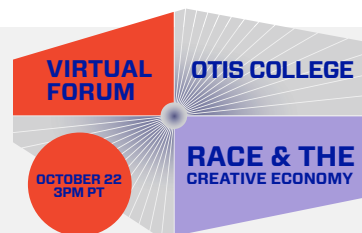


The CURRENT STATE of the CREATIVE ECONOMY



An excerpt from the Otis College 2020 *Race & The Creative Economy Virtual Forum* presentation by Adam J Fowler, Director of Research at Beacon Economics

"The creative economy in the United States is a key export, supports community well-being, encourages tourism, and is vital to our quality of life. Bolstering support for this economy now will avoid lasting damage and pay dividends down the road.

An economic recovery without
Arts & Culture”
is no recovery at all.

The COVID-19 pandemic has taken a devastating toll on the creative economy both in California and across the United States. Early estimates place California and Los Angeles atop the list of regions suffering major job losses.

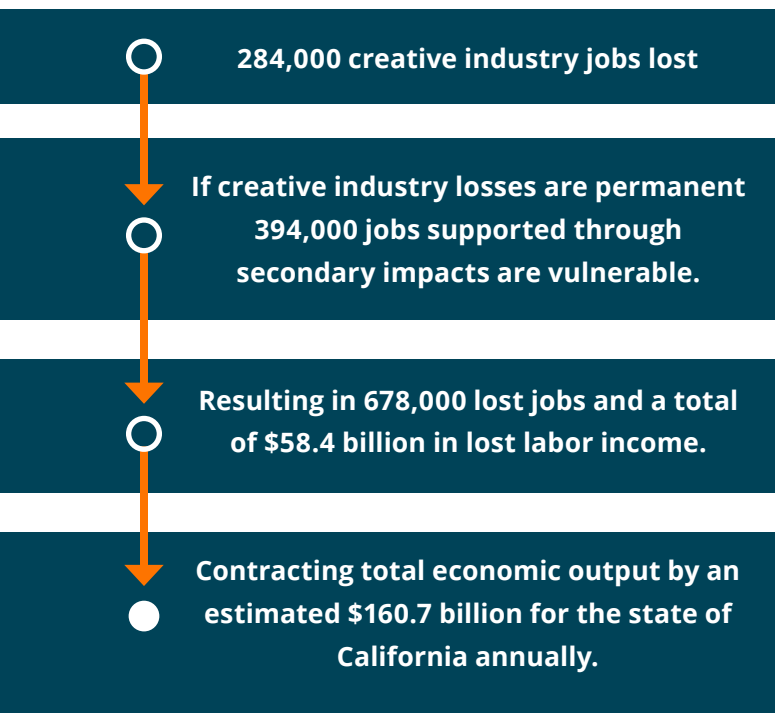
In September, California's unemployment rate declined to 11.0% (15.9% in Los Angeles) but

remains stubbornly high relative to the United States overall (7.9%). There were 1.6 million fewer people employed in the state in September than there were in February— with the creative industries struggling to regain footing. Since the depths of the pandemic-driven labor market downturn in April, only 38% of the total jobs lost in the state have been recovered.



Founded in 2007, Beacon Economics, an LLC and certified Small Business Enterprise with the state of California, is an independent research and consulting firm dedicated to delivering accurate, insightful, and objective economic analysis.

Total Economic Impact of COVID on the Creative Economy



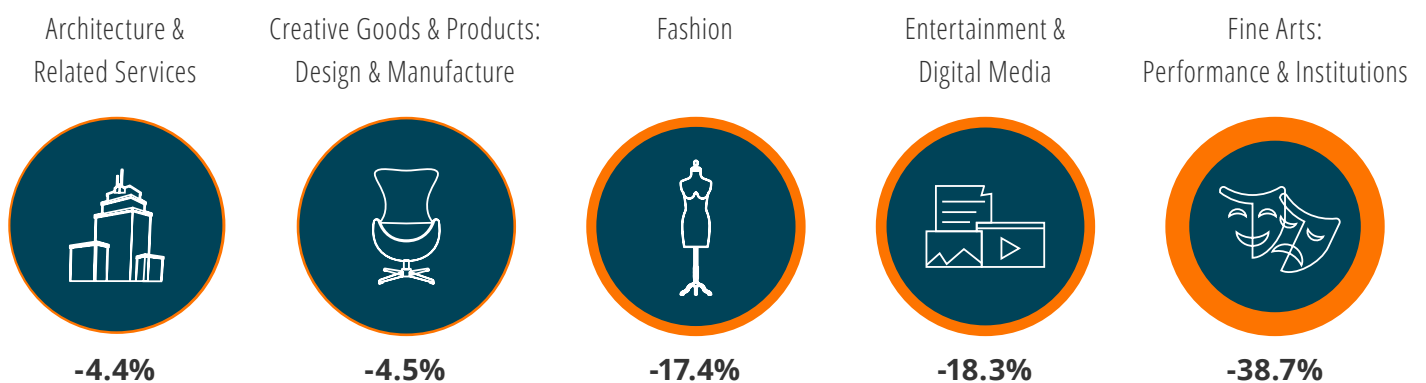
Beacon Economics estimates that within the creative industries, employment alone is down 284,000 positions from February 2020. These job losses, and the decline of business activity associated with the reduced economic activity, disrupt an additional 394,000 jobs through secondary impacts.

As businesses and organizations attempt to adapt to COVID-19 protocols, activities that are key to many creative sectors remain challenging. California employment in the Motion Picture sector has fallen 44.5% in August from February 2020 levels while production permitting remains constrained in Los Angeles: a 61% decline from the Q3-2019 to Q3-2020.

Employment Changes in the Creative Economy

Percent change represented by area of the circles. Measured from ● February to ● August

Source: California EDD, Bureau of Labor Statistics; Analysis by Beacon Economics



“The creative industries, including nonprofit arts and cultural organizations, are key drivers of regional economies across the United States and intrinsic to economic growth in California,” said Adam J. Fowler, Research Director at Beacon Economics. *“As we begin to map out our economic recovery from the pandemic, we need additional measures at the federal, state, and local level to provide targeted support for the creative sector.”*