

Robert Lynch's Overview Remarks for the CARES Act Update Webinar

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30 million Americans are currently receiving enhanced Pandemic Unemployment Compensation (As of 5/3/2020).

\$500 billion in Paycheck Protection Prog. loans to 3.8 million small businesses (As of 5/3/2020).

- Of this amount, the [SBA reports](#) that \$4.9 billion in PPP loans awarded to 39,670 small businesses within the Arts, Entertainment & Recreation Sector (As of 4/16/2020).

It's hard to believe, but it's just been **38 days** since Congress passed the enormous **\$2.3 trillion dollar CARES Act economic relief package** on March 27th.

And it's only been **13 days** since Congress replenished the popular COVID-19 SBA programs with an additional **\$310 billion dollars** on April 21st.

Many of you already know that Americans for the Arts and its Arts Action Fund were very effective on **Capitol Hill** in quickly sharing Coronavirus arts impact data with key leaders in Congress. Today, you'll hear more about that research data as well as some of the success stories of how the arts tapped billions of dollars in economic relief aid through the CARES Act.

Let me start with some top line numbers to share with everyone on the call:

- Yesterday May 3, 2020, White House Chief Economist Larry Kudlow reported that **175 million Americans** have already received federal assistance in one form or another through the CARES Act, including the **IRS stimulus refunds**. And by mid-May, the IRS will begin postal mailing live checks to others and bank deposits to those who receive Social Security benefits electronically.
- It was also reported yesterday that an astounding **30 million Americans** are currently receiving enhanced **Pandemic Unemployment Compensation**, including eligibility for the first-time ever, self-employed gig workers like musicians, painters, dancers, and photographers. I know some states, like California, got a late start getting their applications online for Pandemic Unemployment, but please know that once your application is approved, the compensation can be retroactive to as early as February 15, 2020, if you were economically impacted by COVID-19 that early. The Pandemic Unemployment Compensation will be available through December 2020, but some of these possible pre-mature state and local government re-openings may affect the length of this program.
- For the popular Small Business Administration programs, **\$500 billion dollars** in forgivable **Paycheck Protection Loans** have already been awarded to **3.8 million small businesses** across the country. The first round of funding in the CARES Act exhausted the PPP loans within two weeks. And, the recent replenishment of another \$310 billion dollars is going very quickly as well. Thankfully, Congress set aside \$60 billion dollars of these second round PPP funds so they can be administered by smaller community banks, who have proven to be the real heroes. Community banks have been willing to process smaller PPP loan applications for arts organization and self-employed artists, many times regardless if they had a previous business bank account.
- As of April 16th, the SBA reports a total of **\$4.9 billion dollars** in **PPP forgivable loans** have specifically been awarded to **39,670 small businesses within the Arts, Entertainment & Recreation Sector** in the first round of funding. We'll hear some of those stories today.

- The SBA also reported that a total **\$4.8 billion dollars** in **Emergency Injury Disaster Advance Loans** were awarded as advance grants to **1.2 million small businesses**. SBA advances of up to \$10,000 is provided with a formula of \$1,000 per employee. Advance funds are grants that do not have to be repaid. This program clearly turned out to be very popular too and their first round of funds were exhausted within days. This particular program has now temporarily paused before administering the balance of its second round of funds. If you've already filed, be patient, your application is in the queue, on a first-come, first served basis.
- And finally, the CARES Act specifically appropriated **\$75 million dollars** each to the **National Endowment for the Arts** and **National Endowment for the Humanities**. Both of these agencies have rapidly developed fast-track direct grant guidelines to get 100% of their COVID-19 Impact funds out to state and local arts and humanities groups as general operating, no match grants. Please remember that 40% of these funds, by formula, are sent down to state and regional arts and humanities organizations in order to sub-grant locally. Please be sure to check your state agency's websites for their grant guidelines and deadlines as well.

As we now look to the **future**, we know the economic need within the arts sector is far greater than the supply of relief funds. The CARES Act (both 1 and 2) passed quickly and unanimously through Congress on a bipartisan level. However, I see signs of bipartisanship deteriorating in the coming weeks. Speaker of the House Nancy Pelosi wants to quickly get aid to state and local governments facing insurmountable debt, while White House officials declared "a pause" this weekend. Nonetheless, I think they will all agree to again replenish the popular SBA programs.