

Museums and the COVID-19 Pandemic

Request

We urge Congress to:

- increase funding by at least \$1.25 billion for the Small Business Administration's (SBA) Shuttered Venue Operators grants to ensure all who are eligible, including all eligible museums, can benefit. In addition, remove the eligibility requirement for "fixed seating" so more museums may benefit from this program.
- provide nonprofit-specific grants, forgivable loans, and refundable tax credits for all nonprofits, including museums, via a carve-out or nonprofit-specific Paycheck Protection Program (PPP) relief that lifts the 500-employee cap and removes the 25% decline in gross receipts in the PPP second draw. We further request support for the updated WORK NOW Act and for emergency grants.
- strengthen charitable giving incentives by increasing and extending the above-the-line deduction while preserving the itemized charitable contribution deduction, all to ensure that nonprofits, including museums, have the resources to serve their communities.
- provide 100% unemployment benefit reimbursement to nonprofits that self-insure these benefits, both retroactively to 2020 and extended through the first three quarters of 2021.
- provide substantial financial aid to state and local governments to avoid layoffs and cuts to essential programs and services, and to prevent the imposition by governments of new costs and burdens on their nonprofit partners, including museums.

Talking Points:

- Museums across the country are struggling with the devastating impacts of the COVID-19 pandemic.
- Survey data shows that one out of every three museums may shutter permanently without immediate support—the loss of 12,000 museums and 124,000 jobs—and confirms the financial state of U.S. museums is moving from bad to worse.
- 30 percent of museums remain closed since the March 2020 lockdown and those that have reopened are operating on an average of 35 percent of their regular attendance—a reduction that is unsustainable long-term even with recent federal relief support.
- Like other nonprofits, museums are continuing to meet the needs of their communities despite the financial stress caused by the pandemic—from providing spaces for remote and virtual classrooms to providing lesson plans, online learning opportunities, and drop-off learning kits to teachers and families.
- Without a funding increase for the \$15 billion SBA Shuttered Venue Operators (SVO) grant program, it is widely expected that funds will run out.

“Museums and the COVID-19 Pandemic” - continued:

- The Shuttered Venue Operators grant program eligibility requirement that a museum have at least one auditorium, theater, or performance or lecture hall with “fixed audience seating” and regular programming disqualifies many museums, preventing them from benefiting from this important relief program.
- We support the common agenda put forward in [a letter](#) by the National Council of Nonprofits: easier access to PPP for nonprofits, increased federal reimbursement for nonprofits that self-insure for unemployment, tax incentives for charitable giving, and state and local government aid. The letter with nearly 3,000 signers from all 50 states, including AAM, provides additional detail on these issues.
- The letter asks that Congress and the Biden Administration recognize the unique role of charitable nonprofits, including museums, in providing pandemic relief and economic recovery by enacting a package of solutions tailored to the actual needs and realities of these organizations that are devoted to serving the public good.
- Without this immediate relief from Congress and the Administration, charitable organizations will not have the capacity or resources to be the backbone of communities upon which the American people rely.
- As the letter states, charitable nonprofits face unprecedented challenges in 2021 as they help to drive pandemic relief and economic recovery for our nation’s communities.
- We ask that all Representatives and Senators come together in supporting this package of relief proposals in the next stimulus and relief legislation so that our museums can be the force for good and unity that our nation’s communities want and need us to be at this time of great national struggle.

Status

Congress currently is drafting legislation for the next round of COVID-19 economic aid which is expected to pass by early-to-mid March.

Additional Museum Talking Points

- **Museums are a robust and diverse business sector**, including African American museums, aquariums, arboreta, art museums, botanic gardens, children’s museums, culturally-specific museums, historic sites, historical societies, history museums, maritime museums, military museums, natural history museums, planetariums, presidential libraries, public gardens, railway museums, science and technology centers, and zoos.
- **Museums are economic engines.** Economic impact data compiled by the American Alliance of Museums and Oxford Economics shows that, pre-pandemic, the museum economy contributes \$50 billion a year to the U.S. economy and generates \$12 billion in tax revenue to local, state, and federal governments.

- **Museums are vital local sources of employment,** pre-pandemic, supporting 726,000 direct and indirect jobs annually. Museums play an essential role in the nation's educational infrastructure, spending more than \$2 billion a year on education. The destabilizing effects of the current crisis place the future of these contributions to the U.S. economy and education system at great risk. If these businesses fail during this crisis, then there will be no jobs to which many thousands of displaced workers can return.
- **Closures and canceled events have been devastating.** Most nonprofit museums rely on earned income for at least half of their revenue; their economic lifeblood is people visiting. Dramatic closures and stay-at-home orders have had a devastating impact on the nonprofit museum community, which operates on thin margins of financial sustainability, without large designated operational reserve funds or access to tax-relief benefits, and is often largely dependent on earned revenue from visitors passing through their doors.
- **Furloughs and layoffs among museum personnel are increasing.** As employers, museums care deeply about the welfare, health, and financial stability of hard-working staff, and are concerned that increasing unemployment among museum personnel may exacerbate broader community issues of lack of access to health care, food insecurity, and even homelessness that will make the COVID-19 response much more challenging. The Paycheck Protection Program has been a lifeline for many museums and their employees.
- **Museums have impressive support from the public.** According to a national public opinion polling, 96% of Americans would think positively of their elected officials taking legislative action to support museums, regardless of political persuasion or community size. 97% of Americans believe that museums are educational assets, and 89% believe that museums contribute important economic benefits to their community. Museums are also the most trusted source of information in America, rated higher than local papers, nonprofit researchers, the U.S. government, or academic researchers. Museums can leverage this high level of public trust to provide education on COVID-19 and fight misinformation about its spread and about vaccines. By empowering the public with the information they need to make informed decisions and lower their risk of contracting or spreading disease, museums can help sustain healthy communities, maintain calm, and reduce the chances for an increase in discrimination or xenophobia often created by global diseases.

"Museums and the COVID-19 Pandemic" - continued:

- **Even as museums are experiencing closures and significant losses in revenue, they are meeting an increase in demand for their services and safeguarding and supporting their communities.** They are contributing to the ongoing education of our country's children by providing lesson plans, online learning opportunities, and drop-off learning kits to teachers and families. They are using their outdoor spaces to grow and donate produce to area food banks; and maintaining these spaces for individuals to safely relax, enjoy nature, and recover from the mental health impacts of social isolation. They have donated their PPE and scientific equipment to fight COVID-19, and provided access to childcare and meals to families of health care workers and first responders. In the midst of financial distress, they are even raising funds for community relief. Museums are pivotal to our nation's ability to manage through the pandemic and recover from it as our country opens back up.
- **Museums are community anchors, addressing challenges in times of crisis like the one we are currently experiencing.** Unfortunately, we expect hardships to be faced by increasing numbers of museums in communities across the country in the months ahead underscoring the need for continued economic relief to enable them to serve the public now and in the future.