



**NYS Joint Legislative Public Hearing on 2023 Executive Budget Proposal
Economic Development & The Arts
February 9, 2023**

Dear Chairwoman Krueger and Chairwoman Weinstein,

My name is Sarah Mercanti, and I am the Director of Government Relations at Roundabout Theatre Company. It is an honor to submit testimony to you both on behalf of Roundabout and New York City's vibrant nonprofit arts and cultural field at large. **I am writing to advocate for the baseline and renewal of Governor Hochul's historic commitment of \$90M in programmatic support to NYSCA, as well as \$150M for cultural capital for the State.**

In addition, the arts and culture sector needs a significant investment in economic development from the State, beyond the scope of NYSCA, to relieve the current financial crisis that is pervading the entire industry. As NYSCA Executive Director Mara Manus testified, the arts were the first industry to close and the last to reopen; the performing arts in particular was the hardest hit following an 18-month long shutdown. This has had a lasting, devastating impact on our financial stability as two years into our return we are still struggling to recover to pre-pandemic activity. Pre-pandemic, our industry accounted for over 30 million tourists travelling to NYC (Create NYC). Today, we continue to lag considerably behind 2019 tourism, and thus performing arts attendance levels, as audiences – local, regional, national, and international – have not fully returned due to lingering concerns about COVID.

Recent headlines claim that "Broadway is Back"; however, this statement primarily reflects the success of a few star-studded blockbuster productions. Attendance figures for the broader nonprofit community – who continues to be the creative engine fueling Broadway (*Kimberly Akimbo, Between Riverside and Crazy, Hadestown, etc.*) – have been particularly grim over the past two seasons, **hovering on average between 40-50% of pre-COVID occupancy.** These steep declines have dramatically decreased revenue, which has imposed limitations and cuts on delivering programming that serves New Yorkers.

The not-for-profit cultural community in NYC is an \$8 Billion industry with \$21.2 Billion generated in additional economic impact (Create NYC), making the arts inextricably linked to the economic success of New York City and State. According to the NYC Partnership, the arts are the number one reason businesses are headquartered in NYC. Our industry is essential to attracting and retaining the best talent across all sectors. Given that SMU Data Arts estimates recovery to pre-pandemic levels of activity – which relies on the return of audiences – to take three to five years, the State's robust investment in NYSCA, as well as the comprehensive economic development of cultural organizations, is critical for us to move out of recovery and into the growth phase post-COVID with the rest of the State's economy.

Briefly, I have summarized some of the highlights of Roundabout's impact in our City and the challenges we face toward recovery from COVID:

- Roundabout Theatre Company (RTC) is the country's largest not-for-profit theatre with a pre-COVID budget of \$70M, **servicing 650,000 constituents annually.**
- **We employ over 1,500 arts workers**, including artists, as well as administrative, front of house, and backstage theatre staff. By contrast, **Roundabout's budget in the FY21-22 season was less than \$45M and our workforce was reduced by 50%.**



- Roundabout Theatre is the 4th largest “owner” of Broadway theatres behind the Shubert’s, Netherlander’s and Jujamcyn.
- In the 2021-22 season and this season, **RTC audiences were on average 50% of pre-COVID numbers**. Even with close to \$20M in COVID relief funding from the Federal government, **2023 projects a \$12M deficit** and FY24 is expected to be another devastating year.
- Pre-COVID, **80% of our out-of-town audiences are regional tourists** commuting through Grand Central and Penn Station.
- Off-stage, **Roundabout invests \$4M annually in arts education, career training, and community partnerships initiatives**, providing meaningful support to the cultural sector and City at large:
 - Since 1996, Roundabout has worked to **expand [access to arts education](#)** in New York City public schools. This year, Roundabout will partner with **over 18 schools** across the five boroughs to provide specially tailored classroom residencies, after-school enrichment programming, and bring thousands of students and teachers to our theatres. This work is helping schools regain COVID-driven learning losses, reestablishing a cooperative school culture where students can thrive.
 - Launched in 2016 to meet rising demand for skilled theatre technicians and elevate diversity backstage, our **[Theatrical Workforce Development Program](#)** offers hands-on hard skills and career readiness training, along with wraparound support services to underrepresented New Yorkers ages 18-24. **TWDP aims to break cycles of generational poverty** by providing an **essential alternative pathway** to successful, lifelong careers.
 - Roundabout’s **[Community Partnerships](#)** arm offers vital culturally responsive programming and resources to communities, especially those most devastated by the pandemic, who continue to have limited access to the arts. In the 2021-2022 season, Roundabout piloted a partnership with three branches of **the New York Public Library**, reactivating the library as a shared, local space for storytelling and connection: West New Brighton in Staten Island, Countee Cullen in Harlem, and Clason’s Point in the Bronx.
- At Roundabout, we are working with leaders in the real estate and business communities to help us rethink our business model. As we work through this strategy, which will include a significant economic development opportunity, we plan to engage the State in our conversations.

We urge you to renew NYSCA’s \$90M programmatic and \$150 capital allocations in the State’s FY24 Budget, as well as collaborate with our sector to develop economic development solutions and investments in arts and culture.

With sincerest thanks for your time and consideration,

Sarah Mercanti
Director of Government Relations
Email: smercanti@roundabouttheatre.org; Phone: 212-719-9393 ext. 352