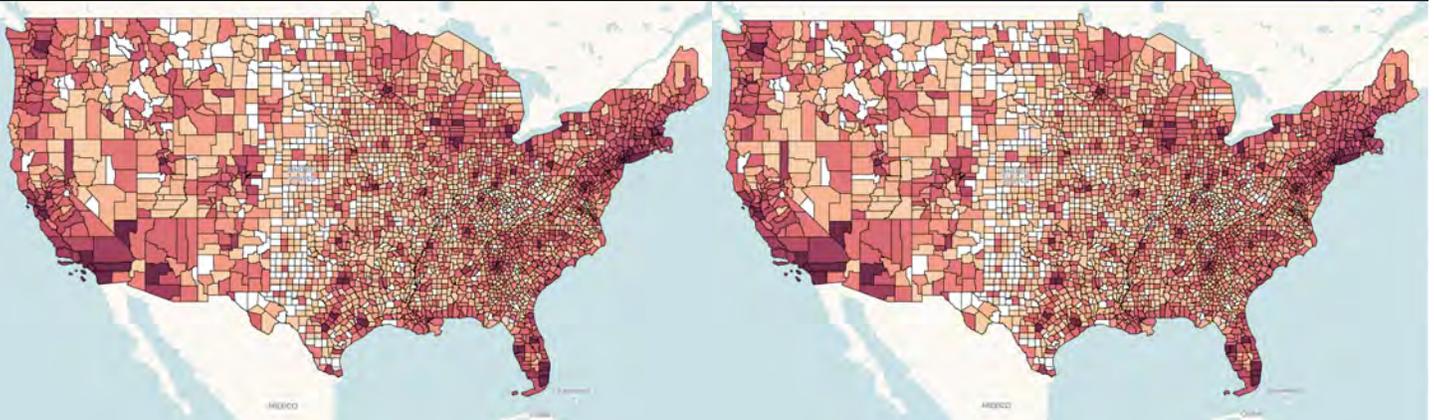
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FIGURE 1: Map Screenshots, Overall Distribution of Federal Relief Funds, by County

- \$0
- \$1 - \$49,999
- \$50,000 - \$99,999
- \$100,000 - \$249,999
- \$250,000 - \$499,999
- \$500,000 - \$999,999
- \$1,000,000 - \$4,999,999
- \$5,000,000 - \$9,999,999
- \$10,000,000 - \$24,999,999
- \$25,000,000 - \$49,999,999
- \$50,000,000 - \$50,000,000
- \$50,000,000+



Panel A: BEA/NEA Definition

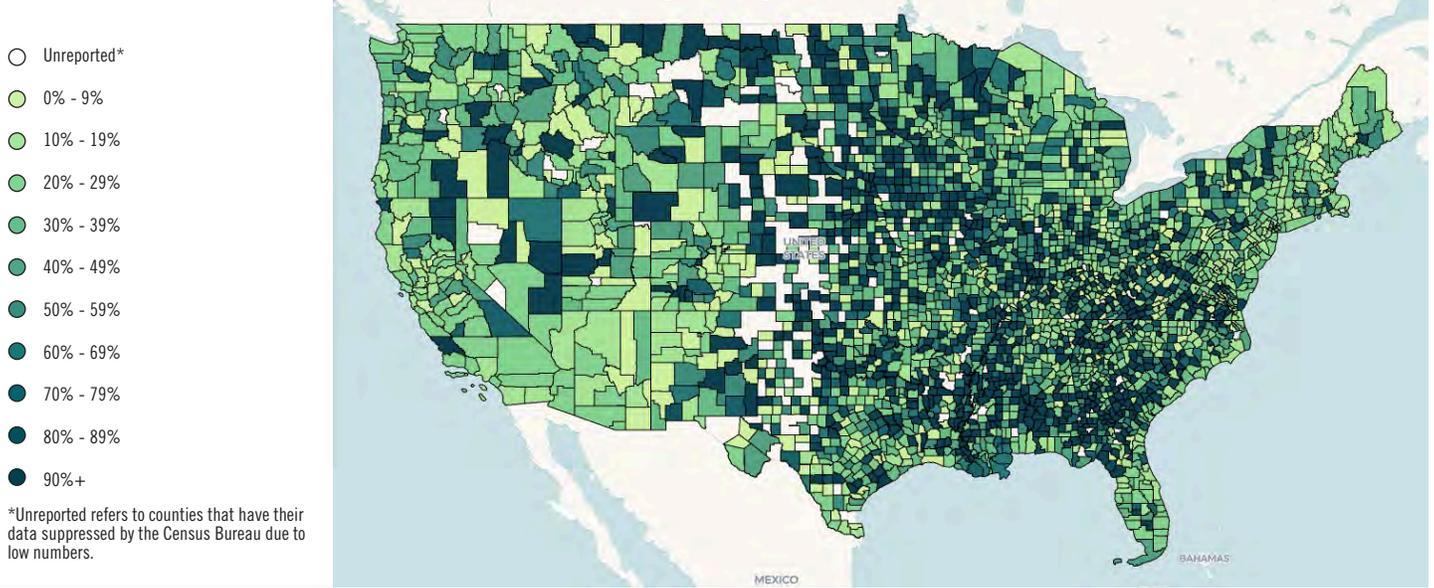


Panel B: AVI Definition

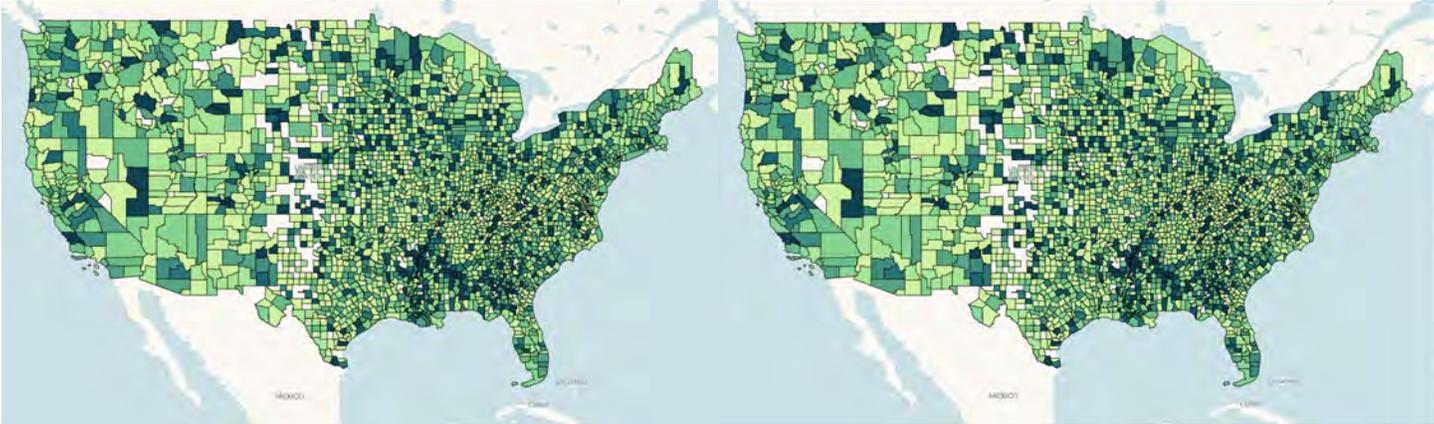
Panel C: AVI minus Film and Sound Definition

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FIGURE 2: Map Screenshots, Federal Relief Dollars as a Percentage of Arts and Culture Payroll, by County



Panel A: BEA/NEA Definition

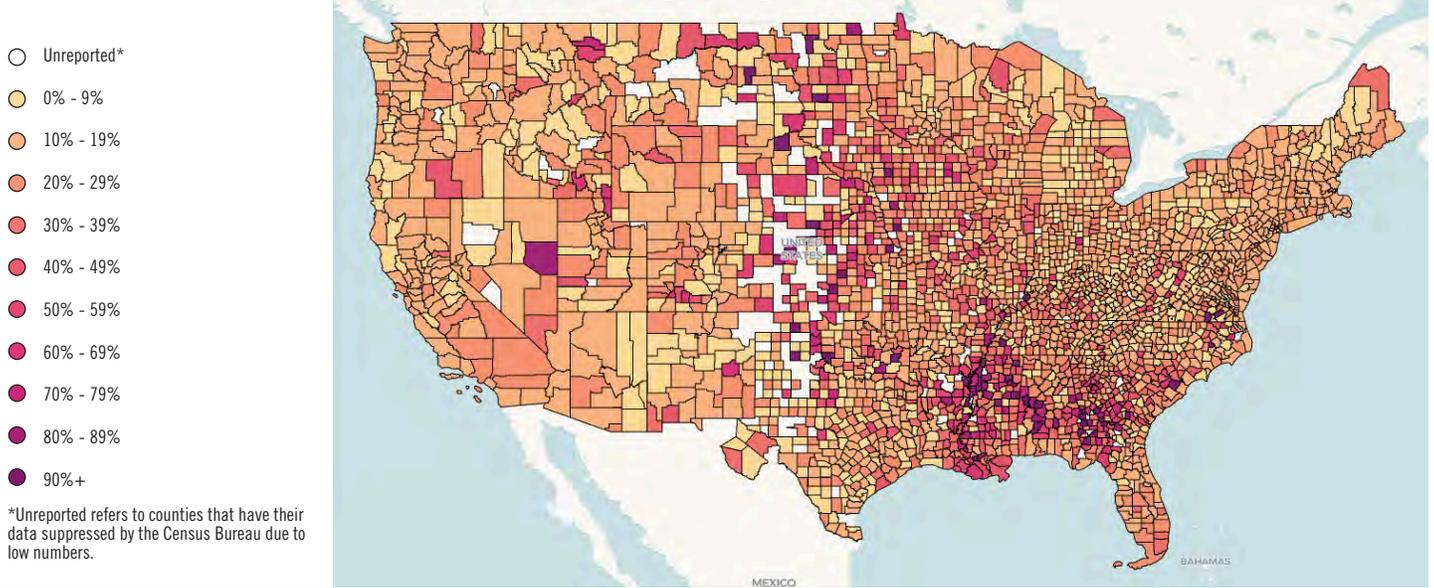


Panel B: AVI Definition

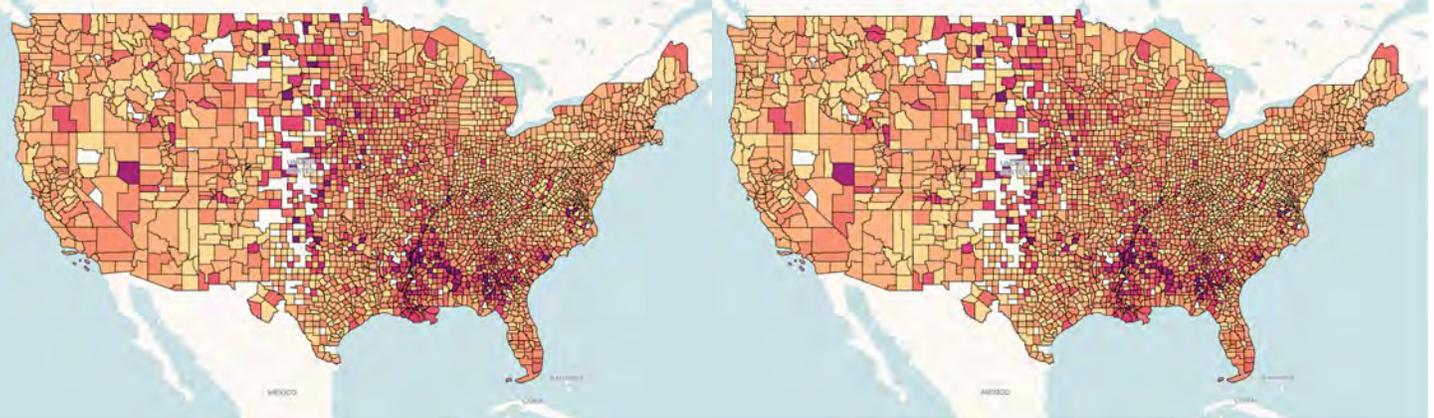
Panel C: AVI minus Film and Sound Definition

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FIGURE 3: Map Screenshots, Number of Federal Relief Awards as a Percentage of Establishments, by County



Panel A: BEA/NEA Definition



Panel B: AVI Definition

Panel C: AVI minus Film and Sound Definition

How did PPP relief funding to the arts and culture field stack up to that of other US industries?

To investigate this final question, we aggregated PPP funding from the SBA awarded to all establishments by industry using the North American Industry Classification System (NAICS). Because the intended purpose of the PPP government relief funding programs was to help establishments keep their workforce employed, we examined funding relative to total number of employees and payroll.

We start by presenting a broad overview of all NAICS sectors using census data for March 2020 in Table 3. The census data provides two-digit-code NAICS name, estimated number of employees, businesses, and payroll (Table 3, columns A-E) except for Public Administration. This analysis largely followed a similar approach to that described above related to examination of federal relief funding distribution to the arts and cultural field, defined three ways. Once again, some key calculations are worth mentioning:

1. Table 3, columns F and G, show census data for the number of non-employee businesses and total receipts for those businesses. Again, we add one person per non-employee business to the number of Employees to estimate the total number of people working in each industry to arrive at Total Employees (column H). We also add the receipts for non-employee businesses to the Payroll for each industry to estimate Total Pay (column I). In column J of Table 3, we provide the number of businesses with more than 500 employees.¹⁰
2. In Table 4, columns B through D, we show the total allocation of PPP funds, total number of grants, and the average PPP grant amount for each industry. We then show the PPP dollars per employee (column E), per business (column F), and as a percentage of payroll (column G) (calculated by dividing Table 4 column B by the corresponding denominator from Table 3, columns C-E). We repeat this analysis adding in non-employee businesses to arrive at PPP dollars per Total Employees (column H) and per Total Payroll (column I) (calculated by dividing Table 4 column B by the corresponding denominator from Table

3, columns H and I). We note that the results in Table 4, columns G and I, reflect acknowledged under-coverage of employee-related data for Agriculture and Not Classified businesses.¹¹

The following key take-aways emerged from this analysis:

1. Across all sectors of the economy, **PPP grants covered 9% of Total Payroll (which adds in non-employee businesses); PPP covered 13% of Total Payroll for Arts and Entertainment** (Table 4, column I). This sector definition, used by Federal statistical agencies to classify businesses, shares some overlap with the industries included in the BEA/NEA and AVI definitions but they all have distinct differences. All three definitions examined in prior sections of this report include establishments in NAICS codes other than 71-Arts, Entertainment, and Recreation (see Appendix), and the 71 NAICS code includes recreation-related industries.
2. Eliminating Agriculture and Not Classified for reasons discussed above, **Arts and Entertainment tied Mining for the fourth-highest level of PPP grants relative to total pay** (Table 4, column I).
3. **Arts and Entertainment had higher coverage of payroll with PPP grants than Retail Trade, Transportation, Manufacturing, and Education Services**, but less than Other Services, Construction, and Accommodations and Restaurants, which ranked highest (Table 4, column I).

TABLE 3: Census Bureau Summary of Businesses Grouped by North American Industry Classification System (NAICS) in March 2020

A	B	C	D	E	F	G	H	I	J
NAICS Descriptor	NAICS	Employees	Businesses	Payroll [±]	NonEmployee Businesses*	NonEmployee Receipts	Total Employees	Total Pay [±]	Businesses w/500+ Employees
Agriculture, Forestry, Fishing & Hunting	11	167,203	22,745	\$8,002,990	255,354	\$12,191,054	422,557	\$20,194,044	8
Mining	21	577,920	23,907	\$49,311,219	78,854	\$5,436,886	656,774	\$54,748,105	115
Utilities	22	637,058	19,484	\$73,610,028	14,279	\$982,331	651,337	\$16,116,488,443	153
Construction	23	7,182,071	753,341	\$458,933,511	2,753,720	\$179,130,957	9,935,791	\$638,064,468	665
Manufacturing	31-33	11,999,822	283,524	\$738,225,202			11,999,822	\$738,225,202	3,219
Wholesale Trade	42	6,145,378	391,114	\$464,553,588	391,670	\$38,260,241	6,537,048	\$502,813,829	778
Retail Trade	44-45	15,808,465	1,036,821	\$484,897,716			15,808,465	\$484,897,716	480
Transportation and Warehousing	48-49	5,711,910	257,785	\$292,377,439			5,711,910	\$292,377,439	1,463
Information	51	3,577,460	160,930	\$439,777,303	363,625	\$14,606,763	3,941,085	\$454,384,066	956
Finance and Insurance	52	6,682,343	476,816	\$753,485,846	755,320	\$63,948,700	7,437,663	\$817,434,546	1,711
Real Estate Rental and Leasing	53	2,280,633	437,679	\$131,656,751	2,942,243	\$300,227,441	5,222,876	\$431,884,192	109
Professional, Scientific, Technical Services	54	9,554,479	943,222	\$893,792,133	3,772,571	\$185,148,194	13,327,050	\$1,078,940,327	1,593
Management of Companies	55	3,571,149	52,409	\$410,045,896			3,571,149	\$410,045,896	1,322
Administrative & Support & Waste Mgmt	56	12,718,021	431,073	\$571,012,312	2,595,841	\$62,643,449	15,313,862	\$633,655,761	3,021
Educational Services	61	3,832,033	110,087	\$159,217,448	894,698	\$13,519,096	4,726,731	\$172,736,544	922
Health Care and Social Assistance	62	21,216,569	928,174	\$1,116,495,863	2,062,908	\$73,823,384	23,279,477	\$1,190,319,247	4,370
Arts, Entertainment, and Recreation	71	2,504,959	151,881	\$78,615,416	1,563,262	\$42,998,512	4,068,221	\$121,613,928	323
Accommodation and Food Services	72	14,377,016	733,872	\$249,536,269	497,339	\$19,481,021	14,874,355	\$269,017,290	711
Other Services (except Public Admin)	81	5,601,688	771,330	\$190,695,894	2,851,688	\$90,929,926	8,453,376	\$281,625,820	215
Public Administration	92								
Not classified	99	17,170	13,981	\$566,668			17,170	\$566,668	0
Totals		134,163,347	8,000,175	\$7,564,809,492	21,793,372	\$1,103,327,955	155,956,719	\$8,668,137,447	22,134

± Payroll and Net Payroll figures are in thousands (000s).

* We assume that non-employee businesses have one person working to generate business receipts. We add the number of non-employee businesses to Employees to get Total Employees and we add non-employee business receipts to payroll to generate Total Pay.

TABLE 4: Government Relief Dollars and Percentage of Payroll Covered by NAICS

A	B	C	D	E	F	G	H	I
NAICS Descriptor	Total PPP\$s	Number PPP Grants	Average PPP Grant	PPP\$/Employee	PPP\$/Business	PPP\$/Payroll\$*	PPP\$/Total Employees	PPP\$/Total Pay\$*
Agriculture, Forestry, Fishing & Hunting	\$18,123,619,729	677,288	\$26,759	\$108,393	\$796,818	226%	\$42,890	90%
Mining	\$6,890,243,828	43,117	\$159,803	\$11,922	\$288,210	14%	\$10,491	13%
Utilities	\$1,887,998,890	13,829	\$136,525	\$2,964	\$96,900	3%	\$2,899	3%
Construction	\$97,666,084,950	1,021,268	\$95,632	\$13,599	\$129,644	21%	\$9,830	15%
Manufacturing	\$75,749,660,753	444,958	\$170,240	\$6,313	\$267,172	10%	\$6,313	10%
Wholesale Trade	\$37,660,522,592	348,071	\$108,198	\$6,128	\$96,290	8%	\$5,761	7%
Retail Trade	\$54,978,026,918	903,682	\$60,838	\$3,478	\$53,026	11%	\$3,478	11%
Transportation and Warehousing	\$32,335,545,026	941,183	\$34,356	\$5,661	\$125,436	11%	\$5,661	11%
Information	\$13,280,462,285	144,244	\$92,069	\$3,712	\$82,523	3%	\$3,370	3%
Finance and Insurance	\$15,275,053,181	299,328	\$51,031	\$2,286	\$32,036	2%	\$2,054	2%
Real Estate Rental and Leasing	\$22,679,355,038	511,012	\$44,381	\$9,944	\$51,817	17%	\$4,342	5%
Professional, Scientific, Technical Services	\$94,373,958,650	1,301,005	\$72,539	\$9,877	\$100,055	11%	\$7,081	9%
Management of Companies	\$1,995,978,549	15,965	\$125,022	\$559	\$38,085	0%	\$559	0%
Administrative & Support & Waste Mgmt	\$38,860,941,429	619,653	\$62,714	\$3,056	\$90,149	7%	\$2,538	6%
Educational Services	\$17,041,936,232	183,898	\$92,671	\$4,447	\$154,804	11%	\$3,605	10%
Health Care and Social Assistance	\$95,890,033,977	993,005	\$96,566	\$4,520	\$103,310	9%	\$4,119	8%
Arts, Entertainment, and Recreation	\$15,353,066,215	339,768	\$45,187	\$6,129	\$101,086	20%	\$3,774	13%
Accommodation and Food Services	\$83,330,652,640	819,083	\$101,737	\$5,796	\$113,549	33%	\$5,602	31%
Other Services (except Public Admin)	\$57,241,725,823	1,599,094	\$35,796	\$10,219	\$74,212	30%	\$6,771	20%
Public Administration	\$2,476,744,067	31,077	\$79,697					
Not classified	\$9,519,677,840	217,889	\$43,690	\$554,437	\$680,901	1680%	\$554,437	1680%
Totals/Means	\$783,091,610,772	11,250,528	\$69,605	\$5,837	\$97,884	10%	\$5,021	9%

*We multiply the denominator by 1000 to generate the PPP\$/Payroll\$ and PPP\$/TotalPay\$ percentages, which represent the percentage of industry payroll covered by government relief.

Conclusion and Next Steps

Due to the exceptional relief funding programs explored in this report, federal government support rose five-fold for the average nonprofit arts and cultural organization over the past four years (after accounting for inflation), and it supported an increasing level of expenses, rising from 3% in 2019 to 18% in 2022.¹² Eligibility of these nonprofits for federal funding was unprecedented during this time of crisis. Federal relief programs kept many organizations afloat during the pandemic and saved jobs in the arts, fulfilling their intended purpose.

However, while the COVID-19 public health emergency was declared officially over on May 11, 2023, there is a growing sense of financial and operating crisis in the arts. The American Alliance of Museums reported in June 2023 that two-thirds of surveyed museums report attendance 29% below pre-pandemic levels, on average.¹³ The crisis has hit particularly hard in the national nonprofit theatre sector, which a guest essayist for the *New York Times* described as “imploding before our eyes.”¹⁴

The vast majority of federal relief dollars that buoyed many organizations during years of pandemic crisis have now run out. The duration of relief funds has not matched the slower rebuild experienced by many arts organizations, particularly theatres. Their recovery is still in process and the lion’s share of relief is now in the past.

As mentioned at the beginning of this report, the publicly available data used herein does not capture the full scope of government relief funding distributed across the country. In the coming months, SMU DataArts will work with ten cities across the country to better understand how they distributed funding from the American Rescue Plan to support their communities. The resulting case studies will explore the logistics, impact, and potential equity considerations around the distribution of funds to support the arts and culture field in the United States.

Analysis of funding mechanisms and their success across diverse communities will continue to provide us with more information to better prepare for future crises and better target future support to ensure all communities can sustain and experience great arts and culture.

About SMU DataArts

SMU DataArts, the National Center for Arts Research, is a project of the Meadows School of the Arts at Southern Methodist University. The mission of SMU DataArts is to provide and engage both organizations and individuals with the evidence-based insights needed to collectively build strong, vibrant and equitable arts communities. Its programs provide free business intelligence, tools, and educational workshops to help arts leaders leverage data to answer critical management questions, communicate about their organizations, and connect research analyses to their own work. Recent publications include white papers on [emergence from the COVID-19 crisis; the alchemy that drives high performing arts organizations of color; audience diversity, equity and inclusion in large performing arts organizations; working capital and the resiliency of BIPOC organizations](#); and more. SMU DataArts also publishes reports on the health of the U.S. arts and cultural sector with its [Arts Vibrancy Index](#), which highlights the 40 most arts-vibrant communities around the country.

APPENDIX: NAICS CODE DEFINITIONS OF THE ARTS AND CULTURE FIELD

NAICS Code	Description	BEA/NEA	AVI	AVI (excluding film & sound)
611610	Fine arts schools	•	•	•
711110	Theater companies and dinner theatres	•	•	•
711120	Dance companies	•	•	•
711130	Musical groups and artists	•	•	•
711190	Other performing arts companies	•	•	•
711510	Independent artists, writers, and performers	•	•	•
712110	Museums	•	•	•
712120	Historical sites	•	•	•
712130	Zoos and botanical gardens	•	•	•
453920	Art dealers		•	•
512110	Motion picture and video production		•	
512200	Sound production		•	
541310	Architectural services	•		
541320	Landscape and architectural services	•		
541410	Interior design services	•		
541420	Industrial design services	•		
541430	Graphic design services	•		
541490	Other specialized design services	•		
541511	Computer systems design and related services	•		
541490	Other computer related services	•		
541810	Advertising agencies	•		
541820	Public relations agencies	•		
541830	Media buying agencies	•		
541840	Media representatives	•		
541850	Display advertising	•		
541860	Direct mail advertising	•		
541890	Other services related to advertising	•		
541921	Photography studios, portrait	•		
541922	Commercial photography	•		
611110	Elementary and secondary schools	•		
611210	Junior colleges	•		
611310	Colleges, universities, and professional schools	•		
611511	Cosmetology and barber schools	•		
611519	Other technical and trade schools	•		
711310	Promoters of performing arts, sports, and similar events with facilities	•		
711320	Promoters of performing arts, sports, and similar events without facilities	•		
711410	Agents and managers for artists, athletes, entertainers, and other public figures	•		
712190	Nature parks and other similar institutions	•		
812921	Photofinishing laboratories (except one-hour)	•		

ENDNOTES

- 1 The NEA's ARP funds awarded through the competitive process include some funding awarded to local arts agencies for regranteeing.
- 2 The 40% of ARP funds that went directly to state and regional arts agencies for redistribution cover "costs incurred" between 3/31/21 and 12/31/24, with funds required to be expended by 12/31/26.
- 3 In addition, a number of other federal relief initiatives such as the Employee Retention Credit and Economic Injury Disaster Loan programs were made available to all sectors of the economy in the form of tax credits and loans without forgiveness. However, publicly available data for these programs are either not available or too limited to be useful for purposes of this analysis.
- 4 The BEA definition of the sector can be found here <https://www.bea.gov/data/special-topics/arts-and-culture>
- 5 More information about NAICS Codes can be found here: <https://www.census.gov/naics/>. Additionally, both sector definitions include zoos and botanical gardens for this study.
- 6 These figures are arrived at by summing up national data reported by the Census Bureau at the county level. The Census Bureau has suppression rules designed to avoid reporting data that can be attributed to one or only a few organizations. It reports undefined values for arts and culture establishments/employees for many counties because there are too few to retain anonymity.
- 7 Non-employee businesses likely fit into the "Sole proprietors, independent contractors, and self-employed persons" category of PPP-eligible entities (see <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/first-draw-ppp-loan>) and the "sole proprietorship or single member LLC" category of SVOG-eligible entities (see https://www.sba.gov/sites/sbagov/files/2021-10/10-20-21%20SVOG%20FAQ%20FINAL_508_final.pdf)
- 8 Businesses with greater than 500 employees were potentially excluded from PPP consideration, subject to additional review. See <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/first-draw-ppp-loan>
- 9 Links to the maps are as follows:
Overall Distribution of Federal Relief Funds, by County, <https://dataarts.smu.edu/interactives/Bloomberg/bb-totaldollars.html>
Federal Relief Dollars as a % of Arts and Culture Payroll, by County, <https://dataarts.smu.edu/interactives/Bloomberg/bb-federalrelief.html>
Number of Federal Relief Awards as a % of Establishments, by County, <https://dataarts.smu.edu/interactives/Bloomberg/bb-federalreliefawards.html>
- 10 Non-employee businesses likely fit into the "Sole proprietors, independent contractors, and self-employed persons" category, and businesses with greater than 500 employees were potentially excluded from PPP consideration. See <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/first-draw-ppp-loan>
- 11 See the "Exclusions and Undercoverage" section here: <https://www.census.gov/programs-surveys/cbp/technical-documentation/methodology.html>
- 12 Trend findings based on annual data reported by 1,776 nonprofit arts and cultural organizations via SMU DataArts' Cultural Data Profile.
- 13 American Alliance of Museums, Annual National Snapshot of United States Museums, June 27, 2023, Accessed from <https://www.aam-us.org/2023/06/27/museum-field-attendance-financial-staffing-recovery-to-take-years-new-survey-finds/>
- 14 Butler, Isaac, "American Theatre Is Imploding Before Our Eyes," *The New York Times*, July 19, 2023. Accessed 20 July 2023 from <https://www.nytimes.com/2023/07/19/opinion/theater-collapse-bailout.html>

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