CORONAVIRUS PANDEMIC

S.F. arts groups face losses in 8 figures

By Charles Desmarais

The galleries of San Francisco's de Young Museum are filled with works by one of the most significant — and most popular — painters of the 20th century. But not a single visitor, much less the anticipated blockbuster crowd, is anywhere to be seen.

The exhibition, "Frida Kahlo: Appearances Can Be Deceiving," was to open to the public Saturday, March 21, after two days of celebratory parties and previews. Ticket, membership and concession sales associated with this show were expected to provide 15% of the year's total revenue for the museum's parent organization, the Fine Arts Museums of San Francisco. Now the loss could amount to $9 million if the city's coronavirus shelter-in-place regulations stay in effect until June because of the pandemic.

"We, like the entire arts community, have just been sideswiped" by this shutdown, FAMSF director Thomas P. Campbell said in an interview with The Chronicle. "The impact is immediate, and I think we are typical."

Campbell's instinct is supported by hard evidence. Every day brings new announcements of curtailed programs. Every performing arts group in the Bay Area contacted by The Chronicle has canceled its spring season, even as most had barely begun. Now a study reports that arts organizations stand to lose more than $73 million in revenue and donations if the shutdown continues through summer.

The American Conservatory Theater has laid off about 230 workers — including 25 full-time employees, 75 part-timers and 130 who had been hired for specific productions.

"We canceled the remainder of our season. All classes and training programs. We're looking at a $5 (million) to $6 million loss through summer, out of an annual budget of $27 million," Jennifer Bielstein, executive director at ACT, told The Chronicle. "That's 20%."

Among the cancellations is the West Coast premiere of "Toni Stone," a highly anticipated play about the first woman to play professional baseball, who got her start with the Negro Leagues' San Francisco Sea Lions. The production opened March 5 and was shut down the next day after Mayor London Breed ordered a ban on large gatherings to help slow the spread of the coronavirus.

"I believe the arts are essential," Bielstein said. "It's not like they can go and work in another theater. We need to be part of those government stimulus packages."

The San Francisco Ballet also hasn't performed publicly since the opening night of "A Midsummer Night's Dream," which was the night before Breed ordered the closure of the War Memorial Opera House and Performing Arts Center venues.

"Seventy-two percent of our budget is human," said Kelly Tweeddale, executive director of the San Francisco Ballet, who has been in her job for barely six months after a 35-year career in arts leadership. Many of the dance company's artists make their homes in other countries. "These are people on work visas, and in 30 days we have to return them" if they are not legitimately working here, she said. Others will lose their union-provided insurance if they don't work a sufficient number of days.

"We have to be very careful of what levers we use" to maintain a balanced budget, she told The Chronicle, concern obvious in her voice. "As we wait for clarity, many of us wonder if we'll get through it."

Even the comparatively wealthy San Francisco Symphony, with an $81 million budget in 2019, faces a substantial challenge that could lead to personnel cuts, as losses mount by $2 million each month, Mark Hanson, executive director of the Symphony, told The Chronicle.

"We are looking at a variety of financial models," Hanson said. "But we are the current — not the only — stewards of this historic resource, and even if our worst-case scenario comes true, we need to retain the ability to recover."

The San Francisco Arts Alliance, a loosely organized assembly of the leaders of about 15 of the largest arts institutions in the city, has come together in this moment of crisis to conduct what it has dubbed the San Francisco COVID-19 Arts Impact Survey. The alliance gathered data from 145 organizations in the city, large and small, in all arts disciplines, which were shared exclusively with The Chronicle.

The results of the survey show that as of Friday, arts groups had already lost a combined $21.4 million in earned income because of the city-ordered shutdown. That is a figure expected to grow to $42.5 million if the crisis lasts until June 15, and $47.8 million — a whopping loss of 25% of all expected earned income from ticket and concessions sales for the entire year — if programs must be curtailed into mid-September.

Add to that the possible loss of an additional $25.5 million in contributed income among the surveyed group, as donors turn to social service needs while, at the same time, attempting to nurse their investment portfolios back to health.

The alliance is "working now to grow this into a broad and inclusive Arts and Culture Alliance so that we can help support our whole ecosystem," according to co-chair Deborah Cullinan, whose day job is CEO of the Yerba Buena Center for the Arts.

The most recent study of the overall economic impact of the arts in San Francisco, released in 2017 and based on 2015 figures, showed that nonprofit arts and culture organizations spent $780.6 million annually "to pay employees, purchase supplies, contract for services, and acquire assets within their community." That amounts to an overall impact of $1.45 billion in annual economic activity in the city alone, apart from the rest of the Bay Area.

Smaller organizations also face big challenges, even if their daily considerations are different.

Maria Jenson, executive director of SOMArts, told The Chronicle that her group is nimble. With annual spending of $1.5 million and a free admission policy, she said, "We don't take a lot of revenue from the door. … I would think the larger organizations are going to have a longer process of discovery."

Still, "we are evaluated by our service to audience" by the city, SOMArts' largest funder, and by the foundations that provide grants. "We have deliverables based around programming," she said.

She points out, too, that city funds come largely from hotel taxes, which means "if the hotel industry is decimated, when that leg is gone, the whole table collapses."

In hopes of keeping that from happening, Breed announced Monday — after the results of the alliance's survey were revealed online by The Chronicle — the city created an Arts Relief Program to assist working artists and "small- to mid-budget sized arts and cultural organizations … serving cultural populations that are the most vulnerable." The program will be funded by an initial $2.5 million from the city and will provide two options: a grants program and low-interest loans.

Breed's announcement also noted that "the philanthropic community will be allowed to donate to these programs to expand impact."

"I hope our public investment will encourage private donors to join us in supporting our vulnerable artists during this challenging time," she said.

Susie Medak, managing director of Berkeley Repertory Theatre, said that after 30 years in the job, "this is a new experience. I've used the word 'unprecedented' more in the past few days than in my entire life."

Berkeley Rep is looking at a $3 million to $5 million loss on an $18 million budget, requiring cuts of up to $6 million. Medak's organization is teaming up with the Oakland Museum of California and Cal Performances, groups of similar size, to support San Francisco efforts.

"We're holding out as long as we can," Medak said, "to see what the stimulus package holds."

The Marin Theatre Company, much smaller at a $4.2 million total annual budget, feels the sting intensely. In a joint interview with The Chronicle, artistic director Jasson Minadakis and interim managing director Jenna Deja described working for two years on what was to be a world premiere, with a prominent New York director signed on. Representatives of four New York theaters had flown out to see the play in previews. MTC hopes to recoup losses by presenting the play online, as many theaters around the region are doing with their productions.

But if there is an arts CEO more entitled to rage against the situation than the director of San Francisco's Asian Art Museum, it is hard to know who that might be. That is not Jay Xu's style, however.

After 10 years of planning, fundraising and construction, the museum was set to open its major new gallery and completely renovated museum on May 8. Opening events have now been postponed, with a date to be announced.

Xu said he foresees expense reductions, "but we have a plan to keep everyone employed."

In a statement that would surely be embraced by his colleagues in positions high and low, in arts organizations large and small, he said of his deferred dream, "There is a big psychological and emotional impact.

"But we are resilient."

San Francisco Chronicle staff writers Lily Janiak and Joshua Kosman contributed to this report.

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Thomas P. Campbell / Fine Arts Museums of San Francisco

With the blockbuster Frida Kahlo exhibition ready but on hold due to shelter-in-place orders, the paintings at the de Young Museum are covered to reduce light exposure.

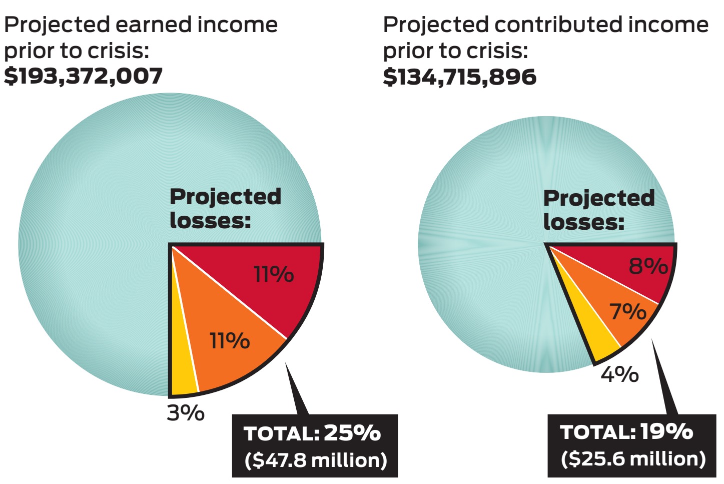
S.F. arts groups face steep losses in coronavirus shutdown

The San Francisco Arts Alliance surveyed 145 arts organizations in the city to estimate losses as a result of the city's coronavirus shutdown.

Projected income loss as a result of crisis

For fiscal year 2020

To date | Additional losses through June 15 | Additional losses through Sept. 15



Cost-cutting decisions

Percentage of organizations surveyed that were considering the following actions because of the coronavirus crisis:

PERSONNEL

- Reduce or suspend contractor hours: 63%
- Reduce or suspend employee hours: 45%
- Defer new hires: 38%
- Lay off employees: 28%
- Reduce contractor compensation: 26%
- Reduce employee compensation or benefits: 19%

PROGRAMS

- Cancel or postpone performances, exhibits or events: 88%
- Cancel or postpone rehearsals: 59%
- Cancel or postpone programs serving youth: 57%
- Cancel or postpone programs serving older adults: 37%

Source: San Francisco Arts Alliance

Todd Trumbull / The Chronicle