



COVID-19 CASE STUDY

Economic Impact on Broadway

TANNA^{inc.}
Gregg Arst, Founder

THREE KEY LEARNINGS

Identifying where Broadway COVID-19 crisis has caused the most damage – revenue, labor, income, GDP



The multiplier effects of Broadway's longest shutdown



Past practices of previous shutdown recovery, plus an examination of financial aid available to venues and workforce

THE BROADWAY BUSINESS

Broadway is a vital sector of the U.S. economy



Broadway Audience

Over **14.8 million** people attend a Broadway production annually in NYC. Exceeds attendance of 10 of the 15-pro tri-state sports teams, combined. Tourists purchase two out of every three Broadway tickets, including **2.8M** annual international buyers.



Broadway-Related Travel Spending

Tourists spend an additional **\$8B** in direct purchases at restaurants, hotels, shops, and public transportation related to their performance.



Economic Impact

Broadway typically sells **\$1.83B** primary ticket sales. Estimated **\$350-\$400M** in additional annual secondary market sales. Broadway contributes over **\$16B** to the local NYC economy. Broadway tourism generates \$11B billion in taxable revenue for the city.



Employment Generator

A total of **96,000** jobs are maintained by the Broadway industry. This includes ~14,000 direct and ~83,000 indirect and induced jobs around NYC.

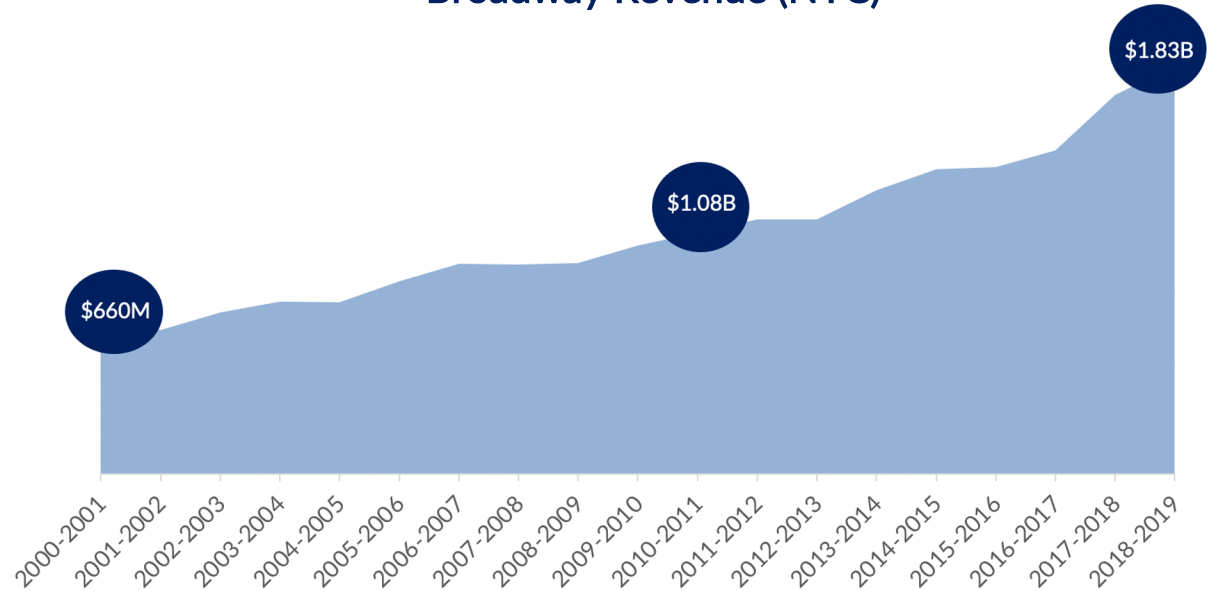
THE BROADWAY BUSINESS

Broadway is a vital sector of the U.S. economy

Ticket revenue has mostly increased every year since 2000, with the most dramatic spikes the last 5 years in part due to cultivating tourism, innovative ticketing strategies, and programming diversity.

- **\$1.163B** revenue increase (175%)
- Similarly, attendance has increased by **~2.9M people (24%)**

Broadway Revenue (NYC)



Source: The Broadway League

THE BROADWAY BUSINESS

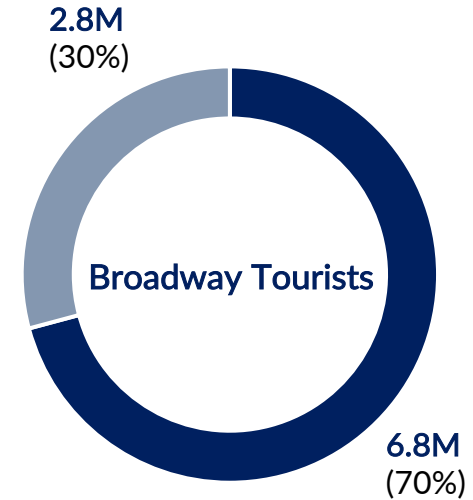
Broadway is a vital sector of the U.S. economy

An increase in the number of tourists in New York City is a key contributor to Broadway's recent growth pre-pandemic.

- 66.1 million NYC visitors in 2019
9.55 million Broadway tourists
- Fewer than 23M visitors in 2020



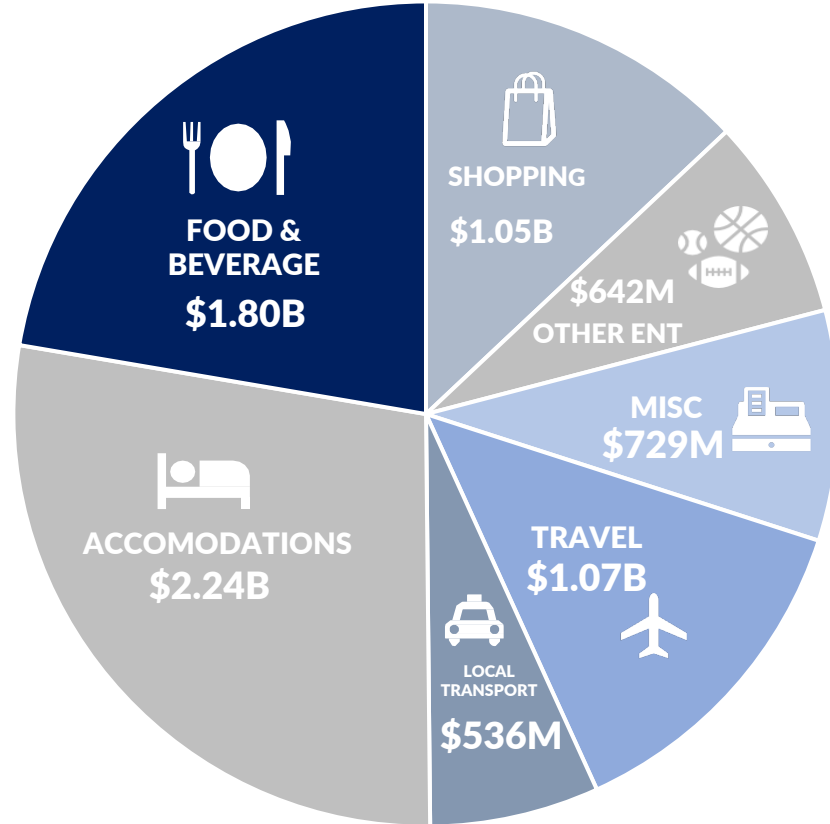
Sources: NYC & Co, The Broadway League



BROADWAY TRAVEL SPENDING

Purchases by tourists in NYC at restaurants, hotels, shops, and public transportation directly related to their Broadway ticket purchase.

- **3 days average stay for domestic visitors** when visiting to see a show in 2019. Foreign Broadway tourists stayed for around **6.7 days**.
- **8.5M tickets** were bought by visitors who considered Broadway the central reason for visiting NYC



TOURING BROADWAY

Presented in 200+ cities



Touring Audience

Over **18.5 million** people attend a Broadway show outside of NYC, or 25% more than attendance at Broadway shows. Touring Broadway attendees are regular theatregoers, averaging 5 shows/year.



Economic Impact

Tours typically beget an economic impact of **3.27x** the gross ticket sales to a local metropolitan area's economy. **~\$3.8B - \$4.1B** jolt across North America.



Fiscal Contributions

Broadway tours generate **\$1.60B** primary ticket sales. Estimated **\$500M+** in additional annual secondary market sales.



Employment Generator

A total of **~78,000 annual** direct jobs can be obtained thanks to Broadway tours. This includes travelling personnel, local workforce, & venue operations.

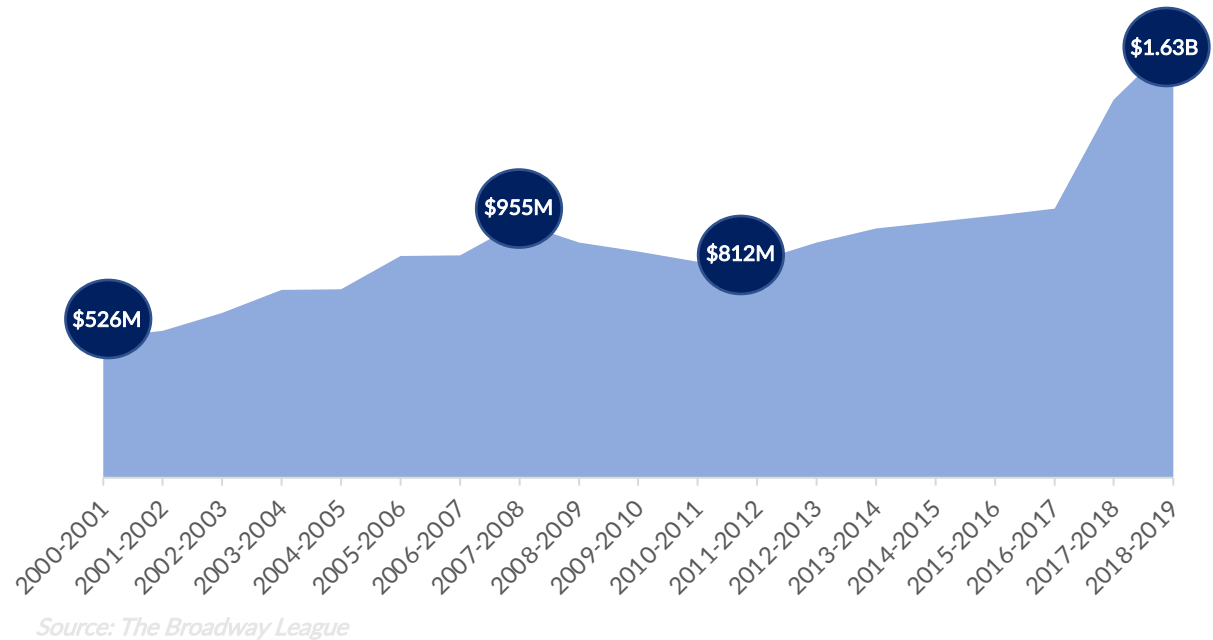
TOURING BROADWAY

Presented in 200+ cities

Ticket revenue has mostly increased over the past 20 years, with some yearly fluctuation sprinkled in based on strength-of-season & engagement lengths.

- **\$1.107B** revenue increase (210%)
- Attendance has increased by **~8M people (74%)**

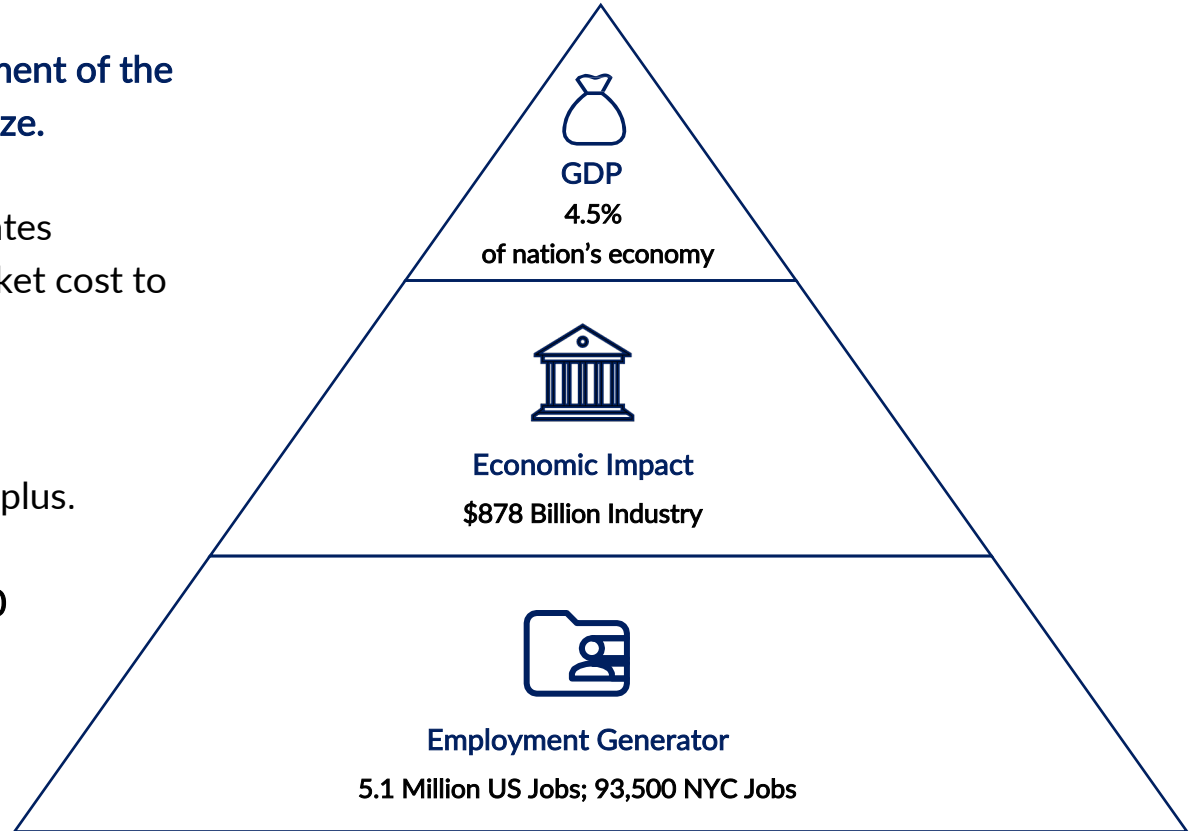
Touring Broadway Revenue



ARTS & CULTURE SECTOR

The arts represent are a larger segment of the US economy that most people realize.

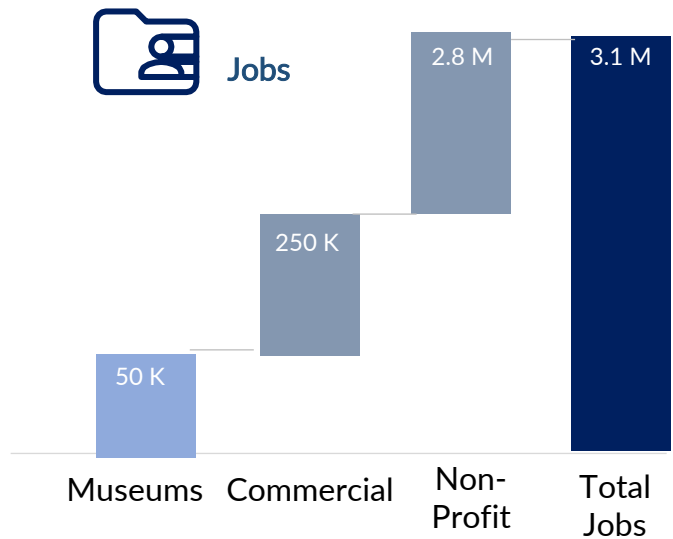
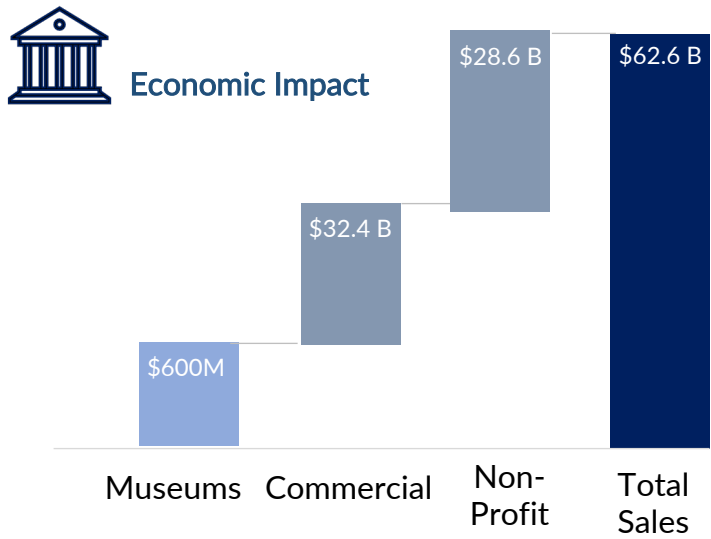
- Every visit to an arts event generates **\$31.47** per person beyond the ticket cost to economy.
- Pre-pandemic, arts celebrate a **\$30 billion** international trade surplus.
- **NYC** arts sector employed **93,500 people**; NYC arts employment ↓ 66% Dec 2020 vs prior year.



COVID-19 IMPACT

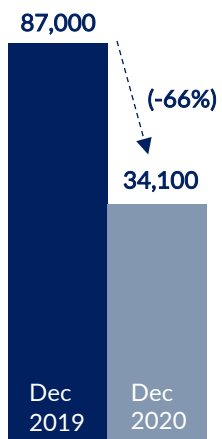
NATIONAL

A recent Brookings Institution report & Tanna, Inc show America's performing arts + fine arts will incur losses of **\$62.6 BILLION** and a whopping **3.1 million jobs**.

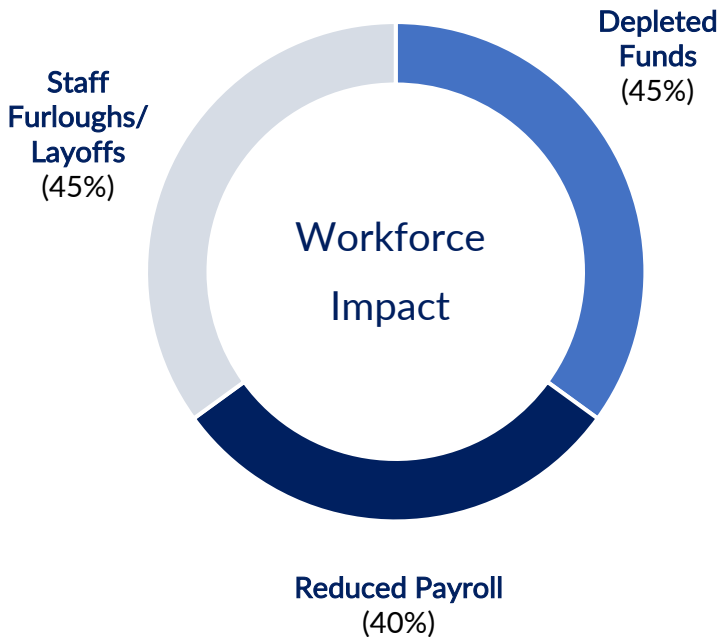


COVID-19 IMPACT

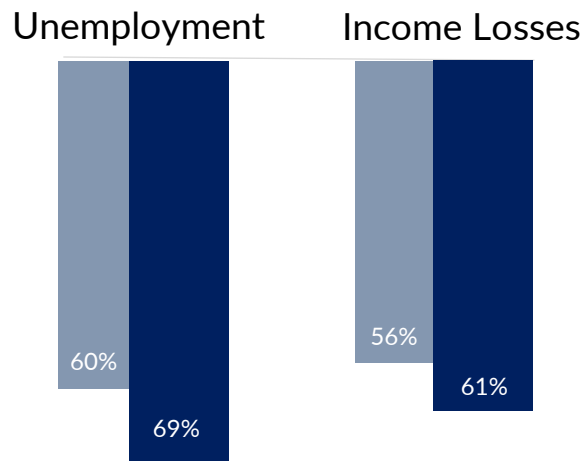
NYC ARTS JOBS



2019 v. 2020



BIPOC Artist Impact vs. White Artists



COVID-19 IMPACT

Estimates on Broadway Recovery

- COVID-19 quickly impacted Broadway during 2020 and will continue to have profound impacts throughout most of 2021 and beyond. The U.S. entered the early stages of a deep recession with steep employment and income losses. Recently passed **American Rescue Plan** is aimed to revitalize economy while providing additional vital financial relief to the arts.

Broadway currently suspended
through **May 2021**









Hopeful return for most shows
Fall 2021



Longest shutdown in the
history of Broadway (77+ weeks?)

COVID-19 IMPACT

		Broadway	Touring Broadway
	Performances Cancelled/Rescheduled	25,000	16,500
	Tickets Returned/Missed	21M	27M
	Lost Revenue	\$2.817B	\$2.631B
	Economic Impact	\$22.44B	\$5.75B
	Direct Jobs	14,000	8,000
	Indirect/Induced Jobs	83,000	70,000

PREVIOUS SHUTDOWN RECOVERY

Immediate business interruption impact.



Economics

Post-9/11 (2 days)



Visitor Spending: \$300 M
Ticket Sales: \$5M
Restaurants: \$6M



NYC INVESTMENT
Tickets: 50,000
Sales: \$2.5M
Promotion: \$1M

Long Term Loss : 4 years until International tourism reached pre-9/11 levels.

Labor Stoppages

1975 (25 days)

2003 (4 days)

2007 (18 days)



Impact: \$30M
Impact: \$28M
Impact: \$40M

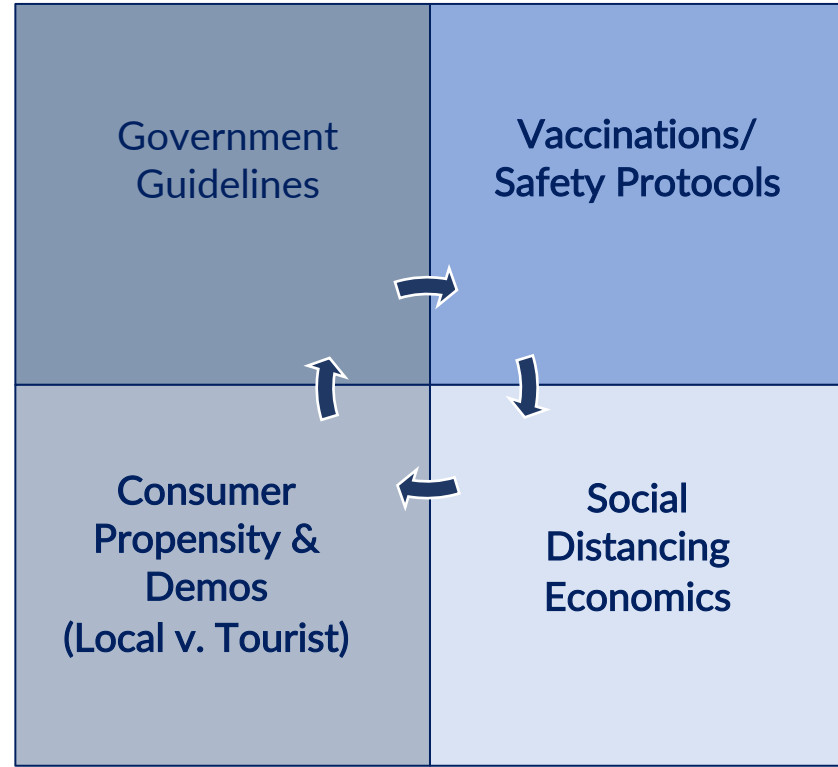


Next season rebound: 4%
Next season rebound: 7%
Next season rebound: 5%

COVID-19 IMPACT

Barriers to Re-Opening Broadway

- Volatility has long been a feature of Broadway before COVID, and not a recent bug.
- Government guidelines and restrictions, vaccination availability, health protocols, audience demographics, & current economics around reduced capacities, and profit risk around this new geometry are of significant concern.



COVID-19 IMPACT

NOTABLE FINANCIAL RELIEF TIMELINE:

Families First Coronavirus Response Act

March 2020

- \$104B Paid Sick Leave + UI Insurance benefits for Workers and families.

[CARES] Act

March 2020

- \$300B Economic Impact Payments
- +\$260B Increased UI Benefits
- +\$350B PPP (later increased to \$669B)
- Economic Injury Disaster Loans
- SBA Debt Relief
- Express Bridge Loan

Consolidated Appropriations Act

December 2020

- Overall \$900B relief stimulus
- +\$325B SBA PPP
- + \$166B Stimulus Payments
- + \$120B UI Benefits
- +\$10B Childcare Payment
- Save Our Stages \$15B (renamed Shuttered Venue Operations Grant – SVO)

American Rescue Plan

March 2021

- +Economic Impact Payments (\$1,400 per)
- Extended UI Benefits thru 9/6/21
- \$470 million earmarked for cultural organizations
- Child Tax Credit
- +\$7B PPP
- +\$1.25B (SVO)
- \$28.6B Restaurant/Bar grants

RESOURCES FOR A BETTER BROADWAY

COVID-19 RESPONSE CENTERS

ActorsFund.org

AmericansfortheArts.org

ArtistRelief.org

Arts in Education Roundtable
nycaieroundtable.org

BroadwayCares.org

CostumeIndustryCoalition.com

Directors Emerg Relief Fund
dramaleague.org

God's Love We Deliver
glwd.org

MusiCares
grammy.com

OpeningAct.org

PEN.org

SpeakYourMind.org

BIPOC & LGBTQ Resources

Broadway Advocacy Coalition
bwayadvocacycoalition.org

Black Table Arts
blacktablearts.com

Black Theatre Matters
blacktheatrematters.org

Black Visions Collective
blackvisionsmn.org

Black Voters Matter
blackvotersmatterfund.org

Color of Change
colorofchange.org

LGBTQ Freedom Fund
lgbtqfund.org

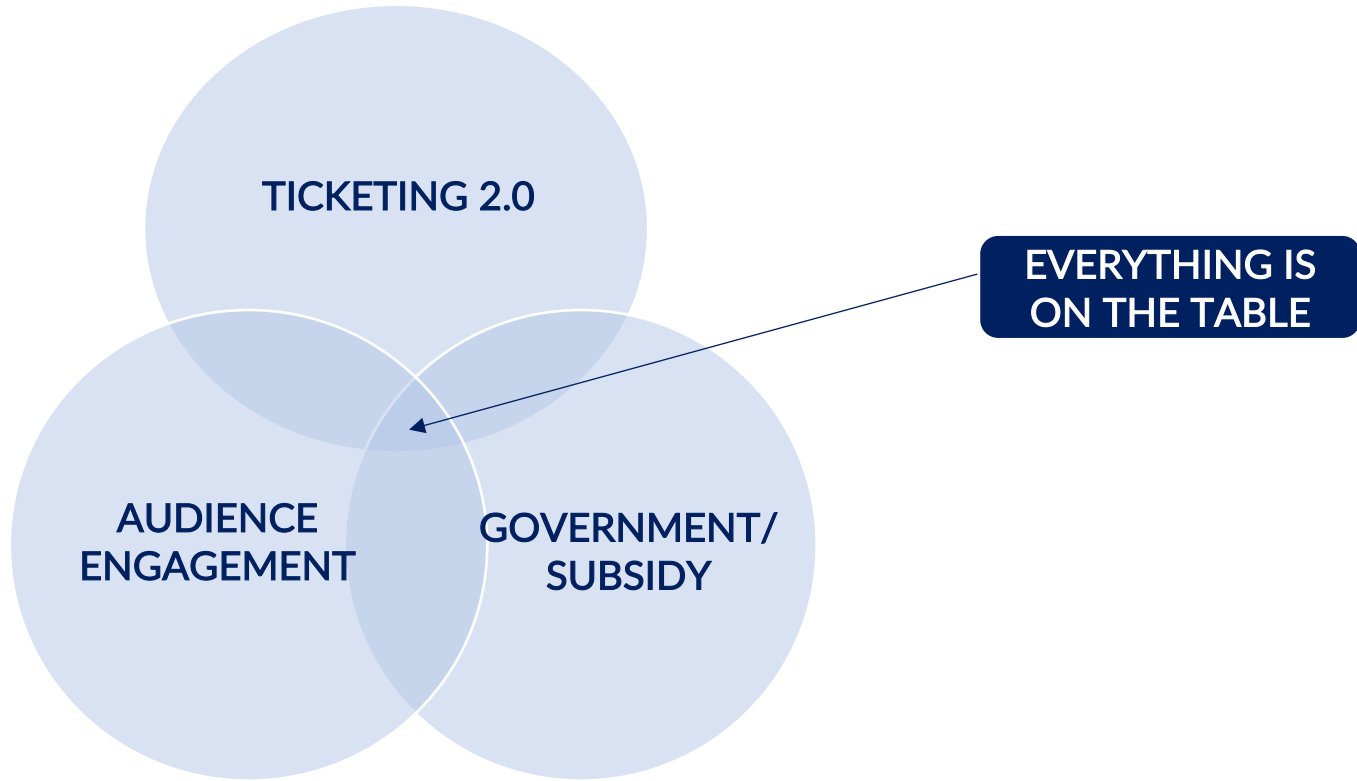
Musicians United For Social Equity (MUSE)
museonline.org

NAACP Legal Defense Fund
naacpldf.org

The Okra Project
theokraproject.com

See more @ [Tanninc.com](#)

ROAD TO RECOVERY



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