CULTURAL WORKERS UNITED

# CULTURAL INSTITUTIONS CASHED IN, WORKERS GOT SOLD OUT

Museums and other cultural institutions laid off thousands of workers despite receiving billions of dollars in public pandemic relief. Workers in unions fared better.

# Overview

To prevent the catastrophic economic collapse of small businesses and nonprofit institutions due to shutdowns caused by the COVID-19 pandemic, Congress authorized a loan program through the CARES Act in March 2020. Over $799.8 billion was disbursed through the Payroll Protection Program (PPP) with the express purpose of forestalling layoffs and furloughs and stabilizing employment.[1] As with many sectors of the economy, the revenue that cultural institutions generated through admissions and in-person retail sales was slashed by the pandemic, with virtually every museum, zoo, botanical garden and aquarium having to close its doors for substantial periods. As a result, thousands of qualifying institutions applied for and received $1.61 billion in forgivable loans from the PPP. Unfortunately, the program's protections for workers' jobs were inadequate. Museums with large endowments and multimillion-dollar budgets grabbed more than $1 billion in taxpayer-funded loans and grants to fill their coffers and then tossed their workers to the curb.

AFSCME Cultural Workers United (AFSCME CWU) analyzed PPP loan data to assess if management at cultural institutions truly prioritized their workers during the pandemic. This paper relies on PPP data files and loan applications released by the Small Business Administration (SBA); the institutions' audited financial statements; media reports; WARN Act notices and bond statements, all of which allow us to estimate the number of workforce reductions undertaken by cultural institutions during the pandemic.

To qualify for the first loan, cultural institutions generally must have had 500 or fewer employees. Extensive analysis of the PPP program shows that much of this public money went to museums and other cultural institutions with the biggest budgets and ample financial resources. Through their massive endowments and dependence on wealthy donors, these large institutions already had the financial resources to withstand the pandemic-related shutdowns that many of their smaller counterparts lacked. A significant number of large institutions would have had operating surpluses without the PPP loans. Despite this, CWU found that many proceeded to cut thousands of jobs. CWU found that most cultural institutions narrowly complied with the job protections required for loan forgiveness under the program, but the biggest recipients cut jobs or reduced the salaries of their lowest-paid workers at the first opportunity despite having ample resources to keep workers on the payroll.

Indeed, many institutions made money during the pandemic while shedding record numbers of jobs, strongly indicating a need for transparency in the use of public funds and a stronger maintenance-of-effort requirement to ensure that financially stable recipients retain and invest in their workforce. Through the Shuttered Venue Operators Grant program (SVOG), qualifying museums can apply for grants of up to $10 million out of the $16.25 billion in additional funds appropriated for cultural institutions in the program. As of Aug. 9, $1.06 billion in grants had been awarded to 682 cultural institutions.[2] With 35,900 jobs lost, AFSCME CWU calls on museums and other institutions to use this funding to stabilize the workforce.

# Key Findings

- 228 cultural institutions (3% of recipients) received nearly half (48%) of the money, while the other 7,299 recipients shared the rest.
- Although the 228 biggest cultural institutions that qualified for PPP funding received more than **$771.4 million** in forgivable PPP loans through June 1, 2021, together they had workforce reductions totaling more than **14,400** workers, or at least **28%** of their workforce.

1 Although $799.8 billion was disbursed, $813.5 billion total was appropriated.
2 https://www.sba.gov/funding-programs/loans/covid-19-relief-options/shuttered-venue-operators-grant

- Of the 69 cultural institutions for which financial data was available at the time of this analysis, **around half** ended fiscal year (FY) 2020 with operating surpluses.[3] Further analysis shows that museum types that don't rely as much on earned revenue, such as art museums, were able to better withstand the pandemic financially. Of the biggest art museum PPP recipients analyzed in this paper that have released FY 2020 audited financial statements or annual reports, **67%** reported ending the fiscal year with operating surpluses.
- Here are examples of PPP loan recipients:
    - The Museum of Contemporary Art, Los Angeles, despite ending FY 2020 with a $2.3 million surplus and receiving $3.3 million in PPP loans, laid off 97 workers during the pandemic.
    - The Philadelphia Museum of Art, which received a $5.1 million PPP loan, spent tens of thousands of dollars on union-busting law firm Morgan Lewis to fight their workers' organizing effort. The museum then proceeded to reduce its workforce by 127 during the pandemic.
    - The Natural History Museums of Los Angeles County, despite ending FY 2020 with a $23.9 million operating surplus and receiving a $4.8 million PPP loan, still furloughed all 127 part-time employees from March 2020 until at least the end of December 2020.
    - The Museum of Science, Boston, which had too many employees to qualify for the PPP program in 2020, laid off nearly half of its workforce during the pandemic – 309 workers – and then qualified for the next round of loans. With 333 workers left, the museum received $4.7 million from PPP in 2021.
- Cultural workers who were part of unions were more protected from workforce reductions, with unionized workers experiencing **28%** fewer reductions on average than nonunion workers. Unionized institutions also had smaller average workforce reductions when compared to nonunion institutions. Unionized workers enjoyed contractually guaranteed recall rights in the event of layoffs, health and safety committees to address COVID concerns, and the ability to negotiate hazard pay.

## COVID-19 Effect on Cultural Institutions, Workforce, Exacerbation of Systemic Inequity

Cultural institutions' operations were hit hard by the COVID-19 pandemic, with 98% of them reporting closures for at least some time.[4] At the beginning of the pandemic, they were losing a collective $33 million a day, with many small and vulnerable institutions at risk of closing permanently.[5] Due to these closings and revenue losses, thousands of workers were laid off or furloughed. By May 2020, museum employment had hit a 10-year low of 121,300 workers, compared to 174,600 in February 2020. As states and localities have reopened, employment has rebounded a bit. As of June 2021, there were 138,700 workers employed by museums, zoos, historical sites and similar institutions.[6] However, this indicates that there were 53,300 fewer jobs industrywide during the pandemic, and that 35,900 workers have still not come back.[7]

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3 Of the 69 institutions (of the 228 museums with the largest budgets and workforce eligible for the PPP program who received one or two loans of $1 million or more) that had released FY 2020 audited financial statements or annual reports when this analysis was undertaken, **around half** ended FY 2020 with an operating surplus.

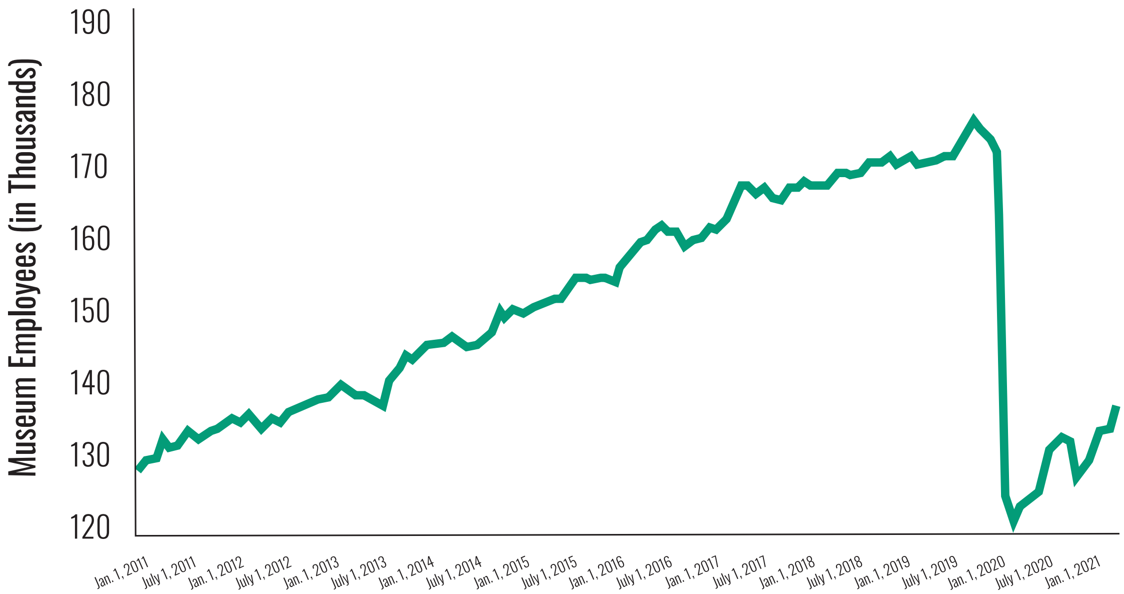
4 https://www.aam-us.org/wp-content/uploads/2020/11/AAMCOVID-19SnapshotSurvey-1.pdf

5 https://www.aam-us.org/wp-content/uploads/2020/03/3.18.2020-Museum-Community-Economic-Relief-Request-Letter-FINAL.pdf

6 Although other sources such as the American Alliance of Museums (AAM) and the Union Membership and Earnings Data Book indicated that the museum industry employed 351,889 workers, this white paper uses the employment numbers from the Bureau of Labor Statistics, NAICS Code 712, Museums, historical sites, and similar institutions

7 https://data.bls.gov/timeseries/CES7071200001?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

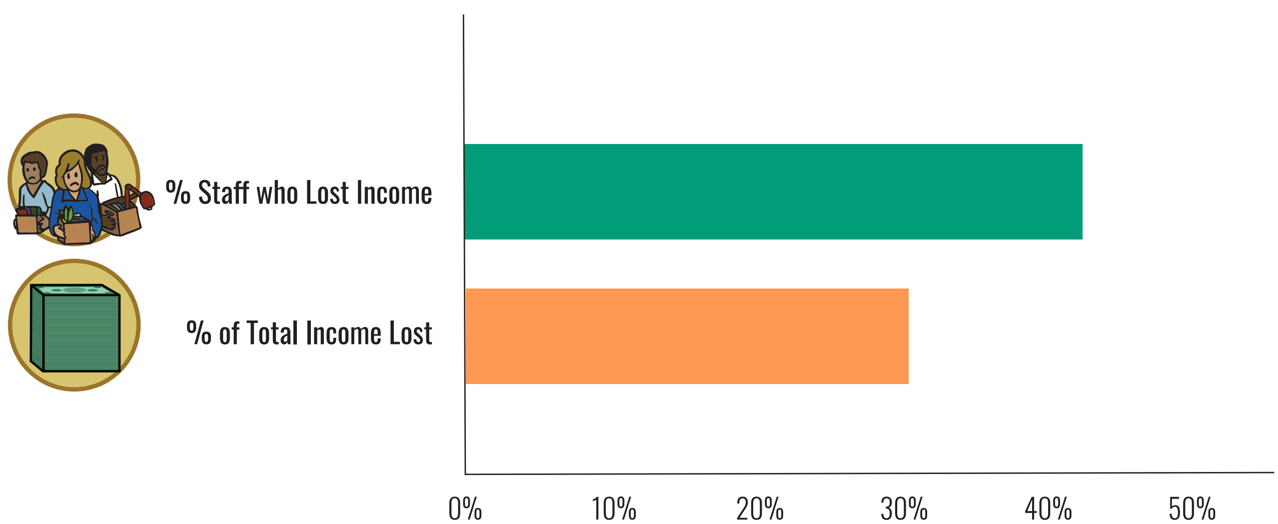
## Chart 1: BLS Museum Employee Data




According to a survey released by the American Alliance of Museums (AAM) in late October 2020, 53% of museums had laid off or furloughed staff. Those most affected by these cutbacks worked on the front lines of guest services, admissions, retail sales, education, maintenance and security, among others.[8] As a result, many staff who directly served the public were furloughed or laid off, with Black, Indigenous and other people of color (BIPOC) staff disproportionately suffering the impact.[9]

A later AAM survey, taken between March 9-17, 2021, demonstrated how badly museum workers were hurt: 43% lost income due to the pandemic, and the average loss was a 31% reduction in total income, or $21,191 per worker.[10]

## Chart 2: Pandemic Impact on Museum Staff Income




8 https://www.aam-us.org/wp-content/uploads/2020/11/AAMCOVID-19SnapshotSurvey-1.pdf
9 https://sr.ithaka.org/publications/ithaka-sr-art-museum-director-survey-2020/
10 https://www.aam-us.org/wp-content/uploads/2021/04/Measuring-the-Impact-of-COVID-19-on-People-in-the-Museum-Field-Report.pdf

Half of paid museum staff reported an increased workload and most respondents reported worsening mental health, anxiety and depression. Along with suffering a disproportionate impact of layoffs and furloughs, BIPOC and women reported higher financial and mental stress and were more likely to have hours and pay reduced.[11] Thirty-nine percent of full-time museum staff indicated that they lost income and 61% of part-time staff did so due to reduced hours, salary and benefits. Thirteen percent of workers surveyed said they were living paycheck to paycheck. Workers reported that the biggest barriers to them remaining in the museum sector were low compensation (59%), burnout (57%) and lack of advancement opportunities (53%). These surveys show that the pandemic exacerbated the biggest pre-pandemic issues that museum workers were facing such as low pay, racial and gender inequity, the lack of health and safety protocols and the lack of a voice at work.[12]

**"Between the initial closure of the museum in March to now, the education department went from a staff of more than 70 full- and part-time staffers to approximately 20. It is disappointing that an institution that has education at the heart of its mission – and that fundraises off the incredible educational programs that we bring to the city of Philadelphia all year long – deemed education staff to be so expendable. The furloughs and layoffs have made it abundantly clear what the institution's true priorities are: buildings over people, exhibitions over education, and the status quo over meaningful progressive change."**

**– Adam Rizzo,**
Museum Educator, Philadelphia Museum of Art,
AFSCME District Council 47

Meanwhile, upper management and directors at the nation's museums and other cultural institutions continued to get paid salaries in the six and seven figures. The average annual salary of a director for the sector as a whole was $317,500 in 2020, while the average salary of a director at an institution with an operating budget of $20 million and above was $532,000.[13] Numerous museum directors enjoyed total compensation in the seven figures, such as Los Angeles County Museum of Art (LACMA)'s Michael Govan, whose total compensation was $1.42 million in FY 2018[14] and the director of the Whitney Museum of American Art, Adam Weinberg, who was paid $1.1 million in FY 2019.[15]

The Museum of Contemporary Art in Los Angeles (MOCA) received a PPP loan of $1.57 million in June 2020 and a second PPP loan of $1.72 million in February 2021.[16] In FY 2020, MOCA posted a $2.3 million surplus, and its assets grew to $169.2 million.[17] Despite the surplus and the infusion of $3.3 million in PPP loans, MOCA laid off 97 part-time workers during the pandemic. They were already among the lowest paid

11 https://www.aam-us.org/wp-content/uploads/2021/04/Measuring-the-Impact-of-COVID-19-on-People-in-the-Museum-Field-Report.pdf
12 https://www.artnews.com/art-in-america/features/museum-unions-issues-commentary-organizing-the-museum-63617/
13 https://aamd.org/sites/default/files/document/AAMD_Salary%20Survey%202020_Final.pdf
14 https://projects.propublica.org/nonprofits/display_990/952264067/07_2019_prefixes_95-99%2F952264067_201806_990_2019072516521850
15 https://projects.propublica.org/nonprofits/organizations/131789318/202031779349301443/full
16 Cultural PPP loans through May 1 2021.xlsx
17 MOCA FY2020 990

at the museum and, according to a recent pay audit, MOCA's exhibition department staff is among the lowest paid among all museums in Los Angeles.[18] Even as it laid off the 97 workers, the museum acquired more than 100 artworks during the pandemic, spending $1.1 million on new acquisitions in FY 2020.[19] MOCA's director received a total compensation of $1.1 million in FY 2020, and the museum began a search for a new co-director to whom it was willing to pay $700,000 per year, plus benefits.

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**"Despite getting millions of dollars in federal aid as a result of the pandemic, the leadership at the Museum of Contemporary Art Los Angeles laid off about 100 of its most vulnerable employees. They could've used the funding to keep staff and create digital programming. We are still fighting through our union to get co-workers back to work. We are also using our current contract negotiations to influence the museum's priorities and demand they invest in their most important asset, us."**

**– Ace Ubas,**
Retail Coordinator,
The Museum of Contemporary Art,
AFSCME Council 36

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Further, many of the bigger museums have ample financial resources that they could have used to lessen the blow to their workers. The biggest museums generally have multimillion-dollar endowments and some even have billion-dollar endowments. Generally, museums are permitted to spend 5% of their endowments each year, with the rest required to be invested; however, annual endowment revenue varies depending on the size of the holding and investment earnings for that year.[20] The 5% limit was normally a strict one and the ability of a museum to sell off art for income was severely restricted. Museums that did not follow these guidelines were heavily fined or sanctioned. Due to the pandemic, however, the Association of Art Museum Directors (AAMD) passed a resolution in April 2020 loosening restrictions on the use of endowment funds for income and the selling, or deaccessioning, of art also for income.[21] This policy is in effect until April 2022. So far, the New York Historical Society, Albright-Knox Art Gallery, the Art Institute of Chicago, the San Diego Museum of Art, the Newark Museum of Art and the Brooklyn Museum have taken advantage of the relaxed restrictions to sell deaccessioned art.[22]

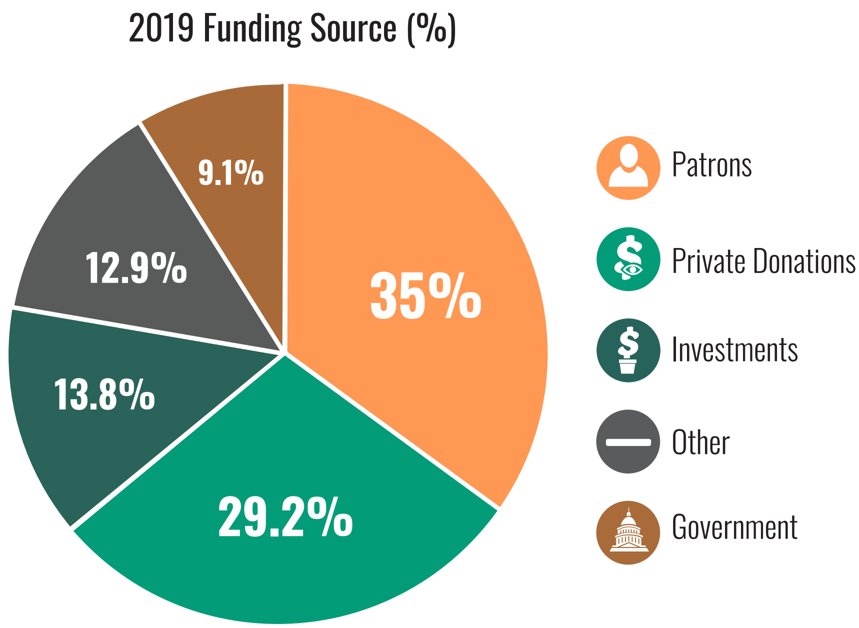
## Museums' Increased Reliance on Rich Donors Muted the COVID Impact for Some

Museums have undergone structural changes that impact the workforce, lessen accountability to the public and increase the influence of rich donors. Over the past 30 years, government support has dwindled as a share of the sector's revenue. As of 2019, only 9% of the sector's overall revenue came from public sources, down from 38% in 1989. A 2019 analysis showed that 35% of total museum revenue comes from patrons

18 LA Museum Exhibition Dept Wage Rates, C36 Email
19 https://www.latimes.com/entertainment-arts/story/2021-05-13/moca-director-klaus-biesenbach
20 2019 Museum IBIS report
21 https://aamd.org/for-the-media/press-release/aamd-board-of-trustees-approves-resolution-to-provide-additional
22 https://news.artnet.com/art-world/hassam-museum-deaccession-auction-historical-society-1960207

(also known as “earned revenue,” comprised of admission fees, merchandise sales and membership dues as its largest components); 29.2% from private donors, 13.8% from investments, 12.9% from other and 9.1% from government sources. [23]

## Chart 3: Cultural Sector Revenue Sources




Private donations from rich benefactors have become the second largest source of revenue overall in the museum sector.[24] This heavy reliance on rich donors allows wealthy individuals to essentially “buy” a board seat and then dictate the museum’s priorities and control its finances. Board seats not only provide the elite with tax deductions for donating millions to nonprofits; they also receive access to politicians, a boost in their status, and rare access to artists and curators, as well as the public recognition that they are “giving back.”[25] Massive donations by board members have increasingly become a requirement in the museum sector, causing huge barriers for workers, artists and community members from even being considered. According to a 2017 Association of American Museums (AAM) Museum Board Leadership report, 78% of all museum board members have made a personal financial contribution to the museum,[26] with many board admissions requiring annual donations in the six figures to millions of dollars.[27] Additionally, most of these board members do not even come from the art or museum world. A recent study by the *New York Times* of 500 board members of the most famous art museums in the United States found that 40% came from Wall Street, while the rest accumulated wealth through real estate speculation, fossil fuels, pharmaceuticals and the defense industry, among others.[28]

While the trend overall is away from governmental support and toward private donors, there are significant differences in the ways the different types of cultural institutions are weathering the pandemic. Art museums, science and natural history museums, history museums and zoos and aquariums have varying levels of dependence on earned revenue, which quickly evaporated once they shut down during the pandemic. Although most institutions chose to lay off and/or furlough some of their workforces in response, those that were more dependent on patrons tended to lay off or furlough a larger number of workers.

23 2019 Museum IBIS report
24 2019 Museum IBIS report
25 https://www.nytimes.com/2019/10/02/arts/design/whitney-art-museums-trustees.html
26 https://www.aam-us.org/wp-content/uploads/2018/01/eyizzp-download-the-report.pdf
27 https://www.cobosocial.com/dossiers/what-the-sacklers-and-museums-boards-tell-us-about-toxic-philanthropy-in-the-art-world/
28 https://www.nytimes.com/2019/10/02/arts/design/whitney-art-museums-trustees.html

Likewise, cultural institutions such as art and history museums, which rely little on earned revenue, did not suffer the financial blow that was anticipated. In fact, some of those with the largest budgets laid off thousands of employees and ended FY 2020 with budget surpluses.

For art museums, typically only 26% of revenue comes from patrons while 42% comes from private donors. For history museums, typically 10% comes from patrons and 48% from private donors. The flip side is true for science and natural history museums, where 42% of their revenue comes from patrons and 26% from private donors. For zoos and aquariums, 59% of their total revenue comes from patrons. Numerous zoos also function as public-private partnerships and generally receive ample government support as a result, which likely ameliorated the damage caused by pandemic-related closures. The museums that fared the worst were science and natural history museums, which are highly reliant on earned revenue and receive little in the way of government support.[29] Likewise, art and history museums had a source of dependable revenue from endowments, whereas science and national history museums and zoos and aquariums derived comparatively less revenue from this source.

> Museum types such as art and history museums, which rely little on earned revenue, did not suffer the financial blow that was anticipated. In fact, some of them with the largest budgets **laid off thousands of employees and ended FY 2020 with a budget surpluses**.

While the impact of the pandemic was generally conditioned on a museum's revenue source, all types of museums with up to 500 employees were able to access over $1.6 billion in federal pandemic relief funds for use in stabilizing their workforce and operations.

## PPP's Distribution to Cultural Institutions: Big Players Score Big, Then Lay Off Thousands of Workers

PPP was launched in March 2020 with the signing of the CARES act. Subsequent legislation in 2020 and 2021 increased funding, adding up to $813.5 billion for small businesses with up to 500 employees to qualify for a first-draw loan of up to $10 million each, and for small businesses with up to 300 employees to qualify for a second-draw loan of up to $2 million each.[30] Though the program expired on May 31, 2021, Congress allowed the Small Business Administration to process applications received before that date through June 30, 2021 (if money was still available).[31] As of May 31, 2021, $799.8 billion had been disbursed.[32] Both first- and second-draw PPP loans were 100% forgivable if the loan proceeds were spent

29 https://www.forbes.com/sites/chaddscott/2020/03/19/museums-nationwide-bracing-for-economic-devastation-due-to-coronavirus-closures/#bb2e51c76135

30 https://www.americanactionforum.org/research/tracker-paycheck-protection-program-loans/#:~:text=As%20of%203%2F14%2F2020,remain%20available%20to%20the%20program.

31 https://www.whitehouse.gov/briefing-room/legislation/2021/03/30/press-release-bill-signing-h-r-1799/#:~:text=signed%20into%20law%3A-H.R.,received%20by%20the%20application%20deadline.

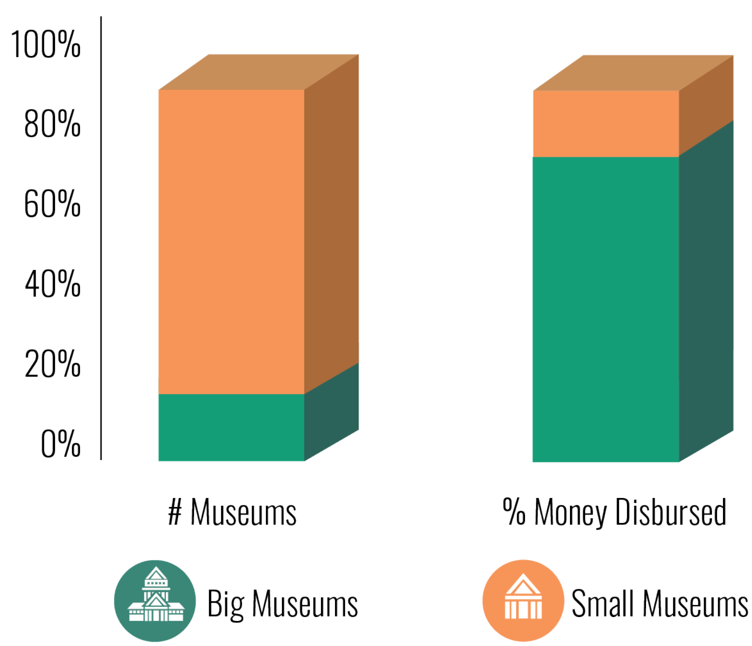
32 https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/ppp-data

on certain eligible expenses. Borrowers had to ensure that at least 60% of the loan went toward payroll and had to keep average full-time equivalent employee counts for the duration of the loan use (recipients determined whether they wanted to use the loan in eight or 24 weeks) at or above the average during a pre-pandemic benchmarking period. And no employee's salary or wages were to be reduced by more than 25% compared to the most recent full calendar quarter during which the employee was employed prior to the loan period.[33] Loans were only partially forgiven if all these conditions were not met, though a borrower could fix a headcount reduction or a more-than-25% reduction in pay by rehiring workers or restoring their pay in some circumstances. However, there were no restrictions on laying off workers after the time period of the loan or before institutions applied for their first PPP loans. As of July 30, 2021, 97% of the PPP loan forgiveness applications submitted had been fully or partially forgiven.[34]

To assess how museums and other cultural institutions used these funds, CWU analyzed PPP loan documents, media reports, WARN Act notices and bond statements in order to calculate which institutions received loans, their financial status and the number of jobs lost.

Previous analyses of PPP loans generally found most of the money went to larger businesses,[35] and cultural institutions were no exception. As of June 1, 2021, $1.61 billion was disbursed to museums and other institutions. A total of **83%** of the money went to 1,492 larger institutions who each received loans of $150,000 or more. The remaining 17% was shared among 6,035 smaller institutions that received loans of less than $150,000 apiece.[36]

## Chart 4: The Largest 20% of Cultural Institutions Received 83% of PPP Funding

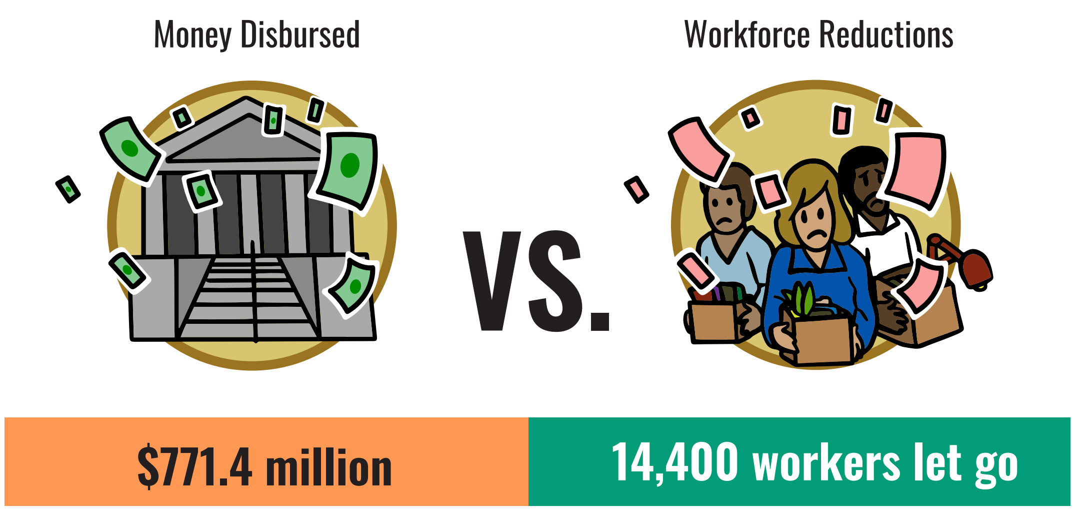



33 https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/ppp-loan-forgiveness
34 https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/ppp-data
35 https://www.forbes.com/sites/jonathanponciano/2020/12/02/new-ppp-loan-data-reveals-most-of-the-525-billion-given-out-went-to-larger-businesses-some-with-trump-kushner-ties/?sh=23868fe35a43
36 Cultural PPP loans through April 1 2021.xlsx

The loans to the 1,492 larger institutions were even further concentrated: **48%** of all PPP money went to just **228** of the largest players (those with up to 500 employees) who received at least one PPP loan of $1 million or more. Although these institutions received publicly funded loans totaling **$771.4 million**, they reduced their workforce by more than 14,400 workers, or **28%**. This number is likely an **undercount** of the true number of workforce reductions, because many institutions laid off workers before applying for their first PPP loans.

Some of the biggest museums and other institutions (in terms of both budgets and workforce size) did not qualify for PPP loans in 2020 due to having more than 500 employees. But many of them laid off so many employees throughout the pandemic that they ended up with fewer than 500 workers in 2021 and were therefore eligible for PPP loans this year. The Carnegie Museums of Pittsburgh went from 1,003 employees pre-COVID to the 500 employees listed on their $5.825 million PPP loan approved April 14, 2021, indicating a workforce reduction of 503 employees.[37] The Museum of Science in Boston had 642 employees pre-COVID and laid off 309 employees in April 2020 and October 2020, bringing its total count to 333 employees. That museum's $4.7 million PPP loan application was approved on April 3, 2021.[38]

## At the 228 Biggest Cultural Sector PPP Recipients




Of the 228 institutions with the largest budget and workforce eligible for the PPP program, 69 had

37 Layoffs happened before the museum workers voted to unionize with the United Steel Workers in December 2020. https://www.theartnewspaper.com/news/in-a-virtual-rally-carnegie-museums-employees-launch-union-organising-drive.

38 https://www.mos.org/sites/dev-elvis.mos.org/files/MOS%20FY20%20Audited%20Financials.pdf

released FY 2020 audited financial statements or annual reports when this analysis was undertaken. Of those, nearly half, or **49%**, ended FY 2020 with operating surpluses.[39] Further analysis of art museums, history museums, zoos, botanical gardens, aquariums, science centers and natural history museums shows that a supermajority of art museums and history museums reported operating surpluses because they rely so little on earned revenue. Of the biggest art museums that had released FY 2020 audited financial statements or annual reports by the time this analysis was done, 67% reported ending the fiscal year with operating surpluses. Additionally, of the biggest history museums analyzed in this paper, 67% ended FY 2020 with operating surpluses.

**67%** of the biggest art and history museum recipients of forgivable PPP loans ended FY 2020 with operating surpluses.

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**"Last summer, I saw over 50 of my co-workers lose their jobs in the middle of a pandemic, all while the Walker received $3.5 million in PPP loans. Those staff were primarily low-paid, part-time workers who are the face of our museum. To visitors, those staff *are* the museum and we couldn't do our work without them."**


**– Ella Kampelman,**
Visitor Experience Specialist, Walker Art Center,
AFSCME Council 5

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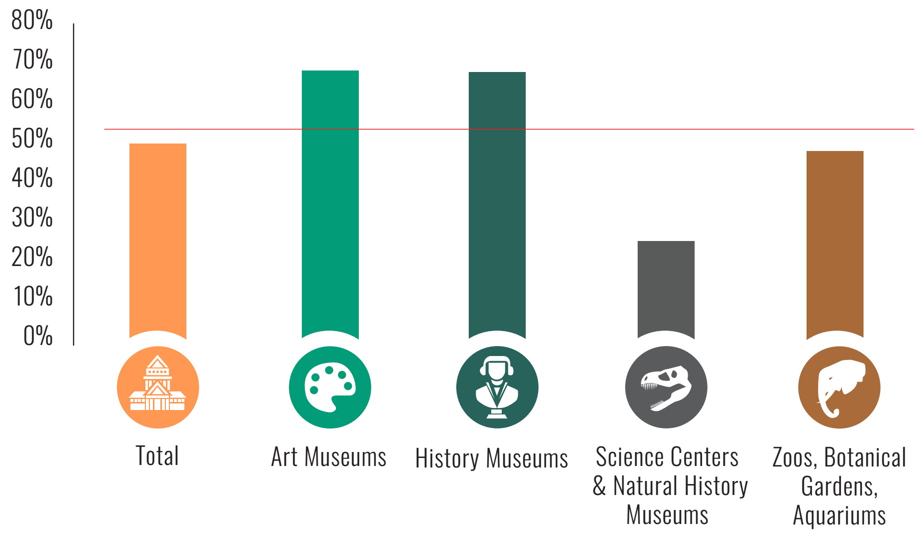
39 Culturals PPP Analysis.xlsx

## Chart 5: Proportion of 228 Biggest Cultural PPP Recipients Reporting FY 2020 Operating Surpluses




Science centers, natural history museums, zoos, aquariums and botanical gardens rely more on earned revenue than other cultural institutions and therefore were hit harder by the pandemic. Among zoos, botanical gardens and aquariums (of the 228 biggest cultural sector PPP recipients that are the focus of this paper) that have released FY 2020 financial audits or annual reports, **47%** reported ending the fiscal year with operating surpluses. For science centers and natural history museums that have released FY 2020 audits or annual reports, **24%** ended FY 2020 with operating surpluses.

## The Importance of Cultural Workers Having a Collective Voice

Across all sectors of the economy, workers who organized unions were better able to prevent layoffs during the pandemic than nonunion workers.[40] Union workers were also able to win hazard pay and sufficient personal protective equipment (PPE), address health and safety concerns and ensure critical job protections such as recall rights in the event of layoffs. This vital difference for workers between a unionized and nonunionized workplace extended to the cultural sector as well, with unionized or partially unionized cultural institutions cutting fewer jobs and ensuring recall rights, hazard pay, health insurance through furloughs, negotiated telework policies, health and safety committees, and other benefits that were not available to workers at nonunion cultural institutions.

Of the 228 museums and other cultural institutions that received one or more PPP loans of over $1 million, 37 are organized or partially organized, while 191 do not have any significant union presence.[41] In the 35 organized or partially organized institutions for which workforce reduction numbers were available, 59 workers per institution were let go on average during the pandemic. In the 164 nonorganized institutions, the average workforce reduction during the pandemic was 75.2 per entity, meaning there were **28%** fewer workforce reductions at unionized institutions.[42] When adjusted for workforce size, organized or partially organized institutions had an average workforce reduction of 20%, while nonunion establishments reduced their workforces by an average of 27%.

40 https://www.epi.org/publication/union-workers-had-more-job-security-during-the-pandemic-but-unionization-remains-historically-low-data-on-union-representation-in-2020-reinforce-the-need-for-dismantling-barriers-to-union-organizing/#:~:text=While%20there%20was%20an%20increase,was%20roughly%2040%20years%20ago.

41 A few cultural institutions that have recently been organized or have an outstanding union certification petition at the NLRB are included with the unorganized institutions as their layoffs occurred before the union was certified.

42 Workforce reduction numbers were initially taken from WARN notices, media reports, and bond statements. The rest of the workforce reductions were determined by the difference in jobs indicated by the institutions in their 1st and 2nd PPP loans, which if an entity laid off employees before receiving their 1st PPP loan, could result in an undercount; however, it will still give topline numbers of employment changes.

Note, however, that many institutions are only partially organized, and CWU lacks bargaining unit data for many of them. Thus, we in fact *understate* the role of unions in preventing layoffs: where bargaining unit data is available, we found that laid off workers were much more likely to be the nonunion rather than the union workers in the partially union institutions.

That said, at the Metropolitan Museum of Art, members of AFSCME Local 1503, District Council 37, successfully fought to forestall layoffs of nonunion and union staff in the early days of the pandemic.[43]

Unionized museum workers exercised other workforce protections during the pandemic. For example, they were able to exercise their legally binding recall rights if laid off, which ensured that they were brought back as museums reopened in 2021. Members of AFSCME Local 126, District Council 36, who work at the Museum of Contemporary Art in Los Angeles, fought for recall rights during the pandemic, ensuring that any workers laid off had the right to their jobs when the museum reopened.[44] As of the date of this report, recalls were in progress, with over half the workforce having been brought back.

In upstate New York, AFSCME CSEA Local 1000 members used the collective bargaining process to hold the Buffalo Zoo accountable for the two forgivable PPP loans it received for a total of $2.14 million. Despite the fiscal relief, the zoo's management proposed increases to the employee share of health care costs by 30% in the middle of a pandemic. Armed with the knowledge that the zoo had received millions in taxpayer-financed forgivable loans, workers successfully mobilized against these increases and even won signing bonuses.[45]

**"When the zoo insisted on increasing our health care costs even amid a pandemic, we used our union voice to push back. We knew the zoo received millions of dollars in public funding to assist the workforce and we held them accountable to it at the bargaining table. At the end of the day, we held the line on health care costs and even won a bonus to provide a degree of relief during a tough year for working people and our communities."**

**– Illa Caira,**
Animal Keeper II, Buffalo Zoo,
AFSCME Local 1000

43 https://news.artnet.com/art-world/met-endowment-paying-staff-1820772
44 TA REDUCTION IN FORCE MOCA 1.20.21.docx
45 https://afscme-my.sharepoint.com/:u:/g/personal/mblosser_afscme_org/EfqKvAyL4khMv6NGA0I7eH8BwAfGS9hg5c_75dz6jmdOFg?e=EHpENc

## Recommendations

Museums with large endowments and multimillion-dollar budgets grabbed more than $1 billion in taxpayer-funded loans and grants to fill their coffers and then tossed their workers to the curb.[46] AFSCME Cultural Workers United calls on policymakers and the cultural institutions to:

1. **Protect Workers' Voices** – Congress must strengthen and enforce the right to organize. Forming a union is the most effective way for workers to hold all employers, including cultural institutions, accountable while protecting communities from layoffs, furloughs and inadequate and unsafe working conditions. Pass the Protecting the Right to Organize (PRO) Act, which would close the loopholes in our private sector labor law, and the Public Service Freedom to Negotiate Act, which would establish a nationwide right to organize for public sector workers.

2. **Ensure Transparency** – Cultural institutions must publicly disclose how they use taxpayer money. Museums and other institutions must report publicly to employees and their communities how they spent loans and grants they obtained from taxpayer-funded relief programs like PPP and SVOG, the number of employees they laid off and the number they rehired during the pandemic. Recipients must also publicly disclose all non-workforce spending during the pandemic, including management salaries, expansion projects, art acquisition and the hiring of union-busting law firms or consultants.

3. **Strengthen Accountability in Future Programs** – During the pandemic, the biggest museums in the country received billions in public money but still enacted massive workforce reductions. AFSCME CWU urges Congress to include a strong maintenance-of-effort requirement in any new federal grants or loans to ensure financially stable museums use public resources to retain and invest in their workforce. Any new loans or grants programs must require that museums demonstrate how funds were used to preserve jobs. Moreover, when museums accept public funds, they must certify that they will not deter workers from joining and forming a union. Workers' interests must be prioritized over exorbitant director salaries, expansion projects or buying art during an economic crisis.

46 Although the PPP Program closed on May 31, 2021, another $16.25 billion federal Shuttered Venue Operators Grant (SVOG) program (established by the December 2020 COVID relief bill with more money added in the American Rescue Plan) launched on April 26, 2021, in which eligible museums and performing arts venues can apply for grants of up to $10 million. As of Aug. 9, 2021, $1.06 billion in grants had been sent out to 682 cultural institutions.

## Conclusion

Cultural institutions provide a vital public service to communities, and because of this, many major institutions receive significant public funding and have local elected politicians and officials on their boards of trustees. Earned revenue in the cultural sector was hit by the COVID-19 pandemic, with virtually every institution shutting its doors for some time, resulting in thousands of workers being laid off or furloughed. The $1.61 billion in public money disbursed to museums and other cultural institutions through PPP loans and the $1.06 billion (as of Aug. 9, 2021) from the SVOG program have been lifelines for thousands of institutions. However, the nation's biggest museums and cultural institutions received billions in public money while still enacting workforce reductions of at least 28% throughout the pandemic. These institutions have multimillion-dollar budgets and multimillion-dollar endowments with executive pay sometimes in the seven figures.

This pay inequity and lack of a voice for workers is one of the many reasons why cultural workers began forming unions before the pandemic, and that trend has continued throughout 2020 and into 2021. By coming together to form unions, workers at museums and other cultural institutions have been able to better fight back against furloughs; layoffs; pay, racial and gender inequities; and resolve health and safety concerns and other issues that existed before the pandemic and have been exacerbated by it.

CWU's analysis shows that not only did the billions in public money not prevent museums from perpetrating mass layoffs throughout the pandemic, but museum management also did not prioritize their workers and, in fact, disproportionately targeted their lowest paid workers. We call on elected officials to pass the PRO Act so workers can have a voice on the job, and to ensure that museums and other cultural institutions that receive public money use those funds to retain and invest in their workers.

## Appendix 1: Cultural Industry PPP Recipients with FY 2020 Operating Surplus in the Millions After Workforce Reductions[47]

| Museum | Location | 2020 PPP Loan | 2021 PPP Loan | Employment Change | FY 2020 Operating Surplus |
|---|---|---|---|---|---|
| WHITNEY MUSEUM OF AMERICAN ART | New York City | $5,592,822 | | -91 | $47,064,000 |
| TECH INTERACTIVE, THE | San Jose | $1,933,780 | $1,933,780 | -64 | $24,572,382 |
| LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY FOUNDATION | Los Angeles | $4,790,800 | | -127[48] | $23,896,047 |
| MUSEUM ASSOCIATES (LACMA) | Los Angeles | $6,722,000 | | -39 | $12,456,911 |
| THE LIVING DESERT | Palm Desert | $1,418,025 | $1,418,025 | -130 | $11,400,021 |
| EXPERIMENTAL AIRCRAFT ASSOCIATION, INC. (EAA AVIATION MUSEUM) | Oshkosh | $2,442,637 | $2,000,000 | -69 | $7,541,692 |
| CHICAGO HORTICULTURAL SOCIETY | Glencoe | $5,239,200 | | -65 | $6,467,000 |
| THE CLEVELAND MUSEUM OF ART | Cleveland | $4,174,400 | | -64 | $3,074,000 |
| MILWAUKEE ART MUSEUM, INC. | Milwaukee | $1,619,700 | $1,877,000 | -73 | $1,435,643 |
| MINNESOTA HISTORICAL SOCIETY[49] | Saint Paul | $5,000,000 | | -216 | $1,238,490 |

47 10 cultural industry PPP recipients that had workforce reductions, received 1 or 2 PPP loans, and ended FY 2020 with an operating surplus in the millions.

48 The museum furloughed all 127 part-time staff on July 1, 2020, through the end of the year and as of December 2020 have not been brought back, therefore the furloughs are treated as a workforce reduction.

49 MNHS received a $5 million PPP loan on May 5, 2020, and on Aug. 21, 2020, the loan was paid back in full for undisclosed reasons. As of July 31, 2021, 97% of all loan forgiveness applicants have received full or partial forgiveness.

# Appendix 2: Biggest PPP Recipients Among Art Museums[50]

| City | Museum | Total Received PPP Program | Employment Change |
|---|---|---|---|
| LOS ANGELES | MUSEUM ASSOCIATES (LACMA) | $6,722,000 | -39 |
| SAN FRANCISCO | SAN FRANCISCO MUSEUM OF MODERN ART | $6,163,777 | -186 |
| SAN FRANCISCO | CORPORATION OF THE FINE ARTS MUSEUMS | $6,150,800 | -14 |
| NEW YORK | THE SOLOMON R. GUGGENHEIM FOUNDATION | $5,938,000 | -32 |
| SAN MARINO | HENRY E. HUNTINGTON LIBRARY AND ART GALLERY | $5,767,239 | -8 |
| NEW YORK | WHITNEY MUSEUM OF AMERICAN ART | $5,592,822 | -91 |
| NEW YORK | THE FRICK COLLECTION | $5,344,400 | -68 |
| PHILADELPHIA | PHILADELPHIA MUSEUM OF ART | $5,099,447 | -127 |
| INDIANAPOLIS | INDIANAPOLIS MUSEUM OF ART, INC. | $4,878,500 | +8 |
| SEATTLE | SEATTLE ART MUSEUM | $4,860,600 | -76 |
| SALEM | PEABODY ESSEX MUSEUM, INC. | $4,507,000 | -31 |
| DALLAS | DALLAS MUSEUM OF ART | $4,501,003 | 0 |
| BROOKLYN | BROOKLYN INSTITUTE OF ARTS AND SCIENCES (BROOKLYN MUSEUM) | $4,480,038 | -29 |
| SAN FRANCISCO | ASIAN ART MUSEUM FOUNDATION OF SAN FRANCISCO | $4,284,300 | -19 |
| WINTERTHUR | THE HENRY FRANCIS DUPONT WINTERTHUR MUSUEM INC | $4,269,000 | -27 |
| CLEVELAND | THE CLEVELAND MUSEUM OF ART | $4,174,400 | -64 |
| DETROIT | THE DETROIT INSTITUTE OF ARTS | $3,965,625 | 0 |
| PORTLAND | PORTLAND ART MUSEUM | $3,671,800 | -115 |
| PHILADELPHIA | THE BARNES FOUNDATION | $3,618,865 | +17 |
| MINNEAPOLIS | THE MINNEAPOLIS SOCIETY OF FINE ARTS | $3,586,900 | -39 |
| MILWAUKEE | MILWAUKEE ART MUSEUM, INC. | $3,496,700 | -73 |
| BOSTON | ISABELLA STEWART GARDNER MUSEUM, INC. | $3,492,900 | -86 |
| TOLEDO | TOLEDO MUSEUM OF ART | $3,484,260 | -40 |
| MINNEAPOLIS | WALKER ART CENTER | $3,479,700 | -33 |
| CHICAGO | THE MUSEUM OF CONTEMPORARY ART | $3,337,362 | -138 |
| LOS ANGELES | MUSEUM OF CONTEMPORARY ART, THE (MOCA) | $3,298,958 | -97 |

50 Top 27 Art Museums who were eligible for the PPP program who received the most public money from the PPP program (1 or 2 PPP loans). A positive employment change means that they had listed more employees on their 2nd PPP loan than what they listed on their 1st PPP loans and a layoff source hadn't been found. However, it is possible that they laid off employees before applying for their 1st PPP loan, resulting in an undercount of true workforce reductions.

# Appendix 3: Biggest PPP Recipients Among History Museums[51]

| City | Museum | Total Received PPP Program | Employment Change |
|---|---|---|---|
| NEW YORK | NATIONAL SEPTEMBER 11 MEMORIAL MUSEUM AT THE WORLD TRADE CENTER | $6,633,900 | -179 |
| NEW YORK | NEW YORK HISTORICAL SOCIETY | $5,607,600 | -91 |
| WASHINGTON | NATIONAL TRUST FOR HISTORIC PRESERVATION IN THE UNITED STATES | $5,330,985 | -6 |
| NEW ORLEANS | THE NATIONAL WORLD WAR II MUSEUM, INC | $5,162,700 | -136 |
| SAINT PAUL | MINNESOTA HISTORICAL SOCIETY[52] | $5,000,000 | -216 |
| MEMPHIS | ELVIS PRESLEY ENTERPRISES INC | $4,657,100 | -10 |
| NEWPORT | PRESERVATION SOCIETY OF NEWPORT COUNTY | $4,568,046 | -231 |
| LOS ANGELES | SKIRBALL CULTURAL CENTER | $4,500,000 | -204 |
| DENVER | THE STATE HISTORICAL SOCIETY OF COLORADO | $4,275,400 | -15 |
| OKLAHOMA CITY | THE MUSEUM OF THE BIBLE | $4,228,500 | |
| LOS ANGELES | AUTRY MUSEUM OF THE AMERICAN WEST | $3,599,552 | -12 |
| NEW YORK | MUSEUM OF THE CITY OF NEW YORK, INC. | $3,496,900 | -29 |
| FISHERS | CONNER PRAIRIE MUSEUM INC. | $3,035,632 | -255 |
| HONOLULU | USS MISSOURI MEMORIAL ASSOCIATION, INC | $2,988,715 | -42 |
| CHARLOTTESVILLE | THOMAS JEFFERSON FOUNDATION INC | $2,837,365 | |
| NEW ORLEANS | WORLD WAR II THEATRE INC | $2,733,300 | -118 |
| LOS ANGELES | PETERSEN AUTOMOTIVE MUSEUM FOUNDATION | $2,725,900 | -71 |
| COOPERSTOWN | NATIONAL BASEBALL HALL OF FAME AND MUSEUM INC. | $2,667,240 | -9 |
| COLUMBUS | THE OHIO HISTORICAL SOCIETY | $2,625,270 | -36 |
| CODY | BUFFALO BILL MEMORIAL ASSOCIATION | $2,580,537 | 0 |
| MOUNTAIN VIEW | COMPUTER HISTORY MUSEUM | $2,546,400 | -8 |
| PITTSBURGH | THE HISTORICAL SOCIETY OF WESTERN PENNSYLVANIA | $2,479,000 | 0 |
| CHICAGO | CHICAGO HISTORICAL SOCIETY | $2,409,166 | -2 |
| PLYMOUTH | PLIMOTH PLANTATION INC | $2,326,597 | -46 |
| ATLANTA | ATLANTA HISTORICAL SOCIETY INC | $2,218,060 | -9 |
| PHILADELPHIA | MUSEUM OF THE AMERICAN REVOLUTION | $2,185,381 | -38 |

51 Top 26 History Museums who were eligible for the PPP program who received the most public money from the PPP program (1 or 2 PPP loans). A blank employment change number indicated that no media reports, WARN act, or other layoff sources were found, and they didn't take out a 2nd PPP loan.

52 MNHS received a $5 million PPP loan on May 5, 2020, and on Aug. 21, 2020, the loan was paid back in full for undisclosed reasons. As of July 31, 2021, 97% of all loan forgiveness applicants have received full or partial forgiveness.

# Appendix 4: Biggest PPP Recipients Among Zoos, Botanical Gardens, Aquariums[53]

| City | Museum | Total Received PPP Program | Employment Change |
|---|---|---|---|
| NEW YORK | THE NEW YORK BOTANICAL GARDEN | $8,535,542 | 0 |
| SEATTLE | WOODLAND PARK ZOOLOGICAL SOCIETY | $7,367,787 | -70 |
| DENVER | DENVER ZOOLOGICAL FOUNDATION, INC. | $6,661,200 | -93 |
| BROOKFIELD | CHICAGO ZOOLOGICAL SOCIETY | $6,378,144 | -56 |
| DETROIT | THE DETROIT ZOOLOGICAL SOCIETY | $5,911,497 | -92 |
| PHILADELPHIA | ZOOLOGICAL SOCIETY OF PHILADELPHIA INC[54] | $5,450,000 | -263 |
| CHICAGO | LINCOLN PARK ZOOLOGICAL SOCIETY | $5,253,538 | -65 |
| GLENCOE | CHICAGO HORTICULTURAL SOCIETY | $5,239,200 | -65 |
| HOUSTON | HOUSTON ZOO INC | $5,204,500 | |
| DENVER | DENVER BOTANIC GARDENS, INC. | $5,062,100 | 0 |
| CHICAGO | SHEDD AQUARIUM SOCIETY | $4,898,487 | -36 |
| SAN FRANCISCO | SAN FRANCISCO ZOOLOGICAL SOCIETY | $4,758,000 | -40 |
| CINCINNATI | ZOOLOGICAL SOCIETY OF CINCINNATI[55] | $4,752,300 | -212 |
| OAKLAND | CONSERVATION SOCIETY OF CALIFORNIA | $4,742,100 | -110 |
| BOSTON | NEW ENGLAND AQUARIUM CORPORATION | $4,584,750 | -123 |
| SAINT LOUIS | MISSOURI BOTANICAL GARDEN, BD OF TRUSTEES | $4,547,400 | 0 |
| ATLANTA | ATLANTA-FULTON COUNTY ZOO INC | $4,450,095 | -195 |
| KANSAS CITY | FRIENDS OF THE ZOO, INC. OF KANSAS CITY, MISSOURI | $4,311,700 | -17 |
| PITTSBURGH | ZOOLOGICAL SOCIETY OF PITTSBURGH | $4,309,900 | 0 |
| NEW YORK | BROOKLYN BOTANIC GARDEN CORPORATION | $4,300,000 | +13 |
| BOISE | SEAQUEST MANAGEMENT INC | $4,251,856 | -187 |
| CHATTANOOGA | TENNESSEE AQUARIUM | $4,173,742 | -134 |
| TAMPA | LOWRY PARK ZOOLOGICAL SOCIETY OF TAMPA, INC. | $4,155,051 | -75 |
| BALTIMORE | MARYLAND ZOOLOGICAL SOCIETY INC | $3,987,283 | -60 |
| TAMPA | THE FLORIDA AQUARIUM, INC. | $3,967,590 | |

53 Top 25 Zoos, Botanical Gardens, Aquariums who were eligible for the PPP program who received the most public money from the PPP program (1 or 2 PPP loans). A blank employment change number indicated that no media reports, WARN act, or other layoff sources were found, and they didn't take out a 2nd PPP loan. A positive employment change means that they had listed more employees on their 2nd PPP loan than what they listed on their 1st PPP loans and a layoff source hadn't been found. However, it is possible that they laid off employees before applying for their 1st PPP loan, resulting in an undercount of true workforce reductions.

54 Part-time and seasonal workers at the Philadelphia Zoo are not unionized.

55 The 174 part-time and seasonal workers laid off at the Cincinnati Zoo are not unionized.

## Appendix 5: Biggest PPP Recipients Among Science & Natural History Museums[56]

| City | Museum | Total Received PPP Program | Employment Change |
|---|---|---|---|
| CHICAGO | MUSEUM OF SCIENCE AND INDUSTRY | $6,923,900 | -226 |
| SAINT PAUL | THE SCIENCE MUSEUM OF MINNESOTA | $6,536,500 | -158 |
| CHICAGO | FIELD MUSEUM OF NATURAL HISTORY | $6,339,255 | -71 |
| SAN FRANCISCO | THE EXPLORATORIUM | $5,875,400 | -100 |
| PITTSBURGH | CARNEGIE INSTITUTE (dba CARNEGIE MUSEUMS OF PITTSBURGH)[57] | $5,825,916 | -503 |
| NEW YORK | INTREPID MUSEUM FOUNDATION | $5,528,700 | -10 |
| NASHVILLE | THE COUNTRY MUSIC FOUNDATION, INC. | $5,271,900 | -159 |
| DENVER | COLORADO MUSEUM OF NATURAL HISTORY | $5,087,357 | |
| CORNING | CORNING MUSEUM OF GLASS | $4,953,885 | +7 |
| PHILADELPHIA | THE FRANKLIN INSTITUTE | $4,891,300 | -229 |
| LOS ANGELES | LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY FOUNDATION[58] | $4,790,800 | -127 |
| BOSTON | MUSEUM OF SCIENCE | $4,690,935 | -309 |
| LOS ANGELES | CALIFORNIA SCIENCE CENTER FOUNDATION | $4,549,700 | -50 |
| CORONA | NEW YORK HALL OF SCIENCE | $4,514,275 | 0 |
| OSHKOSH | EXPERIMENTAL AIRCRAFT ASSOCIATION, INC. | $4,442,637 | -69 |
| JERSEY CITY | LIBERTY SCIENCE CENTER, INC | $4,426,927 | -192 |
| HOUSTON | MANNED SPACE FLIGHT EDUCATION FOUNDATION, INC. | $4,328,900 | -102 |
| PORTLAND | OREGON MUSEUM OF SCIENCE AND INDUSTRY | $4,248,937 | -131 |
| CLEVELAND | THE ROCK AND ROLL HALL OF FAME AND MUSEUM, INC. | $4,124,599 | -53 |
| SAN JOSE | TECH INTERACTIVE, THE | $3,867,560 | -64 |
| SAINT LOUIS | ST. LOUIS SCIENCE CENTER FOUNDATION | $3,844,470 | -7 |
| SEATTLE | PACIFIC SCIENCE CENTER FOUNDATION | $3,701,984 | -300 |
| CHICAGO | THE ADLER PLANETARIUM | $3,678,620 | -122 |
| INDIANAPOLIS | THE CHILDREN'S MUSEUM OF INDIANAPOLIS, INC. | $3,628,200 | |
| CLEVELAND | THE CLEVELAND MUSEUM OF NATURAL HISTORY | $3,442,800 | -33 |

56 Top Science Centers and Natural History Museums (other interactive museums are included in this category) who were eligible for the PPP program who received the most public money from the PPP program (1 or 2 PPP loans). A blank employment change number indicated that no media reports, WARN act, or other layoff sources were found, and they didn't take out a 2nd PPP loan. A positive employment change means that they had listed more employees on their 2nd PPP loan than what they listed on their 1st PPP loans and a layoff source hadn't been found. However, it is possible that they laid off employees before applying for their 1st PPP loan, resulting in an undercount of true workforce reductions

57 The Carnegie Museum group also has art museums but was included in the Science Center category.

58 The Los Angeles Natural History Museums furloughed 127 employees during the pandemic and as of their December 2020 bond statement had not recalled them, therefore they are included here as a workforce reduction.

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