



American Public Gardens Association



April 6, 2020

The Honorable Nancy Pelosi, Speaker  
United States House of Representatives  
1236 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Mitch McConnell, Leader  
United States Senate  
317 Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Kevin McCarthy, Leader  
United States House of Representatives  
2468 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Charles Schumer, Leader  
United States Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

**RE: Phase 4 Aid for Museums Impacted by Coronavirus**

Dear Speaker Pelosi and Leaders McConnell, McCarthy and Schumer:

The nation’s museum community is facing an existential threat from the closures required to address the COVID-19 pandemic that requires major responses from the United States Congress beyond those contained in legislation enacted prior to April 1. Most museums anticipate remaining closed through the end of 2020. Normal revenue from admissions fees, retail sales, and event rentals will effectively cease, and charitable contributions will decline dramatically.

As you develop phase 4 COVID-19 response and recovery legislation, we urge you to:

1. Extend the Paycheck Protection Program and loan forgiveness through December 2020, and make nonprofits, including museums, with greater than 500 employees eligible for loan forgiveness. Priority number one is to keep as many employees in their jobs as possible for as long as possible. Nonprofit museums, including those with greater than 500 employees, often employ large numbers of part-time and temporary employees, including students, as part of delivering their public outreach and education missions.
2. Include supplemental funding, specifically for museums, to be administered by the federal Institute of Museum and Library Services (IMLS) to cover needs not filled by the Paycheck Protection Program. This would include assisting museums in developing and sharing distance learning content, and pandemic recovery planning and implementation. If the Paycheck Protection Program is inadequate to meet the needs of the museum community or is not renewed and forgiveness not extended for nonprofits, including museums, through December 2020, then the supplemental funding would need to include

\$6 billion in funding specifically for museums' general operating support and payroll for the IMLS – Office of Museum Services.

The \$6 billion figure is a conservative estimate based on budget numbers from several museum associations and numbers from the Oxford Economics/AAM's "Museums as Economic Engines" study. The American Alliance of Museums calculates that museums are losing at least \$33 million a day due to closures as a result of COVID-19, will be in desperate need of significant federal support, and that the U.S. Congress needs to include at least \$6 billion for nonprofit museums in economic relief legislation to provide emergency assistance through December. The study shows the museum field directly employs 372,100 people and generates \$15.9 billion in income each year. It costs \$1.3 billion to keep 370,000 people employed per month so the estimated cost through December 2020 is approximately \$6 billion minus the two-months of expected assistance from SBA-related loan programs.

3. Expand the universal charitable deduction provision in the CARES Act by removing the \$300 cap.
4. Extend the CARES Act removal of the 60% limit on Adjusted Gross Income that may be deducted through charitable gifts of cash.
5. Explore potential legislation that would mandate that business interruption policies cover COVID claims, and that the federal government would 100% reinsure the claims.
6. Include nonprofit museums in the House Transportation and Infrastructure Committee's \$760 billion "Moving Forward Framework" aspects of the legislation for pandemic-related health and safety infrastructure upgrades and energy efficient retrofits.

Museums are a robust and diverse business sector, including African American museums, aquariums, arboreta, art museums, botanic gardens, children's museums, cultural museums, historic sites, historical societies, history museums, maritime museums, military museums, natural history museums, planetariums, presidential libraries, public gardens, railway museums, science and technology centers, and zoos.

Nationwide, our museums are losing at least \$33 million a day due to closures as a result of COVID-19 and will be in desperate need of significant federal support to maintain jobs, secure our cultural heritage, help to rebuild our nation's tourism industry – and simply to survive the months to come.

Museums are economic engines. Economic impact data compiled by the American Alliance of Museums and Oxford Economics shows that this museum economy contributes \$50 billion a year to the U.S. economy and generates \$12 billion in tax revenue to local, state, and federal governments. Museums also are vital local sources of employment, supporting 726,000 direct and indirect jobs annually. Museums play an essential role in the nation's educational infrastructure, spending more than \$2 billion a year on education. The destabilizing effects of the current crisis place the future of these contributions to the U.S. economy and education system at

great risk. If these businesses fail during this crisis, then there will be no jobs to which many thousands of displaced workers can return.

As we write this letter, museums of all sizes are experiencing closures, attendance free-fall, canceled events, and actual layoffs. This is escalating, day-by-day, as closures and cancellations continue. Most of these are cash-based businesses; their economic lifeblood is people visiting. Declines in international and domestic tourism, declines in local attendance, and increases in physical distancing are having a devastating impact on the nonprofit museum community, which operates on thin margins of financial sustainability, without large designated operational reserve funds or access to tax-relief benefits, and is often largely dependent on earned revenue from visitors passing through their doors. We estimate as many as 30% of museums, mostly in small and rural communities, will not re-open without significant additional and immediate emergency financial assistance beyond the CARES Act.

Furloughs and layoffs among museum personnel are increasing. As employers, museums care deeply about the welfare, health, and financial stability of hard-working staff, and are concerned that increasing unemployment among museum personnel may exacerbate broader community issues of lack of access to health care, food insecurity, and even homelessness that will make the COVID-19 response much more challenging.

Museums have impressive support from the public. According to a recent public opinion poll, 96% of Americans would think positively of their elected officials taking legislative action to support museums, regardless of political persuasion or community size. 97% of Americans believe that museums are educational assets, and 89% believe that museums contribute important economic benefits to their community. Museums are also the most trusted source of information in America, rated higher than local papers, nonprofit researchers, the U.S. government, or academic researchers. Museums can leverage this high level of public trust to provide education on COVID-19 and fight misinformation about its spread. By empowering the public with the information they need to make informed decisions and lower their risk of contracting or spreading disease, museums can help sustain healthy communities, maintain calm, and reduce the chances for an increase in discrimination or xenophobia often created by global diseases.

Even now, while museums are experiencing closures and significant losses in revenue, and planning for staff reductions, they are still serving an increase in demand in communities across the United States for educational resources by providing lesson plans, online learning opportunities, and “drop-off” learning kits to teachers and parents in areas where schools have closed; freely sharing virtual exhibitions and content accessible to those who are otherwise isolated; creating new digital services; maintaining their outdoor spaces to provide quiet places to relieve stress during this time of high anxiety; and supporting the families of health care workers and first responders with access to child care and meals.

Museums are community anchors, addressing challenges in times of crisis like the one we are currently experiencing. Unfortunately, we expect hardships to be faced by increasing numbers of our member organizations in communities across the country in the months ahead, underscoring the need for continued economic relief for museums.

Thank you for your consideration.

Sincerely,

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