

# **The Impact of COVID-19 on Kansas Arts and Cultural Organizations**

**Report of Findings  
April 2020**



**HUMANITIES  
KANSAS**

A Movement of Ideas

A project in partnership with the **Kansas Creative Arts Industries Commission, Freedom's Frontier National Heritage Area, Kansas Museums Association, and the Kansas Library Association.**

## Overview

The Kansas Arts and Culture Survey was created to measure the impact of the Coronavirus during March – April 2020 on the arts and cultural nonprofit sector in Kansas. The goals of the survey were simple:

1. To capture early data on the impact of the pandemic shutdown
2. To establish early indications of support needed by arts and cultural organizations
3. To use the data to develop sustainability plans and create mechanisms for financial and other support

This survey was designed to be used by museums, historical societies, art centers, libraries, performing arts venues, and other organizations that are critical to our state's flourishing and important arts and culture infrastructure.

The survey was distributed March 26 – April 8, 2020 through social media and email. The survey received 125 responses.

## Key Findings

1. **A financial impact has occurred and assistance will be needed.**
  - a. Kansas arts and cultural organizations anticipated some financial impact from the coronavirus shut down.
  - b. Although many responded that it was too early to predict how much of an impact, organizations are already seeking funding options to keep their organizations viable, and, when ready, to have the doors open and the lights on.
2. **Organizations are pivoting and adapting programming, but flexibility varies.**
  - a. Organizations that have the staff and capabilities are pivoting their programming to online platforms and rethinking what large group events will be in the future.
  - b. Programming flexibility varies from one organization to another. Performing arts venues face unique challenges in terms of rescheduling events while some organizations lack funding and staff to pivot easily.
3. **Kansas cultural organizations are vital to their communities.**
  - a. Kansas arts and humanities organizations carry an important role in the economic and cultural life of their communities.
  - b. Both short and long-term closures of heritage tourism sites and arts attractions have a ripple effect on local businesses: restaurants, shops, and hotels.

## About the Respondents

Survey respondents represented a wide cross-section of Kansas cultural organizations. Most of the organizations were nonprofits (78%), followed by government institutions (13%), institutions of higher learning (6%), and for-profit business (3%).

### Disciplines

The top ten disciplines most represented in the survey were:

- Museums (38%)
- History/Heritage/Preservation (34%)
- Local Cultural Organization (city, county) (25%)
- Performing Arts: Dance, Music, Theater (25%)
- Visual Arts (21%)

- Library: Academic or Public (14%)
- Humanities (14%)
- Media Arts/Film/Video (11%)
- Research/Policy/Planning (11%)
- Regional Cultural Organization (8%)

#### Populations Served

When asked if their organizations primarily serve people of color, individuals with disabilities, indigenous Americans, LGBTQIA+, low-income, or other marginalized identities, 11% responded yes (more than 50% of programming), 46% responded partially (less than 50% of programming), and 43% responded no.

#### Geographic Distribution

85 of the 105 Kansas's counties were represented in the survey. Statewide organizations accounted for 8% of respondents. The ten counties represented in the survey by the most respondents all have populations of 20,000 or more:

- Sedgwick (13.6%)
- McPherson (11.2%)
- Douglas (8.8%)
- Harvey (8%)
- Shawnee (7.2%)
- Johnson (6.4%)
- Saline (5.6%)
- Butler (5.6%)
- Pottawatomie (4.8%)
- Reno (4.8%)

#### Budget and Staff

The survey reinforced the fact that Kansas cultural organizations accomplish an incredible amount with modest budget and staffing.

##### Budget:

- Over half of the respondents reported an annual operational budget of \$99,999 or less (51%). Of those organizations, 30% operate on an annual budget of \$50,000 or less.
- 8% of respondents have a budget of over \$1,000,000.

##### Staff:

- Over half of respondents (59%) reported no full-time staff member or one full-time staff member.
- 45% employ between 1 and 3 part-time staff, while 29% employ no part-time staff.
- 60% of respondents do not have contract personnel

At the time of the survey the staffing forecast was unclear and few jobs losses were reported, with 92% of respondents indicating that no full-time jobs had been terminated and 82% sharing that no part-time jobs had been terminated.

Organizations were split as to whether or not they would temporarily or permanently reduce staff.

- 50% projecting staff reductions would be not at all likely or somewhat unlikely
- 50% projecting that staff reductions would be likely to extremely likely.
- When asked what they would do if they had to reduce staff in the future, 36% of survey respondents projected that no jobs would be terminated, with an equal percentage anticipating that one to two jobs would be impacted.

## Programming Impact

For Kansas cultural organizations, the immediate impact of the coronavirus shutdown was felt in several key areas, including:

- event and program cancellations (84%)
- event postponements (78%)
- increased online presence (50%)
- loss of revenue from fee refunds (20%) and ticket refunds (13%)

93% of respondents present and/or produce in-person events, so the stay at home order and restriction of gatherings to 10 persons or less had a profound impact on their organizations.

### Event Cancellations and Postponements

As stay at home orders and meeting restrictions were issued, organizations were forced to cancel or postpone events.

- 73% of respondents canceled between 1 and 20 events in March and early April.
- The majority of respondents anticipate cancelling between 1 and 10 events in the next one to three months.

For those organizations that stayed open or proceeded with March events before the statewide restrictions, 56% were unsure as to whether or not they experienced a decrease in attendance while 30% reported a definite decrease.

Some organizations have flexibility to reschedule events and exhibitions. One respondent noted, *“We are rescheduling exhibits and programs related to new exhibitions.”* Another replied that their organization was *“changing [the] timing of [the] exhibit.”*

Other organizations shared that while they can reschedule some events, other unknowns exist, including the availability of artists. *“We will be rescheduling our festival to September,”* one respondent shared. *“Some artists originally booked will not be available, so we will substitute with others.”*

### Pivoting Online

The necessity of cancelling in-person events created new opportunities for organizations to expand or enhance their online presence.

- 69% of respondents offer online digital services with 39% reporting that all or some of the online services were new since the shutdown.
- Rather than waiting for in-person programming to return, some organizations are creating online versions. *“If Summer Library is cancelled we plan to offer it digitally,”* one librarian reported regarding the popular annual summer reading program. An arts organization is *“[moving] concerts online.”* Another organization plans for *“Some [programs] will be lived-streamed or taped and posted on our Facebook or web page.”*

Organizations are also seeing the COVID-19 shutdown as a way to boost their online and digital presence. One respondent shared that they were *“working on a digital presence that we did not have beforehand. This was something we had discussed and current events pushed this to the forefront. With the abundance of social media applications, our marketing cost is limited to just the creation of digital media.”*

### Still in Planning Stages

At the time of the survey, a number of respondents (23) were unsure of or still planning their program response. *“Our organization’s two sites, to date, have been gathering spaces,”* reported one respondent. *“They are dependent on ticket sales and in person visits for most of their revenue. We have not come up with a realistic plan for replacing this funding source from a distance.”*

### Closed with No Programming Plans

A handful of organizations (10) reported they did not have the flexibility to adapt programming due to closure, limited staff and volunteers, and the restrictions of gatherings to 10 or less. *“The concert hall in which the orchestra performs has been closed and we have no alternate venue,”* reported an orchestra representative. *“Even if the auditorium were available, our concerts average 700-800 members, so there’s no way we could offer programs under the current restrictions on gatherings and the recommendations for social distancing.”*

### Looking to the Future

One museum is anticipating the need to restructure crowd size when the stay at home order lifts: *“We have been able reschedule some events and exhibits. We are looking into ways to present exhibits online and live stream presentations. We are also looking at adapting onsite programming to lessen the need for people to gather in large crowds, e.g. instead of a reception for an exhibit opening offering a day-long open house.”*

## **Financial Impact**

COVID-19 shutdowns have a tangible impact on cultural organizations’ non-admissions income (gift shop sales, sponsorships, contributed income) and admissions revenue. The long-term financial forecast is harder to predict. Respondents anticipate financial hardships with 80% estimating they will range from severe to extremely severe, but many feel it’s too soon to estimate how much they can expect to lose.

### Non-Admissions and Admissions Income

- 63% of organizations report that they have lost *non-admissions* income, like gift shop sales, sponsorships, and contributed income as a result of the coronavirus.
- When asked to estimate exactly how much, 34% say it’s too soon to tell and another 34% estimate less than \$25,000.
- 47% of the organizations surveyed that charge admission agreed that revenue had decreased.
- 27% felt it was too soon to tell how much admissions revenue had decreased
- 22% felt it would be less than \$25,000.

### Unanticipated Expenses

Unanticipated expenses as a result of the coronavirus – purchasing new cleaning products, new technologies, unexpected marketing expenses, cancellation fees – are on the rise or expected to be on the rise for about one-third of the organizations.

- 20% of organizations agreed that expenses have increased
- 14% expect expenditures to increase
- 44% say it’s too soon to tell
- 20% do not expect a change

When asked to estimate the cost of unanticipated expenses, 50% replied that it’s too soon to tell and 17% estimated the costs would be less than \$25,000.

### Cash Reserves

If coronavirus-related shut downs were to extend indefinitely, it would pose a financial challenge to many cultural institutions. The amount of cash on hand varies greater among the respondents.

- 3% of organizations possess operating expenses to sustain beyond 12 months
- 20% of organizations have cash reserves for 12 months
- 12% for six months
- 19% for 3 months
- 10% for 2 months
- 4% for one month.

### How Organizations are Planning for the Next 1-3 Months

Organizations that are struggling to meet operating expenses are planning for the next few months by avoiding costs, closures, cutting staff hours, relying on savings, and seeking financial opportunities.

#### Avoiding Costs

Frugality is one strategy that organizations are employing to meet operating expenses. *“We will not undertake any activity that has a cost,”* reported one respondent. Another organization shared, *“We are assessing financial resources available from the government and cutting expenses where possible.”*

#### Closing/Reducing Staff Hours

A number of organizations are finding it necessary to close or reduce staff hours in order to cover expenses. *“We need to close down completely or limit employee hours,”* wrote one organization. The virus may threaten the future of another organization with its representative sharing, *“We barely met expenses before the virus, so we may not open.”*

#### Relying on Savings

Organizations with savings and/or endowment funds are turning to those reserves to cover expenses. *“We will have to dip into our investments since we are cancelling two fundraising events,”* reported one organization. Another organization planned to *“draw from the endowment, if necessary.”*

#### Seeking Financial Opportunities

Some organizations reported they were actively pursuing grants and loans. One organization is *“researching national, state, and local grant opportunities and partnerships with other organizations.”*

If organizations lose revenue, most respondents would cut the expenses in the following order:

1. Marketing
2. Programming
3. Staff
4. Facilities

#### Private Funds

92% of those surveyed rely on a percentage of private funds for operating expenses. 44% reported that private funds account for between 21 and 50% of their budgets. 67% of organizations felt it was likely they will lose private funds. To date, the majority (65%) had not lost private funds. 34% estimate they will not lose additional private funds and 23% estimate they will lose between \$5,000 and \$50,000.

There was overall uncertainty as to whether or not organizations would be able to recoup lost private funds with 70% responding maybe or unsure.

#### Grants

The majority of organizations that rely on grants from foundations or others (71%) reported that they have no word on whether or not they will be available due to coronavirus disruptions. Only 2% of organizations confirmed that one of their grants would no longer be available.

7% of organizations surveyed award grants to other arts or cultural organizations. Of those organizations, 2% will continue to give, 4% may need to decrease, and 1% confirmed that they will need to decrease.

#### Municipal Funding

58% of organizations surveyed receive municipal funding and the majority projected that this funding source would remain stable. 66% felt that a loss of municipal funding was unlikely or somewhat unlikely. 62% estimated that they would not lose municipal funds.

#### Funding Sources

When asked if the federal government's response to the coronavirus included a stimulus package with funding for humanities and arts and which funding source (local, state, federal) would be the most effective for receiving these funds, organizations ranked them in the following order:

1. Local Government – Most Effective
2. State Grant – Moderately Effective
3. Federal Grant – Least Effective

## Cultural Impact

The cultural impact of the coronavirus on communities is profound and the survey found that organizations have many concerns about the long-term impact. Organizations are afraid of losing connections with the public and relevancy in their community. Cultural leaders have concerns about a potential fight for limited private funds. Many anticipate an economic downturn in their community as a result of the closure of cultural tourism attractions.

*“As a local museum we have closed the doors to everything. This includes daily visitors and fundraising events. The best way for us to fund this museum is to keep the public informed about what we have to offer in the way of local history. People may forget about us in the coming months and then it will be hard to re-establish the connections that we have worked so hard for in the last few years. We do not receive much funding from our city or county so we have to fund our museum with outside sources. This will be especially hard with the economy the way it is right now.”*

*“With cancellation of public meetings, keeping in touch with community and small groups may have an impact on membership.”*

*“As a county funded entity, we rely on interaction with the public through research and genealogy, children’s and adult programming, and exhibits to remain relevant. We’ve worked hard to fill a need and create an active presence in the community to justify funding. It would be easy to lose this if we are shut down too long. We are working on how to keep up community interaction through social media and mostly starting from square one.”*

*“Rescheduling for performing venues is almost impossible due to already scheduled shows and difficulty in getting cast and crew again. Artists are suffering not only because of lost gigs but also because so many of them have side jobs in the hospitality industry. They need grants not loans and also need rent and utility forgiveness not just deferrals.”*

*“The number of new businesses created in the area over the last two years that depend on tourism, that are now closed is tragic. Many may not survive. Helping increase the economic tailspin that recession creates.”*

*“Since our community relies on tourism dollars that are brought in by our museum, our whole community is being effected by our temporary closure: restaurants, lodging, retail, etc. If this situation continues into the summer, it could be devastating for all local businesses, even if we survive.”*

Another theme that emerges in the survey is creativity and adaptability. A number of organizations are making the best of a less than ideal situation to expand online opportunities and share their stories and art in new ways.

*“The virus is forcing us to look at ways to share our stories through virtual tours, social media, and other online platforms. We still have irons in the fire in our community. Meeting and brainstorming are being conducted virtually and via digital file sharing.”*

*“As an institution built around public engagement, losing the opportunity to physically engage the community is rather devastating. On the positive side, though, we are finding new ways to engage people online and learning new skills that will be added to our array of public offerings permanently.”*

*“While this is hard, and will continue to be hard in many areas of life, we can’t help but notice that creativity loves constraints! Yes, we’ve had to learn some skills on-the-fly, and we’re pivoting to continue to serve our community, but we are learning and growing and creativity is blossoming in all kinds of new ways!”*

## **Next Steps**

This survey is only the first of many steps that will need to occur to keep critical infrastructure in place for the arts and cultural sector in Kansas. The willingness of organizations across the state to respond so quickly to this survey – and with such candid answers – has provided enormously helpful information.