

Testimony of Pam Breaux

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**Before the U.S. House of Representatives Committee on Small Business Hearing on
“The Power, Peril, and Promise of the Creative Economy”**

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Chairwoman Velázquez, Ranking Member Leutkemeyer, members of the Small Business Committee, thank you for holding today’s hearing to consider the vital role of the arts in our economy. My name is Pam Breaux and I serve as the President and Chief Executive Officer of the National Assembly of State Arts Agencies (NASAA), the organization that represents and serves the nation’s 56 state and jurisdictional arts agencies.

I appreciate the Committee’s attention on the key role the creative economy has had and can have in shaping the fabric of American life. The timing of this hearing is especially prudent given the unique moment in which it is taking place. Over the past two years, as the nation has struggled with the COVID-19 pandemic and resulting hardships, artists, arts organizations and venues across the country have been at the forefront of this struggle. At the height of the pandemic, 63 percent of the nation’s creative workers experienced unemployment and 95 percent lost professional income. The self-employed have experienced higher levels of income loss and unemployment than other categories of cultural and creative workers. Across the country, we have seen shows canceled, museums and theaters close (some permanently), and countless individuals lose access to their livelihoods.

As a proud champion for the arts in America's communities, this has been heartbreaking to witness. I would be remiss if I didn't mention that the impacts would have been even more severe had this committee, and Congress as a whole, not responded in a bipartisan way to provide emergency relief for artists and businesses impacted by COVID-19. Legislation like the CARES Act provided a lifeline that mitigated some of the worst outcomes and put many on a pathway to recovery.

Today, while our nation has not emerged totally from the pandemic, it is prudent to examine components of our economy so that we can identify policies that will further our nation's recovery. An examination of the creative economy today sends an important signal that Congress understands and appreciates the vital role artists, arts organizations and creative businesses have on the American economy.

Last year, the National Endowment for the Arts and the Bureau of Labor Statistics released a report highlighting the significant contributions of the arts and cultural sector to the nation's gross domestic product in 2019. The study found that production of arts and cultural goods and services in the U.S. added 4.3 percent directly to the nation's GDP, for a total approaching a trillion dollars (\$919.7 billion), an amount greater than the value added by such industries as construction, transportation and warehousing, mining, and agriculture. Further, arts and cultural industries employed 5.2 million workers on payroll with total compensation of \$447 billion.

As these figures demonstrate, artists, arts organizations and creative businesses play a meaningful role in shaping the nation's economy. As Congress and this Committee consider next steps to further bolster the economy, I encourage all of you to continue to keep the creative economy in mind. As we have seen with targeted aid like the Shuttered Venue Operators Grant, CARES Act and

American Rescue Plan funding to the National Endowment for the Arts and to State Arts Agencies, federal support is critical for this vital industry to thrive once again.

It is also important to note that the arts and creative sector has contributed to past economic and community revitalization for local communities that have experienced chronic economic distress. Research shows that the arts can accelerate state and local economic turnarounds. An empirical analysis conducted by Dr. Douglas Noonan at Indiana University studied the role of the arts in economic recovery after the Great Recession, and the data reveals that the creative sector grew more quickly than the general economy in those years. States with diverse arts ecosystems posted bigger economic gains. All in all, the research demonstrates that the arts can improve, not merely reflect, the health of the broader economy.

Strategic and innovative solutions and investments are now needed for communities big and small, and the arts are part of the equation to advance economic recovery and revitalization. Fortifying communities across the country is critical, and the arts have a proven ability to help revitalize economies and bring distressed communities together; these can be powerful contributions in response to the economic and social losses levied by the COVID-19 pandemic. Strategic investments in the arts and creative sector will allow the sector to recover, and in turn, the sector will fortify communities across the country, as it has done in response to other economic crises.

Thank you again for the opportunity to share my perspective. Moving forward please consider me, NASAA and State Arts Agencies, a resource you can turn to.