



The following was submitted by MWA to be considered as part of the testimony delivered in connection with the Tuesday, March 8, 2022 12:30 AM remote hearing by the New York City Council regarding Committee of Culture Affairs

March 11, 2022

Thank you for considering this testimony on behalf of the Music Worker's Alliance. We are a Music Worker center created with the shared purpose to empower music workers by engaging in collective action to create a community where music is valued financially and culturally, and music workers benefit and achieve dignity in our lives.

A Dire Picture for Music Workers, Who Received No Dedicated Relief Funds Outside of Pandemic Unemployment

In October of 2020, the [MWA How Are We Surviving Survey](#) asked music workers how the pandemic and subsequent shut downs had affected their livelihood. It found that 71% of musicians and DJs surveyed have lost three quarters or more of their income during the pandemic. In the 2022 MWA Lost Wages Survey (forthcoming) we are seeing as of 2/16/22 77% of respondents said they lost over 50% of their income in the last year compared to pre-pandemic levels. A clear indication that our sector is far from recovered and most have been without any form of relief since PUA ended in September 2021. Many music workers function primarily as 1099 workers or have mixed income, and like all independent contractors, they pay into the unemployment system yet receive no benefits with the expiration of Pandemic Unemployment Assistance.

MWA estimates there to be between 30,000 - 60,000 music workers within the state though exact numbers are difficult to find. 67% of NY music workers rely on live or touring income, according to a 2019 survey of American Federation of Musician Local 802 members by the Indie Musicians Caucus. Touring was nearly impossible for nearly all of 2020 and much of 2021.

Touring During COVID Has Been Financially Detrimental

New York City's professional touring musicians are trying to claw their way out of a deep hole created by the global pandemic and governmental measures necessary to control it. In this present stage, music workers are experiencing a new set of problems blocking the full return of the business of bringing live music to the public: the risk of bearing substantial losses and costs imposed by COVID-control measures encountered during tours, non-recoupable losses of badly-needed income due to work canceled under contractual "force majeure" clauses, and costs of mandatory quarantine and travel rebookings.

These issues have continued to threaten tours of all sizes with unacceptable risk. Many music touring operations are “micro-businesses”. During a low-margin tour, the cancellation of one or two key dates due to an infection surge can easily tip its balance sheet from “profitable” to “loss”; needing to buy last-minute airline tickets to handle new pandemic border restrictions can do the same. The financial impact of quarantining in a hotel if a member tests positive for COVID-19 can torpedo a tour’s budget. Some groups have decided that they could not bear these risks and actually turned down confirmed tour work—work which would have earned them income.

Bailing Out Venues and Relying on the Trickle Down Effect Doesn’t Help Music Workers

We would like to recognize the historic investment in arts and culture that was the Save our Stages Act and Shuttered Venue Operators Grants (SVOG). The approximately \$15B invested are levels not seen since the New Deal and WPA. However, while many of these venues are critical to the lifeblood of music workers as valued performance spaces, there was a grave oversight by not making any funding contingent on paying performance fees when touring and performances began again.

Venues without performances are not economic generators, they are simply empty real-estate. Radio City Music Hall in Manhattan or Shea’s Performing Arts Center in Buffalo are truly magnificent architectural wonders, yet there were not thousands of people lining up to see inside while touring stopped. Yet performance venues were able to use their calculated gross receipts from performances to receive millions in federal relief dollars. New York State businesses alone received over \$2B in SVOG funds yet not a dime was guaranteed to performers. Adding insult to injury, the law mandates funds must be spent by March 31, 2022, meaning that tours canceled or not scheduled due to recent surges will receive none of these funds.

Artists Are Unfairly Bearing the Risk of Covid Cancellations

By not accounting for the artists that fill the stages, there was a failure to recognize the labor force that drives the economic activity these venues provide to their community. In the recent COVID surges, canceled performances are once again rampant and performing artists are left to inherit the costs of touring (travel, transportation, lodging, salaries, etc) with no compensation from performance venues. Losses reported by the MWA Lost Wages Survey (forthcoming) are significant. 43 respondents have reported over \$1.2M in lost wages and an additional \$80K in unreimbursed expenses due to cancellations. Similarly, for those concerts that do take place, ticket sales have suffered and in many cases, the performance fees once expected have diminished. This unevenly affects the artists as any losses taken by the venue can be subsidized by the SVOG funds while losses suffered by artists go against their bottom lines.

Declining Recorded Music Revenues Offer No Safety Net

Due to the devaluation of recorded music and abhorrently low payment structure from streaming services, most music workers work primarily through live performances to earn a living. There was no viable safety net when the pandemic hit, and there was no option but to

try and go back to unsafe working conditions when Pandemic Unemployment Assistance ran out.

The dire situation musicians find themselves in relying on live performances cannot be overstated. The recording and streaming industry, while theoretically an alternative means of income for music workers, is currently structured to devalue the work of independent recording artists. Studio recordings can cost thousands of dollars to create, often indebting the recording artist in the process. The most popular music streaming platform, Spotify, touts infamously low payouts at \$0.0038/stream payments, a rate that requires millions of streams to even recoup the investments artists make in their recordings. YouTube is the largest streaming platform in the world, has exploited gaps in current copyright law, hosting entire albums of copyrighted material against the will of the creators with no penalization.

Put Music Workers Back To Work Equitably and Improve Previous Programs

Music and Arts workers desperately need access to relief grants and capital financing similar to what is available to other small businesses across the country. We understand the City is working towards a second version of the 2021 City Artist Corps program. While the original program had good intentions, the speed in which it was implemented and the means by which funding was distributed meant the program failed to prioritize working performance artists who were most impacted by COVID shutdown. The state comptroller's report on the arts sector showed over 66% unemployment during the height of the pandemic and that, "extending unemployment relief commensurate with need, including extended relief for freelancers and self-employed workers", was a top priority of federal, city and state relief efforts.

However, City Artist Corps made no distinction between performers and professions that were severely impacted by Covid and those that were marginally impacted. Secondly, the program was open to every self defined artist, regardless of whether they had history working as an artist. While MWA fully supports accessibility in funding, there is a danger of devaluing the labor it takes to become a working artist when programs are overly accessible. In this case, it resulted in the marginalization and failure to serve severely impacted working artists. A simple fix for future programs would be a balance, by presenting some proof of work, be it 1099, contracts, Schedule-C tax filing, press clippings or a combination of any of these. This is a small barrier that most working artists would be capable of meeting and help ensure funding is helping the artist's who fell the hardest since the onset of the pandemic.

Help Ensure a Healthy Recovery for Music Workers

We have asked that the state make available \$8M in relief dollars to touring musicians who have been so adversely affected by the pandemic to recoup some of the costs highlighted above. According to our current survey, respondents lost an average of \$34k in gross revenue in 2021. For reference the **NYS COVID-19 Pandemic Small Business Recovery Grant Program** offers \$5k for businesses with annual gross receipts \$25k-49,999; \$10k for \$50k-99,999; and max grant is 10% of gross receipts up to \$50k for annual gross receipts of \$100k-\$500k. Touring is the economic engine of New York City and State's creative music economy, the single most important source of income for a large majority of working musicians. European touring alone

generates an estimated \$37.5 million annually. The recordings and live shows of touring musicians represent American culture to the world, and are a major attractor of foreign tourists to New York City. For New York's economic recovery we must ensure the survival of the touring circuits and fan bases that supported musicians before the pandemic. For that to happen, we need effective protection that lowers the financial risks imposed by pandemic-control measures on our State and city's workers in the enterprise of live-performance touring.

We believe the City should invest in a pilot program for touring insurance. A private/public partnership through MoME, DCLA or SBS could create a two year performing artists' touring insurance program. All event cancellation insurance programs stopped covering losses associated with the pandemic. We know cancellations will continue, omicron is still active in Asia, Hong Kong and New Zealand are having unprecedented surges and shut downs. We need to plan for the future and since touring is how most New York City working musicians make much of their income, touring musicians should no longer be subject to unsustainable risks. We are asking the City to initiate a pilot program that would provide such insurance, and also to conduct a study on the export component of New York City's musical economy.

Finally, we need an artistic census to measure the needs of the community and inform priorities, and can also mark progress being made towards improved conditions over time. This could be a partnership between the city, an academic institution, and various music ecosystem partners. Also the MOME Music Report released in 2017 should be required to be updated periodically.

Sincerely,

Music Workers Alliance