

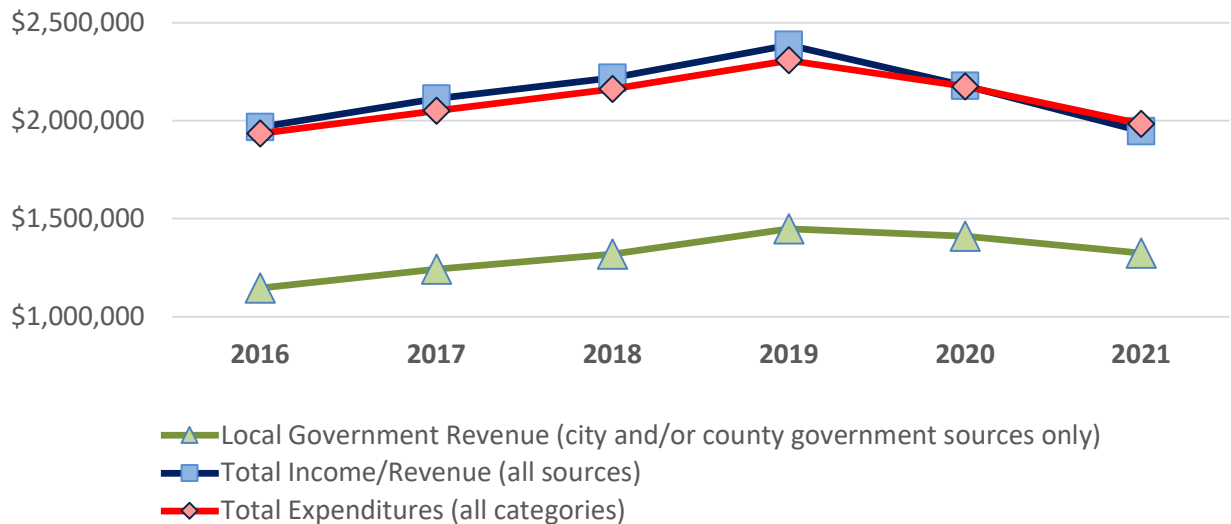
The Impact of COVID-19 on Local Arts Agencies (LAAs)

Based on 580 Responses to the 2020 Profile of Local Arts Agencies (data collected October 2020 through February 2021)

The COVID-19 pandemic has strained the financial health of the LAA field. Budgets and staff have been cut, and priorities have shifted. Despite these challenges, as the arts sector cautiously returns to in-person programming, LAAs continue their vital role in promoting, supporting, and developing the arts in America’s communities.

- **BEFORE COVID-19:** 52% of the participating LAAs originally budgeted an increase in total income/revenue from FY2019 to FY2020, and 55% budgeted an increase in expenditures.
- **HOWEVER, AS A RESULT OF COVID-19:** 61% of LAAs had a decline in income/revenue from FY2019 to FY2020, and 62% experienced a decline in expenditures.
- After eight consecutive years of increases, the size of the average LAA budget (income/revenue) declined 10.0% in 2020; it is anticipated to decline another 10.6% in 2021 (*see table at bottom of page*).
- 57% of LAAs reduced their level of operations due to the pandemic. Another 4% reported that they were not currently operating at the time they completed the survey.
- 34% of the respondents reported that they will permanently eliminate at least one paid position because of the pandemic (including 16% that have already done so).
- 39% of LAAs believe their financial outlook will be better in two years than it is right now; however, only 24% think their financial outlook will be better in two years than it was prior to the pandemic.
- Less than half (42%) agree that, "My LAA has a diverse income/revenue stream that is sustainable."
- 70% of LAAs applied for funding from one of the sources provided by the federal CARES Act.
 - Some participating LAAs included federal, state, and/or local COVID-19 relief funds in their FY2020 and/or FY2021 budgets, including in local government support.

Trends in Average Revenues and Expenditures of 559¹ Participating Local Arts Agencies: FY2016–FY2021



	2016	2017	2018	2019	2020	2021
Local Government Revenue only	\$1,146,332	\$1,242,415	\$1,319,545	\$1,448,499	\$1,410,850	\$1,323,742
Percentage of Change		8.4%	6.2%	9.8%	-8.2%	-6.2%
Income/Revenue (all sources)	\$1,966,614	\$2,112,307	\$2,217,978	\$2,385,853	\$2,176,815	\$1,945,717
Percentage of Change		7.4%	5.0%	7.6%	-10.0%	-10.6%
Expenditures (all categories)	\$1,935,026	\$2,050,540	\$2,161,404	\$2,307,757	\$2,174,195	\$1,983,831
Percentage of Change		6.0%	5.4%	6.8%	-10.0%	-8.8%

¹ 559 of the 580 participating LAAs provided a comprehensive budget history for fiscal years 2016 through 2021.

Trends in AVERAGE LOCAL GOVERNMENT REVENUE² by Budget Category: FY2016–FY2021

TOTAL BUDGET of LAA (expenditures)	2016	2017	2018	2019	2020	2021
Less than \$100,000 (n=135)	\$13,496	\$14,489	\$15,634	\$16,119	\$12,987	\$14,437
Percentage of Change		7.4%	7.9%	3.1%	-19.4%	11.2%
\$100,000 to \$249,999 (n=100)	\$53,372	\$55,010	\$57,061	\$61,395	\$68,147	\$57,337
Percentage of Change		3.1%	3.7%	7.6%	11.0%	-15.9%
\$250,000 to \$499,999 (n=91)	\$111,653	\$102,914	\$111,416	\$118,850	\$108,162	\$100,638
Percentage of Change		-7.8%	8.3%	6.7%	-9.0%	-7.0%
\$500,000 to \$999,999 (n=75)	\$244,882	\$255,400	\$269,910	\$292,797	\$275,263	\$283,351
Percentage of Change		4.3%	5.7%	8.5%	-6.0%	2.9%
\$1,000,000 to \$4,999,999 (n=118)	\$755,118	\$818,789	\$849,105	\$872,345	\$824,761	\$783,135
Percentage of Change		8.4%	3.7%	2.7%	-5.5%	-5.0%
\$5,000,000 to \$9,999,999 (n=17)	\$3,662,637	\$4,031,668	\$4,268,323	\$4,912,567	\$4,610,503	\$4,175,031
Percentage of Change		10.1%	5.9%	15.1%	-6.1%	-9.4%
\$10,000,000 to \$19,999,999 (n=14)	\$8,513,820	\$8,702,741	\$9,150,367	\$10,694,714	\$9,590,923	\$8,611,088
Percentage of Change		2.2%	5.1%	16.9%	-10.3%	-10.2%
\$20,000,000 or More (n=9)	\$37,172,378	\$41,282,097	\$44,285,070	\$48,049,298	\$48,848,513	\$46,437,703
Percentage of Change		11.1%	7.3%	8.5%	1.7%	-4.9%

Trends in AVERAGE INCOME/REVENUE (all sources) by Budget Category: FY2016–FY2021

TOTAL BUDGET of LAA (expenditures)	2016	2017	2018	2019	2020	2021
Less than \$100,000 (n=135)	\$51,923	\$58,036	\$60,449	\$61,166	\$45,235	\$43,760
Percentage of Change		11.8%	4.2%	1.2%	-26.0%	-3.3%
\$100,000 to \$249,999 (n=100)	\$234,530	\$249,130	\$279,934	\$226,709	\$218,084	\$196,874
Percentage of Change		6.2%	12.4%	-19.0%	-3.8%	-9.7%
\$250,000 to \$499,999 (n=91)	\$425,902	\$419,650	\$463,134	\$447,700	\$380,102	\$343,636
Percentage of Change		-1.5%	10.4%	-3.3%	-15.1%	-9.6%
\$500,000 to \$999,999 (n=75)	\$726,692	\$803,383	\$854,768	\$884,836	\$821,258	\$724,340
Percentage of Change		10.6%	6.4%	3.5%	-7.2%	-11.8%
\$1,000,000 to \$4,999,999 (n=118)	\$2,268,322	\$2,390,587	\$2,406,098	\$2,410,615	\$2,141,161	\$1,913,952
Percentage of Change		5.4%	0.6%	0.2%	-11.2%	-10.6%
\$5,000,000 to \$9,999,999 (n=17)	\$7,069,889	\$7,658,325	\$7,959,648	\$8,843,486	\$8,457,564	\$7,139,479
Percentage of Change		8.3%	3.9%	11.1%	-4.4%	-15.6%
\$10,000,000 to \$19,999,999 (n=14)	\$15,861,841	\$16,217,248	\$17,524,482	\$20,336,875	\$15,472,800	\$12,606,887
Percentage of Change		2.2%	8.1%	16.0%	-23.9%	-18.5%
\$20,000,000 or More (n=9)	\$40,633,313	\$45,585,314	\$48,096,256	\$52,905,808	\$53,298,476	\$50,305,622
Percentage of Change		12.2%	5.5%	10.0%	0.7%	-5.6%

Trends in AVERAGE EXPENDITURES (all categories) by Budget Category: FY2016–FY2021

TOTAL BUDGET of LAA (expenditures)	2016	2017	2018	2019	2020	2021
Less than \$100,000 (n=135)	\$52,104	\$55,607	\$55,417	\$53,889	\$41,895	\$41,542
Percentage of Change		6.7%	-0.3%	-2.8%	-22.3%	-0.8%
\$100,000 to \$249,999 (n=100)	\$220,934	\$231,659	\$221,925	\$225,023	\$203,541	\$172,672
Percentage of Change		4.9%	-4.2%	1.4%	-9.5%	-15.2%
\$250,000 to \$499,999 (n=91)	\$412,626	\$422,124	\$433,324	\$444,004	\$371,621	\$358,241
Percentage of Change		2.3%	2.7%	2.5%	-16.3%	-3.6%
\$500,000 to \$999,999 (n=75)	\$715,746	\$760,369	\$797,207	\$835,178	\$742,774	\$721,957
Percentage of Change		6.2%	4.8%	4.8%	-11.1%	-2.8%
\$1,000,000 to \$4,999,999 (n=118)	\$2,283,963	\$2,273,400	\$2,305,191	\$2,412,174	\$2,203,525	\$2,016,562
Percentage of Change		-0.5%	1.4%	4.6%	-8.6%	-8.5%
\$5,000,000 to \$9,999,999 (n=17)	\$6,950,538	\$7,685,600	\$7,746,554	\$8,670,183	\$8,361,791	\$7,210,421
Percentage of Change		10.6%	0.8%	11.9%	-3.6%	-13.8%
\$10,000,000 to \$19,999,999 (n=14)	\$15,471,540	\$16,045,766	\$17,652,424	\$18,631,519	\$15,744,157	\$12,796,441
Percentage of Change		3.7%	10.0%	5.5%	-15.5%	-18.7%
\$20,000,000 or More (n=9)	\$39,672,647	\$44,064,563	\$47,610,015	\$51,593,932	\$53,028,321	\$51,073,096
Percentage of Change		11.1%	8.0%	8.4%	2.8%	-3.7%

² Local government revenue includes all dollars received by the local arts agency from city and/or county government sources such as line-item allocations, revenues from option taxes, and pass-through government dollars that the LAA redistributes within the community. It is typically a subset of total income, although in some cases it can be an LAA's only source of income. *Some participating LAAs included federal, state, and/or local COVID-19 relief funds in their FY2020 and/or FY2021 budgets, including in local government support.*