



PROGRAM MATERIALS
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The Show Must Go On: Legal Issues Affecting Broadway due to COVID

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The Show Must Go On: Legal Issues Affecting Broadway due to COVID-19

1. Economic strength of Broadway
 - a. Before the coronavirus, Broadway was thriving economically
 - b. Broadway grossed \$1.8 billion in 2018-19 season
 - c. Broadway grosses \$33 million in a normal week
 - d. During the last week of 2018, "Hamilton" grossed \$4 million, an all-time record
 - e. 41 theaters on Broadway
 - f. 14.7 million tickets sold to Broadway shows in 2018-19 season
 - g. Broadway contributed \$14.7 billion to economy and supported 96,900 jobs in 2018-19 season
 - h. 15 million people attended Broadway shows in 2018-19 season
 - i. 52,000 members of Actors' Equity Association (represents actors and stage managers)
 - j. 4 million creative professionals in U.S.
2. Timeline of recent events
 - a. 2/27/20-Actors' Equity announces it has provided guidance to its members.
 - b. 3/2/20-Broadway League says it is "closely monitoring this evolving situation on behalf of the Broadway community."
 - c. 3/6/20-Cleaning procedures at Broadway theaters are enhanced, including hand sanitizer dispensers in lobbies, sick ticketholders encouraged to stay home.
 - d. 3/7/20-"Hadestown" announces that cast will not greet audience members at stage door for 30 days.
 - e. 3/10/20-Producer Scott Rudin announces \$50 ticket promotion for all his shows 3/29/20.
 - f. 3/11/20-Broadway usher tests positive.
 - g. 3/12/20-Cuomo forbids public gatherings of 500 or more people, venues with less than 500 seats can operate at half capacity; Broadway to shutter through at least 4/12/20; 31 shows were running at the time and 16 new shows were scheduled to open through 4/23/20; "Six" cannot have open as scheduled that same night; major Off-Broadway companies shut down; a few Off-Broadway shows try to soldier on with social distancing measures.
 - h. 3/13/20-Metropolitan Opera announces it will stream operas for free each night for the duration of the closure.
 - i. 3/20/20-Actors' Equity and Broadway League reach agreement over compensation; "Hangmen" closes.
 - j. 3/21/20-"Who's Afraid of Virginia Woolf?" closes.
 - k. 3/22/20-"New York State on Pause" plan takes effect, banning all nonessential gatherings.
 - l. 3/24/20-Playwright Terrence McNally dies due to complications from the coronavirus.
 - m. 3/25/20-Tony Awards, scheduled for 6/7/20, are postponed, replaced with "Grease" singalong; Roundabout postpones "Caroline, Or Change" and "Birthday Candles" to the fall.
 - n. 3/27/20-\$2 trillion federal stimulus package includes \$75 million for NEA and \$25 million for Kennedy Center for the Performing Arts, prompting outcry from Republican lawmakers.

- o. 3/30/20-Red Bull Theater cancels its livestream reading of “Tis Pity She’s a Whore” at the last minute due to dispute with Actors’ Equity.
 - p. 4/8/20-Broadway shutdown extended through at least 6/7/20; Cuomo responds with “I wouldn’t use what Broadway thinks as a barometer of anything.”
 - q. 4/17/20-Public Theater cancels Shakespeare in the Park season, furloughs 70 percent of staff.
 - r. 4/24/20-Actors’ Equity hires former OSHA administrator David Michaels to draft theater safety protocols.
 - s. 4/28/20-Barrington Sage Company of MA reveals cut-down social distancing season
 - t. 5/4/20-New York Forward plan of reopening in four phases by region and industry revealed; Mega-producer Cameron Mackintosh says London theaters are unlikely to reopen until 2021.
 - u. 5/6/20-Secret Theatre in Queens and Shelter Studios & Theatres in Midtown close.
 - v. 5/9/20-Guthrie Theatre of Minneapolis delays reopening until 3/21, drastically reduces size of upcoming season
 - w. 5/12/20-Broadway shutdown extended through at least 9/6/20; Disney announces it will stream “Hamilton” on Disney+ on 7/3/20 instead of releasing it in movie theaters on 6/18/21.
 - x. 5/13/20-“Plaza Suite” postpones opening to spring 2021.
 - y. 5/14/20-Disney announces closing of “Frozen”; Michael Jackson musical postpones opening to spring 2021.
3. Current status quo
- a. Prior shutdowns of Broadway
 - i. Two-day closure following 9/11
 - ii. Strikes in 1975, 2003 and 2007
 - iii. Did not shut down during the Spanish Flu of 1918
 - b. Role of the Broadway League (trade organization representing theater owners and producers in negotiations with the theater worker unions)
 - c. Agreement between Coalition of Broadway Unions and Guilds and the Broadway League
 - i. Up to 150% of minimum Broadway salary (\$2,200 a week) for week of March 12 and two weeks at Broadway minimum salary, plus pension and 401(k) contributions
 - ii. Health insurance payments through April 12
 - iii. Agreement may be supplemented
 - d. Comparison with standard Equity Broadway contract
 - i. Did not contemplate closing due to pandemic
 - ii. Notice of one week required for closing of show
 - e. Furloughs by not-for-profit companies
 - f. Cancellation of summer festivals
 - g. Producers are still technically responsible for paying minimum rent to theater owners per contracts, workers who remain on payroll
 - h. Potential applicability of contractual defenses
 - i. Force majeure, impossibility, frustration of purpose
 - ii. Depends on language of contract and any force majeure clause

- iii. Will the court strictly interpret the contract?
 - i. Likelihood that producers, theater owners, and theater workers will work together in the ultimate hope of Broadway the industry back to its feet
 - j. Small theaters seeking rent forgiveness or freeze
 - k. Advance payments to playwrights
- 4. Insurance policies
 - a. Theater producers wanted the order to shut down to come from the state in the hope of triggering insurance policies, as opposed to voluntary shutdown
 - b. Certain companies and brokers specialize in theatrical coverage packages
 - c. Policy of the theater owner protecting the physical property vs. policy of the show running inside the theater protecting against business interruption and/or performance cancellation
 - d. Specific language of policies is key
 - i. Any mention of communicable diseases, viruses, or pandemics
 - ii. Whether a physical loss or damage must occur
 - iii. In 2016, Shaw Festival upgraded its disaster insurance coverage to specifically include pandemics
 - e. Potential legislation to address whether policies are triggered
 - f. Lawsuits following denial of claims
- 5. Refunds for canceled performances
 - a. Credits, postponements and/or donations in lieu of refunds
 - b. Refunds being issued based on incremental shutdown extensions
 - c. New York Arts & Cultural Affairs Law
 - i. Section 23.08
 - ii. Ticket holders are entitled to refunds for cancelled or rescheduled events
 - iii. Exceptions for event that is rescheduled due to an act of God or catastrophe or if ticket states that remedy is limited to rescheduled performance
 - d. Outcry in press
 - e. Class action lawsuits against Ticketmaster and Live Nation
 - f. Who has the funds from tickets sold for cancelled performances?
- 6. Financial aid
 - a. Unions working with members as to annual dues and healthcare eligibility
 - b. Applicability of \$2 trillion relief package
 - i. Theater companies could apply for PPP loans
 - ii. \$250 million in aid for arts institutions
 - iii. Unemployment benefits extended to freelance workers, including theater workers who accepted a job but were unable to start work due to the shutdown
 - c. Legislation proposed by industry advocates
 - i. Making sure theater workers are included in legislation
 - ii. 100% COBRA subsidy
 - iii. Tax deductions
 - iv. Pension protection
 - v. Increased arts funding
 - d. Local and state arts funding cuts likely on the horizon

- e. The arts receive little funding in the U.S. compared to other countries
 - f. Republicans deride arts funding
 - g. Need for private philanthropy to take the place of needed public funding
7. Streaming theater-related programming
- a. Intended to maintain exposure, not economic substitute
 - b. New contracts likely to be released to address streaming
 - c. Which unions have jurisdiction?
 - d. Equity Do Not Work Rule
 - e. Livestreamed play readings and concerts
 - f. Theatre Authority
 - i. Nonprofit group that regulates free appearances by Actors' Equity members at benefit performances
 - ii. Predated the coronavirus, now being used for livestreamed events
 - iii. Actors receive an honorarium to cover expenses instead of a salary
 - iv. Limited rehearsal time is permitted
 - v. Streamed content can be viewed for four days at most
 - g. Intellectual property protection
 - i. Involvement of dramatic licensing companies
 - ii. Right of public performance
 - iii. Right of synchronization
 - iv. Agreement between Theatrical Rights Worldwide and Booktix Live
 - h. New streaming agreements with Actors' Equity
 - i. Temporary in nature
 - ii. Make a performance available online for one-time viewing to ticket buyers
 - iii. Pay the actors a weekly salary
 - iv. Number of virtual tickets must match number of seats in theater for each "performance"
 - i. SAG-AFTRA/digital media contract
 - j. Archival video recordings
 - i. Theater company probably does not have permission to livestream its archival recordings
 - ii. Need permission to even make a recording strictly for archival purposes
 - iii. Theatre on Film & Tape Library at Lincoln Center Library for the Performing Arts
 - 1. Videos are restricted to one-time viewing for research purposes
 - 2. Theater workers were not paid for the recording
 - k. Commercially released video recordings
 - i. Theater workers were compensated for the recordings
 - ii. Broadway actors received no less than 150% of minimum Broadway weekly salary for recording/broadcast
 - iii. Theater workers under SAG-AFTRA contracts
 - iv. Right to exploit in all forms of media
 - l. Compensation for theater workers v. economic viability
 - m. Case studies

- i. Previously recorded content (National Theatre at Home, Met Opera performances, Andrew Lloyd Webber musicals)
 - 1. National Theatre is offering a nominal payment to the actors in the streamed productions per agreement with British Actors' Equity
 - ii. Red Bull Theater reading of *'Tis Pity She's a Whore*
 - 1. Using cast from 2015 Off-Broadway production
 - 2. Actors Equity demanded the actors receive salaries
 - 3. Red Bull disputed whether Equity had jurisdiction
 - 4. Cancelled and then rescheduled
 - iii. Disney concert benefiting BC/EFA
 - 1. Musicians union demanded payment, later waived
 - 2. Cancelled and then rescheduled
 - iv. *The Apple Family Plays* by the Public Theater
 - v. High school musicals
 - vi. Off-Broadway run of *The Siblings Play*
 - vii. *How to Succeed* at Florida's Maltz Jupiter Theatre
 - viii. *The Misanthrope* by Moliere in the Park
 - ix. *The Female Genius* by Thirdwing
 - x. *The Sondheim 90th Birthday Concert*
- 8. Reopening theaters
 - a. When will Broadway reopen?
 - b. New York Forward
 - i. New York State's reopening plan
 - ii. Non-essential businesses in each region of New York will reopen in four phases
 - iii. Arts/entertainment/recreation are in Phase Four
 - c. Lack of representation on New York Forward Re-Opening Advisory Board
 - d. Whether Off-Broadway, regional, non-union or small/flexible theaters will reopen first
 - e. Rehiring theater workers and rehearsals
 - f. New safety measures to protect theater workers and audience members
 - i. Facial coverings
 - ii. Deep cleaning
 - iii. Contact tracing/emergency contact lists of attendees
 - iv. Body temperature checks
 - v. Testing theater workers
 - vi. Handling lines of people outside theater and bathroom
 - vii. Regulate backstage areas
 - viii. Can performers touch each other onstage?
 - g. Whether limited live programming with social distancing is possible
 - i. Economically unfeasible with reduced seating capacities?
 - ii. Outdoor theater also presents logistical problems including tight backstage areas and use of bathrooms
 - iii. 4 out of 5 Broadway shows already did not make back their investment costs
 - iv. Average running costs on Broadway are at least \$300,000 for a play and \$600,000 for a musical

- v. Will contractual minimums, financial models, and production standards need to be completely reconceived?
 - h. Whether and when audiences will return
 - i. Unlike televised sports, Broadway needs a live physical audience
 - ii. Contemporary Broadway has been tied directly to NYC tourism
 - iii. Surveys indicate that audiences will not return until it is safe to do so
 - iv. 65 percent of 2018-19 season audience members lived outside tristate area
 - v. 19 percent of 2018-19 season audience members were from outside the U.S.
 - vi. 16 percent of 018-19 season audience members were over 65 years of age
 - vii. Qualitative and quantitative changes to programming
 - i. Possible legislation over liability for virus transmission
 - j. Could there be future shutdowns after reopening?
9. Conclusion
- a. Considering how much Broadway was grossing before the pandemic, producers and theater owners are not going to give up on it easily
 - b. Broadway is maintaining its presence on social media and promoting good will during the shutdown
 - c. Theater will return, in some form or other
 - d. Theater has survived plagues before
 - e. Free streaming content is the equivalent of a band-aid on a bleeding wound
 - f. But will the theater industry as we know it return?
 - g. It is probably unrealistic for Broadway shows to operate with strict social distancing procedures in place

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Major legal concerns

- State and local governmental directives
- Streaming theatrical content
- Copyright infringement
- Contracts
- Insurance coverage
- Refunds
- Unions
- Health and safety guidelines
- Financial assistance legislation

Economic power of Broadway

- \$1.8 billion in ticket sales in 2018-19 season
- 14.7 million tickets sold in 2018-19 season
- \$33 million in ticket sales in a typical week
- “Hamilton” grossed \$4 million a single week
- \$14.7 billion annual impact on city economy
- The premiere NYC tourist destination



How did we get to be here? What was the moment?



Let's do a timeline/time warp



March 2, 2020

- Broadway League says it is “closely monitoring the evolving situation on behalf of the Broadway community”



March 6, 2020

- Enhanced cleaning procedures
- Hand sanitizer dispensers in the lobbies
- Sick theatergoers encouraged to stay home



March 7, 2020

- “Hadestown” cast stops greeting fans at stage door



March 10, 2020

- Scott Rudin announces \$50 ticket promotion for March performances of all of his Broadway shows including “The Book of Mormon,” “To Kill a Mockingbird,” “West Side Story,” “The Lehman Trilogy” and “Who’s Afraid of Virginia Woolf?”



March 11, 2020

- Broadway usher tests positive



March 12, 2020

- Cuomo forbids public gatherings of 500 or more people, venues with less than 500 seats can operate at half capacity
- The 41 theaters of Broadway have 500+ seats
- Broadway to shutter through at least April 12, 2020
- Theater producers wanted the order to shut down to come from the state in the hope of triggering insurance policies, as opposed to voluntary shutdown
- 31 shows were running at the time
- 16 shows were scheduled to open in the coming weeks
- Opening night of “Six” is cancelled
- Major Off-Broadway companies immediately shut down
- A few small theaters try to soldier on at half capacity and with sanitation procedures, later becomes impossible under “New York on Pause” plan

March 13, 2020

- Metropolitan Opera announces it will stream operas for free each night for the duration of the closure



March 20, 2020

- “Hangmen” closes followed by “Who’s Afraid of Virginia Woolf”
- Actors’ Equity and Broadway League reach agreement over compensation
- Up to 150% of minimum Broadway salary (\$2,200 a week) for week of March 12 and two weeks at Broadway minimum salary, plus pension and 401(k) contributions
- Health insurance payments through April 12
- Agreement may be supplemented
- Standard Broadway employment contracts did not contemplate mass closings due to pandemic
- Notice of one week is traditionally required to close a show

March 22, 2020

- “New York State on Pause” plan takes effect, banning all nonessential gatherings.



March 24, 2020

- Playwright Terrence McNally dies due to complications from the coronavirus



March 25, 2020

- Tony Awards, scheduled for June 7, 2020, are postponed, later replaced with “Grease” singalong
- Roundabout Theatre Company postpones “Caroline, Or Change” and “Birthday Candles” to the fall



March 27, 2020

- \$2 trillion federal stimulus package includes \$75 million for National Endowment for the Arts and \$25 million for Kennedy Center for the Performing Arts, prompting outcry from Republican lawmakers



March 30, 2020

- Red Bull Theater cancels its livestream reading of “Tis Pit She’s a Whore” at the last minute due to dispute with Actors’ Equity
- Using cast from 2015 Off-Broadway production
- Actors Equity demanded the actors receive salaries
- Red Bull disputed whether Equity had jurisdiction
- Cancelled and then rescheduled

April 8, 2020

- Broadway shutdown extended through June 7, 2020
- Cuomo responds with “I wouldn’t use what Broadway thinks as a barometer of anything.”



April 17, 2020

- Public Theater cancels Shakespeare in the Park season, furloughs 70 percent of staff
- Streaming of concert celebrating Disney on Broadway goes forward
- Previously cancelled because musicians union demanded payment



April 24, 2020

- Actors' Equity hires former OSHA administrator David Michaels to draft theater safety protocols



April 29, 2020

- Public Theater presents Richard Nelson’s “What Do We Need to Talk About?”
- Play written as a family conversation using Zoom



May 4, 2020

- New York Forward plan of reopening in four phases by region and industry revealed
- Mega-producer Cameron Mackintosh says London theaters are unlikely to reopen until 2021



May 6, 2020

- Secret Theatre in Queens and Shelter Studios & Theatres in Midtown close



May 9, 2020

- Guthrie Theatre of Minneapolis delays reopening until March 2021, drastically reduces size of upcoming season



May 12, 2020

- Broadway shutdown extended through September 6, 2020
- Disney announces it will stream “Hamilton” on Disney+ on July 3, 2020 instead of releasing it in movie theaters on June 18, 2021



May 13, 2020

- “Plaza Suite” postpones opening to spring 2021



May 14, 2020

- Disney announces closing of “Frozen”
- Michael Jackson bio musical “MJ” postpones opening to spring 2021



September 11, 2020

- Broadway shut down through at least January 2021
- Indoor theater has still not resumed in NY
- A handful of outdoor socially distanced productions
- Matt Windman delivers amazing CLE presentation



Prior shutdowns of Broadway

- Two-day closure following 9/11
- Strikes in 1975, 2003 and 2007
- This is now the longest shutdown in Broadway history
- Broadway did not shut down during the Spanish Flu of 1918



Ongoing contractual obligations

- Producers are still responsible for paying minimum rent to theater owners per contracts, workers who remain on payroll
- Potential applicability of contractual defenses: force majeure, impossibility, frustration of purpose
- Depends on language of contract and any force majeure clause
- Likelihood that producers, theater owners, and theater workers will work together in the ultimate hope of Broadway the industry back to its feet
- Huge change from recent years when theater owners held upper hand
- Theater owners may need to produce shows themselves again
- Will theater sit vacant for extended periods of time?
- Small theaters seeking rent forgiveness or freeze
- Lawsuit brought by major ad agency against producer Scott Rudin for unpaid bills

Advance payments to playwrights

- Theaters ask playwrights to return advances for shows that have been postponed or cancelled
- Dramatists Guild of America objects on behalf of its members
- Claims the playwrights have no contractual obligation to return advance payments
- DG is a trade association, not a union, due to longstanding antitrust issues

Insurance coverage

- Certain companies and brokers specialize in theatrical coverage packages
- Policy of the theater owner protecting the physical property vs. policy of the show running inside the theater protecting against business interruption and/or performance cancellation
- Specific language of policies is key
- Any mention of communicable diseases, viruses, or pandemics
- Whether a physical loss or damage must occur
- In 2016, Shaw Festival upgraded its disaster insurance coverage to specifically include pandemics
- **Even if producers receive remuneration under their prior policies, going forward, it is assumed that it will be next to impossible for Broadway producers to obtain pandemic insurance for future performances**

Refunds for cancelled performances

- Credits, postponements and/or donations in lieu of refunds
- Refunds being issued based on incremental shutdown extensions (April 12, 2020, then June 7, 2020, then September 6, 2020, then January 2021)
- Broadway producers need steady cash flow
- New York Arts & Cultural Affairs Law
 - Section 23.08
 - Ticket holders are entitled to refunds for cancelled or rescheduled events
 - Exceptions for event that is rescheduled due to an act of God or catastrophe or if ticket states that remedy is limited to rescheduled performance
- Class action lawsuits against Ticketmaster and Live Nation
- Who has the funds from tickets sold for cancelled performances?

Financial assistance

- Unions working with members as to annual dues and healthcare eligibility
- Applicability of \$2 trillion relief package
 - Theater companies can apply for PPP loans
 - \$250 million in aid for arts institutions
 - Unemployment benefits extended to freelance workers, including theater workers who accepted a job but were unable to start work due to the shutdown
- Proposed legislation to financially assist live events industry

Proposed legislation

- Making sure theater workers are included in any new legislation
- 100% COBRA subsidy
- Tax deductions
- Pension protection
- Increased arts funding

However...

- Local and state arts funding cuts likely on the horizon
- The arts receive little funding in the U.S. compared to other countries
- Republicans deride arts funding
- Need for private philanthropy to take the place of needed public funding

Streaming theater-related programming

- Intended to maintain exposure, not economic substitute
- Livestreamed play readings and concerts
- Previously released filmed performances
- New contracts likely to be released to address streaming
- Which unions have jurisdiction?
- Equity Do Not Work Rule
- Were actors and theater workers previously compensated for the recording?
- Jurisdiction of Actors' Equity v. SAG-AFTRA (digital media contract)
- "The Female Genius" by Thirdwing
- Compensation for theater workers v. economic viability of streaming for theater companies and producers

Theatre Authority

- Nonprofit group that regulates free appearances by Actors' Equity members at benefit performances
- Predated the coronavirus, now being used for livestreamed events
- Actors receive an honorarium to cover expenses instead of a salary
- Limited rehearsal time is permitted
- Streamed content can be viewed for four days at most
- Example: "The Misanthrope" by Moliere in the Park

IP protection in streaming theater content

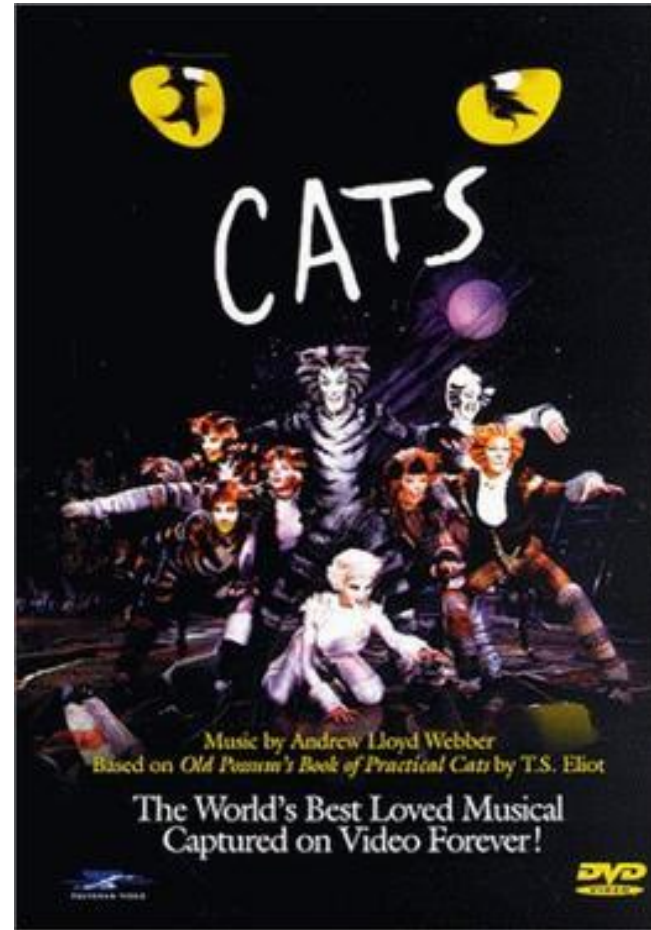
- Involvement of dramatic licensing companies
- Right of public performance vs. right to stream
- Right of synchronization
- Right to exploit in all forms of media
- High school musicals
- Could stream be “captured” and posted elsewhere?
- Agreement between Theatrical Rights Worldwide and Booktix Live

Streaming agreements with Actors' Equity

- Temporary in nature
- Make a performance available online for one-time viewing to ticket buyers
- Pay the actors a weekly salary
- Number of virtual tickets must match number of seats in theater for each “performance”
- Rattle Theatre Company production of “The Siblings Play”
- “How to Succeed” by Florida’s Jupiter Maltz Theatre

Previously recorded theater content

- National Theatre at Home
- Metropolitan Opera telecasts
- Andrew Lloyd Webber musicals
- BroadwayHD.com
- Right to stream already acquired



Newly recorded theater content

- Play readings and concerts performed from home
- “What Do We Need to Talk About?”
- Sondheim 90th birthday concert
- Plays in the House series
- Spotlight on Plays series
- The 24-Hour Monologues

Theatre on Film and Tape Archive at the Library for the Performing Arts at Lincoln Center

- One of the greatest places on Earth
- Archival recordings of Broadway and Off-Broadway shows going back to 1970
- Can be viewed only by qualified researchers
- Library does not have the right to make the recordings widely or commercially available

How to legally and safely reopen Broadway



New York Forward

- New York State's reopening plan
- Non-essential businesses in each region of New York will reopen in four phases
- Theater was originally expected to be included in Phase Four but was then removed
- Lack of Broadway representation on New York Forward Re-Opening Advisory Board

Could small and flexible theater companies reopen first?



Will commercial producers be better suited to a post-COVID Broadway than not-for-profit companies?

- Commercial Broadway productions, by and large, are limited liability vehicles
- Once they shut down, producers can start anew
- Not-for-profit companies that produce on Broadway will be far better funded than other theater not-for-profits but are now taking a HUGE financial hit

Health and safety measures to protect theater workers and audience members

- Facial coverings
- Deep cleaning
- Contact tracing/emergency contact lists of attendees
- Body temperature checks
- Testing theater workers
- Handling lines of people outside theater and bathroom
- Regulate backstage areas
- Can performers touch each other onstage?
- Liability for negligent transmission of coronavirus?

Whether limited live programming with social distancing is economically possible

- Andrew Lloyd Webber's London experiment
- Reduced seating capacity means reduced gross potential
- Even outdoor theater presents logistical problems including tight backstage areas and use of bathrooms
- 4 out of 5 Broadway shows already did not make back their investment costs
- Average running costs on Broadway are at least \$300,000 for a play and \$600,000 for a musical
- Will contractual minimums, financial models, and production standards need to be completely reconceived?

Potential liability for virus transmission

- If a theatergoer becomes exposed to the coronavirus at the theater, could he or she successfully sue the producers for negligence?
- “Baseball Rule”
 - Will assumption of risk apply?
 - Will theatergoers be asked to sign liability waivers? Will they be printed on theater tickets?
- Can producers show that they even if a transmission occurred, they used reasonable care and were not negligent?
- Can the location of causation really be proved at this point?
- This may be addressed in legislation.
- Get ready for lots of lawsuits!

Whether and when audiences will return

- Unlike televised sports, Broadway needs a live physical audience
- Contemporary Broadway has been tied directly to NYC tourism
- Surveys indicate that audiences will not return until it is safe to do so
- 65 percent of 2018-19 season audience members lived outside tristate area
- 19 percent of 2018-19 season audience members were from outside the U.S.
- 16 percent of 018-19 season audience members were over 65 years of age
- Qualitative and quantitative changes to programming
- Possible legislation over liability for virus transmission
- Could there be future shutdowns after reopening?

Contemplating Broadway one year from today...

- Approximately half of the 41 theaters are occupied
- Shows began to reopen, one by one, in the spring of 2021
- *Six*, slated to reopen on the first day of the shutdown, is the first show to reopen
- Big long-running hits like *The Lion King* and *Wicked* expected to reopen in Fall 2021
- New shutdowns contemplated as infection rates go up and down
- Ongoing experiments with seating arrangements, virtual ticket options, health and safety requirements, and sanitation measures
- Extremely variable theater ticket pricing (raised due to reduced seating and/or reduced to attract people to come)
- Contracts have been temporarily renegotiated in order to reduce production costs
- Most of the new shows from the time of the shutdown were scrapped
- New shows that are cheaper and shorter and aimed at local and younger audiences
- Big public relations effort to encourage people to attend Broadway shows again and convince them that it is safe to go
- Lots of co-productions, uniting multiple commercial producers and not-for-profits
- *The Music Man* with Hugh Jackman has been indefinitely postponed

Conclusion

- New legal challenges on the horizon as Broadway prepares a comeback (contract renegotiations, unions, liability waivers, health and safety regulations, financial assistance legislation)
- Considering how much Broadway was grossing before the pandemic, producers and theater owners are not going to give up on it easily
- Broadway is maintaining its presence on social media and promoting good will during the shutdown
- Theater will return, in some form or other
- Theater has survived plagues before
- Free streaming content is the equivalent of a band-aid on a bleeding wound
- But will the theater industry as we know it return?
- It is probably unrealistic for Broadway shows to operate with strict social distancing procedures in place

Give my regards to old Broadway
And say that I'll be there e'er long



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Body

During the first week of March 2020, before concerns over the spread of COVID-19 reached fever pitch, the 30 shows that were running on Broadway at the time collectively grossed \$26.7 million. The lucrative spring theater season had just begun, and 16 new shows were scheduled to open before the end of April in order to be eligible for the 2020 Tony Awards.

At the time, COVID-19 was not being completely ignored. Both the Broadway League (the trade organization representing Broadway theater owners and producers) and Actors' Equity Association (the labor union representing actors and stage managers on Broadway and at professional theaters nationwide) released statements about monitoring the situation. Hand sanitizer dispensers were added to theater lobbies, and actors stopped signing autographs and interacting with fans at stage doors.

On Wednesday, March 11, 2020, matinee and evening performances went forward, and it seemed to be business as usual. The new musical *Six* was set to officially open the following night, and Tracy Letts' new play *The Minutes* would be opening a few days later. Then *The New York Times* reported that a Broadway usher had tested positive for COVID-19.

Less than 24 hours later, an industry that during the 2018-19 theater season had grossed \$1.8 billion, sold 14.8 million tickets, and contributed an estimated \$14.8 billion to the local economy was instantly shut down pursuant to a statewide ban on public gatherings of 500 or more people. Not coincidentally, Broadway theaters have 500 or more seats. (It is hard to believe now, but Broadway did not shut down during the Flu Epidemic of 1918). A handful of small Off-Broadway theaters continued to hold performances, albeit at half-capacity and with social distancing and sanitation measures in place, until non-essential gatherings were banned altogether under the "New York on Pause" executive order.

It was soon confirmed that *Hangmen* and *Who's Afraid of Virginia Woolf?*, which were still in previews as of March 12, 2020, would not resume performances. Disney Theatrical Productions also announced that *Frozen* (which had opened on Broadway approximately two years earlier) had closed for good. The producers of many other Broadway shows that were either in previews or about to begin previews (including productions by the not-for-profit groups Lincoln Center Theater, Roundabout Theatre Company, and Second Stage) have announced tentative plans to resume performances after the shutdown ends. A revival of *The Music Man* starring Hugh Jackman has shifted its opening night to Spring 2021.

Matthew Windman

The Show Must Go On: Legal Issues Affecting Broadway Amid COVID-19

While the 41 theaters of Broadway remain dark, the New York theater community has been left to grapple with challenging legal issues relating to governmental directives, contracts, insurance coverage, refunds, presenting live and prerecorded content on the internet, and what health and safety measures will be needed once the theaters can reopen.

Existing contracts will likely be closely scrutinized as to whether payment or performance is excusable under a force majeure clause or some other common law defense such as impossibility or frustration of purpose. As per the website Broadway News, theater producers are still technically required to make rent payments to theater owners (including major Broadway landlords such as the Shubert Organization, the Nederlander Organization, and Jujamcyn Theaters). However, to prevent the shows from closing for good during the shutdown, theater owners may decide that it is in their best interest to renegotiate or forgive rent and other contractual obligations during the shutdown.

On March 18, 2020, the Dramatists Guild of America (an organization representing professional theater writers) released a statement bringing attention to the fact that some theaters were asking playwrights to return advance and option payments for productions that had been cancelled or postponed due to COVID-19. "Our request to the theatrical community is to stop scapegoating the dramatists at this unprecedented time, and our advice to dramatists confronted by these demands is to just say no, with the full knowledge that it was unfair for you to be put in this position in the first place," wrote Ralph Sevush, executive director of business affairs and general counsel for the DGA.

Whether theater owners and producers can obtain insurance coverage for financial losses resulting from the shutdown will, of course, depend on the particular language of their policies. According to the website Broadway News, theater owners generally take out insurance to protect their theaters against physical damage, while the producers of individual shows obtain policies guarding against the cancellation or interruption of performances. As per Reuters, it is expected that going forward, insurance companies will not be willing to provide pandemic insurance coverage to the theater industry.

People who had purchased tickets for performances that got cancelled should not have experienced any difficulty in obtaining refunds-although it may have taken longer than expected. Under the New York Arts & Cultural Affairs Law, with limited exceptions, ticketholders are entitled to refunds after an event is cancelled or rescheduled. By extending the Broadway shutdown in successive increments (originally to April 12, 2020, then to June 7, 2020, then Sept. 6, 2020, and now Jan. 2, 2021), producers have been delaying their obligation to provide refunds.

Some of the most significant legal questions stemming from COVID-19 have involved streaming theater-related programming, such as informal, Zoom-style play readings and concerts performed by theater artists from their homes, which numerous theater companies have produced in order to remain on the cultural radar. In one notable case, Red Bull Theater, a well-regarded Off-Broadway company, was forced to postpone a free livestreamed reading of the 17th century tragedy 'Tis Pity She's a Whore following objections by Actors' Equity that Red Bull had not received Equity's permission to produce the reading, leading some to wonder whether Equity actually had jurisdiction over the reading since it was not being performed at a theater.

Some theater companies have entered into streaming agreements with Actors' Equity to compensate actors in exchange for the right to sell "virtual tickets" to allow people to watch a performance. For instance, after the Broadway shutdown began, Off-Broadway's Rattlestick Playwrights Theater held a few additional performances of The Siblings Play at half capacity. Then, under a temporary agreement reached with Actors' Equity, Rattlestick made a recording of the production available online for theatergoers who had already purchased tickets for performances that were being cancelled. A limited number of additional "View at Home Tickets" for new ticket buyers were also made available, but with the proviso that the total number of online viewers could not exceed the theater's seating capacity for each planned performance.

The Show Must Go On: Legal Issues Affecting Broadway Amid COVID-19

Most livestreamed theatrical content, however, is being presented pursuant to the approval of the Theatre Authority, a non-profit organization that permits members of Actors' Equity to perform for free in connection with charitable fundraisers. For example, on June 27, 2020, Moliere in the Park, a new not-for-profit theater company, presented a free livestreamed reading on YouTube of Moliere's 17th century comedy Tartuffe pursuant to a Theatre Authority agreement.

According to co-founding producer Garth Belcon, the Theatre Authority allowed the company to keep Tartuffe available online for only up to four days. But after the reading received a rave review in The New York Times, the company entered into a subsequent agreement with SAG-AFTRA that allowed it to keep Tartuffe available on YouTube through July 12, 2020. (Of course, streaming content can easily be illegally "captured" and posted elsewhere online, thereby creating issues of copyright infringement.)

Throughout the shutdown, many theater aficionados have lobbied for the Theatre on Film and Tape Archive (TOFT) at the New York Public Library for the Performing Arts at Lincoln Center to make its extensive collection of video recordings of Broadway and Off-Broadway productions from 1970 to present available for free online viewing. Alas, that is extremely unlikely to happen because the library only obtains the right to record stage productions for archival purposes and make them available only to people doing research.

Notwithstanding recent anomalies such as Hamilton on Disney Plus and Springsteen on Broadway on Netflix, Broadway shows have rarely been filmed for commercial release due to prohibitive costs and a longstanding fear that filming a show will dilute the demand to see it live. However, some shows that were previously filmed and released have been made available for free streaming by institutions such as New York's Metropolitan Opera, London's National Theatre, and Ontario's Stratford Festival (which assumedly already possess all the necessary intellectual property rights and union clearances).

When Broadway theaters are finally able to reopen, questions will linger regarding what health and safety measures will be needed to adequately protect both theatergoers and theater workers. Unless the issue of liability over transmissions of COVID-19 is addressed in future legislation, theater owners and producers may proactively seek to limit any potential liability. Just as the back of a baseball ticket traditionally contains a waiver of liability for any physical injuries sustained due to a foul ball, a theater ticket may soon contain a similar waiver for any claims arising from the transmission of a communicable disease.

By and large, industry professionals doubt that Broadway theaters could reopen under strict social distancing requirements. Even under normal circumstances, Broadway is a risky financial investment. It is an industry maxim that four out of five Broadway shows lose money. "Broadway theater in general - and musical theater in particular - is not likely to be economically viable with social-distancing requirements in place that cull audiences by half or more," said Jason P. Baruch of Sendroff & Baruch, LLP, a prominent theater industry law firm. "With the exception of the occasional one-person show, concert or small play, most Broadway shows simply will not be producible until the theaters can be filled again."

On the other hand, not-for-profit theater companies may be able to experiment and present theater in new ways and in new spaces in compliance with social distancing guidelines. Director Michael Arden (Once On This Island) recently worked with a large group of actors to create an "immersive, drive-through, socially-distanced theater piece," which was presented on a private, invite-only basis at outdoor locations throughout the Hudson River Valley.

Even after Broadway theaters are allowed to reopen at full capacity by the government, theater owners and producers may still have to wait for the consent of the various unions representing theater workers, including but not limited to Actors' Equity, which has forbid its members from returning to work (i.e. auditions, rehearsals, or performances) until individual theaters create and submit health and safety plans that meet the union's approval.

Following the shutdown, Equity hired David Michaels, former U.S. Assistant Secretary of Labor for Occupational Safety and Health, as a public health consultant. On May 26, 2020, Equity released a memo outlining four principles

The Show Must Go On: Legal Issues Affecting Broadway Amid COVID-19

it believes theaters must address before its members can return to work, including control of COVID-19, the ability to readily identify infected individuals, modifying theater spaces and procedures, and working closely with others to implement these measures.

On July 6, 2020, Equity announced that it had approved plans submitted by Barrington Stage Company and the Berkshire Theatre Group, both located in the Berkshires, to present the one-man show *Harry Clarke* and the musical *Godspell* (which will be performed in an outdoor tent for only 96 audience members) respectively. The actors and backstage workers involved in these productions will be frequently tested for COVID-19, and audience members will be required to wear masks and undergo temperature scans.

Broadway shows will surely return to New York, be it in early 2021 or later, but it will not be a fast or easy process. After years of record-breaking grosses, Broadway will probably struggle to stay afloat, especially if tourists (who made up 65 percent of the Broadway audience during the 2018-19 season) are scarce and locals are wary of returning to packed, very old, indoor theaters. Just as the theater industry has struggled with serious legal and economic issues throughout the shutdown, upon reopening, it will confront similar challenges that will affect how it survives and when it will flourish again.

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Load-Date: July 21, 2020

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All Broadway unions reach payment deal with Broadway League

By **Caitlin Huston** - March 20, 2020



Members of all Broadway unions will receive payment from the League during the current shutdown. (Photo by Gary Hershorn/Corbis via Getty Images)

The Broadway League has reached a deal to pay and provide health insurance to all Broadway employees during the currently scheduled suspension of Broadway shows.

The agreement was reached between all Broadway unions and the League after days of negotiations. The Coalition of Broadway Unions and Guilds, which encompasses actors, stagehands, musicians, playwrights, directors, choreographers, ushers and more, negotiated jointly on the terms of the agreement, which will provide about three weeks of payment at modified increments as well as health and retirement contributions.

“The leaders of our industry have been working tirelessly with our partners at the unions to forge an agreement that will address many of the needs of our employees during this crisis. We are a community that cares about each other, and we are pleased that we can offer some relief,” Charlotte St. Martin, president of the Broadway League, said in the press release. “Once we are past this challenging moment, we look forward to welcoming everyone back to our theatres to experience the best of live entertainment together once again.”

Under the **terms of the agreement**, union members will receive a cap of 150% of minimum salary for the week surrounding the March 12 shutdown, followed by two

weeks at Broadway minimum salary. The Broadway **shutdown is currently** scheduled to run through April 12.

The payment during those weeks include pension and 401(k) contributions. Health insurance payments will be made through April 12, with the possibility for further discussions should the shutdown extend.

In a joint release, the Coalition of Broadway Unions and Guilds said it was “grateful” to be able to pay members, but pointed to need to **find further funding** for members from Congress.

“Broadway needs to come back and working together is the best way to make that happen,” the Coalition of Broadway Unions and Guilds said in the press release. “Now Congress must do its part for arts and entertainment workers on Broadway and beyond to ensure they have access to unemployment insurance and health care during this industry-wide shutdown.”

Arts Groups Fight Their Insurers Over Coverage on Virus Losses

The debate over who should get payouts under their policies has entered the courts, state legislatures and Washington.

By **Julia Jacobs**

May 5, 2020

When it became clear in March that the coronavirus pandemic was likely to decimate the cultural world, anxious arts administrators began to pull out thick binders and call their agents to help them interpret the jargon inside.

At least they had insurance.

The Dance Theater of Harlem quickly filed a claim, arguing that New York's shutdown of "nonessential" businesses had halted the company's revenue stream. There could be no after-school ballet classes, no cross-country tour for its dance company and certainly no 50th-anniversary gala with tickets starting at \$1,500.

In Brooklyn, a small experimental performance venue called Jack reported its losses to its insurance company. In Arizona, the Fox Tucson Theater did the same.

Each organization had coverage for business interruption, which is designed to replace lost income in cases where their building has been damaged or a civil authority has shut down the surrounding area. But within days or weeks, all of the claims they filed had been denied, they said.

"When we submitted our payments to them, we believed we were being protected," said Anna Glass, executive director of the Dance Theater of Harlem. "It was disheartening to realize that we weren't."

Businesses across the country are filing insurance claims for losses related to the pandemic. But the claims filed by arts groups, from movie theaters to concert halls, have become a particularly intense battleground, in part because the virus ended a primary source of revenue — ticket sales — and in part because so many were financially vulnerable before the crisis hit.

In response, insurance companies have issued a torrent of denials, prompting lawsuits across the country and legislative efforts on the state and federal levels to force insurers to make payments. The insurance industry has argued that its policies never promised this kind of coverage in the first place and that fulfilling all of these requests would bankrupt the industry.

“I can see a tidal wave of these lawsuits coming,” said Kevin Sullivan, a client executive at National Trust Insurance Services, “and insurance companies are going to fight like hell.”

It’s difficult to fully measure the extent of insurance denials, but industry leaders have maintained that the standard policy does not cover losses caused by a pandemic. Some basic policies stipulate further that losses caused by viruses and bacteria are excluded from coverage, meaning immediate denial of coronavirus-related claims would be likely.

Experts say that organizations and businesses with policies that contain specific language covering communicable diseases, which include the American Museum of Natural History, may have an easier road to getting their claims approved.

But those organizations appear to be the exception. More prevalent are cases where insurance companies are pointing to a handful of words in many standard policies as the grounds on which to deny claims.

The words, in the text of many 100-plus-page insurance policies, say that businesses must have suffered a “direct physical loss or damage” to be eligible for payment. This type of coverage tends to be activated after events like hurricanes, wildfires or water-main breaks.

The question that courts will have to consider: Does a microscopic virus have the power to inflict a “physical” loss?

A group started by celebrity chefs — including Wolfgang Puck and Thomas Keller of the French Laundry restaurant in the Napa Valley — have been at the forefront of legal challenges aiming to convince judges that the coronavirus is indeed inflicting a physical loss on their businesses. A lawsuit filed against the insurers of Mr. Keller’s restaurants notes that the coronavirus “physically infects” and lingers on surfaces and other materials.

The chefs, calling themselves the Business Interruption Group, are said to have the president’s ear. In late March, Mr. Puck, Mr. Keller and others made their case in a phone call with President Trump, said John Houghtaling, a lawyer who represents them. Mr. Trump later said in a news conference that, although some insurance policies specifically exclude virus coverage, in a lot of cases, he said he “would like to see the insurance companies pay if they need to pay.”

Mr. Trump bemoaned the fact that there were restaurateurs who had paid insurance premiums for decades and were getting denied.

“When they finally need it, the insurance company says, ‘We’re not going to give it,’” he said. “We can’t let that happen.”

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For Broadway productions that shut down in March, the argument for business interruption insurance tends to be simpler. Policies tailored for theatrical productions typically do not require physical losses, said Peter Shoemaker, a managing director at DeWitt Stern, an insurance brokerage that works with Broadway shows.

Some shows have already received advance payments from insurance companies, Mr. Shoemaker said, and he anticipates that the Broadway productions represented will have their insurance claims approved. An initial insurance check for one of these shows could be more than \$1 million, he said.

Calculating the payout to a Broadway show can be complex. The amount would depend on its continuing expenses and the estimated profit it would make under normal circumstances. In the Broadway world, that profit week by week is determined by all sorts of unknowns: tourism levels, advertising campaigns, critical accolades, word-of-mouth reviews — and everything is taken into account.

Brick-and-mortar theaters are finding it more difficult to get their claims approved because they often make their money by renting out space to productions, which means they must fulfill the “physical loss” requirement.



The Chocolate Factory Theater in Long Island City is hoping to receive some insurance money for the cancellation of its annual festival because of coronavirus. Julieta Cervantes for The New York Times

Some organizations have filed claims under separate event or performance cancellation insurance that may result in a smaller check from the insurance company. The Chocolate Factory Theater in Queens is hoping to receive coverage for the cancellation of its annual food festival. Similarly, Dance Theater of Harlem believes it is eligible to receive up to \$30,000 in all for performances that were canceled along with its gala.

Even within the same cultural niche, not all arts organizations followed the same playbook. Carnegie Hall, for example, has filed a business interruption claim, while the Metropolitan Opera does not even have such a policy, calling it “prohibitively expensive.”

Movie theaters are also filing business interruption insurance claims, a spokesman for the National Association of Theater Owners said, but none have reported receiving a payout so far.

If insurance claims are approved, the insurer will typically cover all profits that the business is estimated to have made during normal times, plus any continuing expenses that the business must pay while it is shut down. Policies usually include a cap on how much an insurer will pay out and can range from under \$100,000 for a smaller organization to millions of dollars for a larger one.

Outside accountants make the assessments on the reimbursements based on the earnings of previous years and other factors.

Insurers have been plain-spoken in suggesting that the reimbursements being sought now were never intended under the language of the standard policies.

In an earnings call last month for Chubb, a common insurer for arts organizations, the company's chief executive, Evan Greenberg, said business interruption insurance "doesn't cover Covid-19." He predicted, though, that lawyers would try to "torture the language" contained in standard policies "to twist the intent."

"The industry will fight this tooth and nail," he said. "We will pay what we owe."

Last week, a Chubb client — the Simon Wiesenthal Center in Los Angeles — sued the insurer, accusing it of shirking its contractual duty by refusing to cover losses generated by the pandemic.

The Simon Wiesenthal Center, which runs the Museum of Tolerance in Los Angeles, is suing its insurer over business interruption insurance during the coronavirus pandemic. Monica Almeida/The New York Times

The center's educational arm, called the Museum of Tolerance, and its filmmaking arm, said Rabbi Marvin Hier, the center's chief executive, had to shut down. Its film editors weren't able to enter their office building to finish an upcoming documentary for Netflix.

Rabbi Hier called Mr. Greenberg's comments a "big disappointment."

“You can’t build a reputation on what you’re going to do and then, when a national disaster comes, you try to run away,” Rabbi Hier said.

Chubb said it does not comment on specific cases but that it was “paying claims for covered losses fairly and promptly” during the pandemic, including for business interruption claims where viruses or pandemics were expressly included in the policy.

“We are doing all we can to help our customers at this time,” the company said in a statement.

Battling insurance denials in court is too expensive for some arts organizations, said Alec Duffy, the founder of Jack, a 50-seat performance venue in the Clinton Hill neighborhood of Brooklyn. He began pushing instead for legislation to make it easier for small New York businesses and nonprofits to receive insurance payouts during the pandemic.

In response, Assemblyman Robert C. Carroll, a lawyer with a theater background, introduced legislation in late March to broaden business interruption insurance so that current policy holders would qualify to receive reimbursements for losses from the current coronavirus pandemic. Legislators in several other states, including New Jersey and Pennsylvania, have introduced similar bills.

“If we don’t do something for these small businesses and these theater companies,” Mr. Carroll said, “we’re going to lose them all.”

On the federal level, some House Democrats have supported the notion of forcing insurance companies to pay out to businesses who have reported income loss because of coronavirus. Another proposal would create a federal fund to help companies make business interruption insurance payments in future pandemics, leaving insurers in the clear for now.

Insurers as well as Republican lawmakers are arguing strenuously against any proposal that would put insurance companies on the hook for a surge of claims during the current pandemic.

“This is not something that ought to be foisted upon a private sector industry that never agreed to cover this,” said Damon N. Vocke, a lawyer who represents insurance companies. “It would bankrupt the industry.”

Broadway producers receive rent bills amid shutdown

By **Caitlin Huston** - 5 days ago



Broadway theaters are currently closed through Sept. 6. (Photo by Jamie McCarthy/Getty Images)

As Broadway theaters remain dark, producers are still receiving weekly rent bills.

They're not paying yet. The expectation is that producers will pay once they receive money from insurance claims, rather than on a weekly basis, according to people familiar with the matter.

However, as the suspension of Broadway shows continues, many producers are likely to hit their coverage limit, or the maximum amount payable under their insurance plan, putting future payments in question.

Producers are contractually obligated to pay rent. The bills prove to the insurance company that rent remains a required expense, which is a necessary step to receive any payment. These bills are for a weekly contractual minimum rent — which sources say can range from about \$15,000 to \$20,000, depending on the size of the theater — as opposed to typical theater rent payments, which include a share of the weekly box office grosses.

The theater owners carry insurance on the physical buildings, while production companies carry insurance on the shows themselves. The producer's plan includes performance interruption or business interruption insurance, which covers contractually obligated expenses and lost income.

Once the insurance claims are submitted, the hope is theater owners receive some of the payout. Even though shows are not running, theater owners are paying utilities on the theaters, as well as property taxes, mortgages and the salaries of certain members of the building and operational staff.

Still, producers have their own expenses, which include salaries for any remaining members of the production staff and owed payments to other vendors. And as producers contend with weeks of lost income, they are eyeing the future costs of rehearsing and remounting their shows whenever Broadway is able to return.

Each producer has his or her own nuanced relationship with their theater owner — the major three being the Shubert Organization, the Nederlander Organization and Jujamcyn Theaters — which can play into the current game plan and the eventual outcome. However, most are operating on the belief that this will be amicably resolved, as producers want to keep their theaters and theater owners will need productions in place when Broadway returns.

“We are very sensitive to the fact that everyone involved in the production has very real costs and expenses, including the theater owners, and we are all working together to come up with the best way forward,” said Mara Isaacs, lead producer of “Hadestown.”

The Broadway League declined to comment on the matter.

Peter Shoemaker, managing director of Dewitt Stern Entertainment, an insurance brokerage firm that works with the majority of Broadway shows, said the insurance companies he works with have been covering the claims filed by Broadway shows as a result of the COVID-19 pandemic.

About 10 to 15 of his Broadway clients have already received some form of payment, Shoemaker said, with the acknowledgment that some financial aspects of the claim cannot yet be determined due to the ongoing nature of the situation. The rest of the claims remain in process.

The insurance determination process for Broadway shows can be difficult as insurers attempt to calculate lost income for shows that have not opened yet in addition to calculating the seasonal nature of grosses as well as the differing profit expectations for individual shows. On the expenses side, Shoemaker notes that insurers are obligated to attempt to mitigate payouts.

“I think they’re just trying to make it fair for everybody, if possible, and keep costs down if they can,” Shoemaker said.

Producers and general managers determine the size of the insurance policy for each show. Shoemaker says he begins the conversation with a quote based on the

potential revenue for a production running at 75% capacity for eight weeks. The number is adjusted from there.

However, in setting these policies, neither the insurers nor the producers anticipated a total shutdown of the industry. And as Broadway **theater closures continue**, producers will likely max out their plans, pinning future prospects on some form of government relief or an arrangement to be determined between theater owners and Broadway shows.

Broadway ticket holders look for refunds while awaiting further closures

By **Caitlin Huston and Gillian Russo** - April 7, 2020



A bicyclist moves past the closed Broadway show 'Hadestown' on April 2. (Photo by Bruce Bennett/Getty Images)

Though Broadway has not yet shifted its April 13 reopening date, many ticket holders do not expect to return to theaters in the near future.

Theatergoers who held tickets for Broadway performances **past April 13** have already seen hotel bookings and flights cancelled due to COVID-19, but have not yet been able to receive refunds or information on their Broadway tickets. The official reopening date has not yet changed, but industry members expect an announcement to be made this week about an extension to the shutdown.

The reopening date is expected to be pushed later after New York Gov. Andrew Cuomo **extended restrictions** on the closure of nonessential businesses through April 29.

In the meantime, Broadway ticket holders have been frustrated in their attempts to get refunds for performances they do not expect to be able to attend.

Sarah Rivas, a teacher based in California, has tickets to five Broadway shows spanning from April 13 to April 16. Her plane ticket has already been canceled by the airline, Rivas said, but she has not yet been able to receive a refund for her Broadway tickets purchased through TodayTix.

“The fact New York is under a stay-at-home order until April 29th and people aren’t getting refunds yet because Broadway hasn’t announced anything themselves is ridiculous,” Rivas said. “The show literally can not go on because the Governor said so, what could Broadway possibly have to say at this point?”

The frustration comes as many Broadway shows and ticketing platforms set up refund or exchange policies following the closure of Broadway theaters on March 12. However, many of those policies are currently only in place until the current reopening date of April 13. Outside of these special policies, most Broadway tickets are nonrefundable.

For example, TodayTix began offering refunds or vouchers for 110% of the ticket cost to postponed Broadway shows through April 12. The ticketing platform plans to continue to offer those vouchers if extended closures are announced, but otherwise must “rely on cancelation notices from venues or productions and comply in accordance with each show,” said Emily Hammerman, vice president of account services at TodayTix.

Similarly, Broadway.com has been offering customers with tickets through April 12 the option of refunding the ticket or donating the cost of the ticket to support artists. In a statement on its site, Broadway.com states that “should any additional performances be cancelled,” customers will receive automatic refunds.

Though many ticket holders understand the dynamics at play, they point to the financial strain of the situation. Michael Anthony Butler, who had been working as an administrative and production assistant in Panama City, Fla., has tickets for the April 14 performance of “Company,” but was told he would need to wait for official word from the show before receiving a refund.

“I understand that typical [Broadway] tickets are nonrefundable, but we’re not living in typical times,” Butler said. “Unemployment is high and people need their money to survive.”

And even if the theaters reopen soon, some are afraid that attending a Broadway performance could impact their health and future employment.

Amber Hardy, a healthcare worker in Oklahoma, planned to see three Broadway shows between April 29 and May 2. Thus far she has been able to receive a refund for “Hadestown,” but was told that she could not receive refunds for “Moulin Rouge!” or “American Buffalo” until closer to the date of performance.

“I would honestly have even been happy with an exchange,” Hardy wrote in a message to Broadway News. “But I cannot come in April due to the pandemic situation that our nation is facing. I would not only feel I was putting myself and

my family at risk to come, but I would also be forced to quarantine for an additional two weeks without pay before being allowed to return to work.”

Laura Gross, a small business owner from Washington, D.C., planned to travel to New York to see “Plaza Suite” and “Tina” on April 24 and 25. Neither she, nor a friend she planned to attend with, have received word from either show about refund policies.

If the shows are not canceled, Gross said she still does not plan to travel in the light of the pandemic.

“I’m not going to New York, and maybe we would try to sell the tickets online or something like that,” Gross said. “I just don’t even see how New York is going to reopen [soon].”

Curtains for Broadway: No Shows Until Labor Day, at Least

The Broadway League canceled performances through Sept. 6 and said it did not know when they might resume.



By **Michael Paulson**

May 12, 2020

It's official: There will be no Broadway shows in New York this summer.

The Broadway League, a trade organization representing producers and theater owners, said Tuesday that Broadway's 41 theaters would remain shuttered at least through Labor Day.

The announcement is not a surprise; the coronavirus pandemic is continuing to kill more than 150 people a day in New York state (down from the peak of 800), and Gov. Andrew M. Cuomo has put arts and entertainment in the last phase of his reopening plan.

It remains unclear when Broadway might reopen. Many industry officials believe it will be considerably later than Labor Day. The practical effect of Tuesday's announcement is that box offices and authorized ticket sellers should now refund or exchange tickets for shows through Sept. 6. Industry leaders have been extending the shutdown incrementally as a way of managing cash flow, as well as managing expectations.

"As we've been put in phase four of the governor's plan, we felt that Sept. 6 was a reasonable distance of time for refunds and exchanges, while we fully understand that we may not be back at that time," said Charlotte St. Martin, the Broadway League's president. "Broadway will be back when the governor tells us it's safe to be back — we're working closely with his office and with experts to know when that will be."

Theaters have been closed since March 12, when Cuomo barred gatherings of more than 500 people. The closing has disappointed legions of fans, cost thousands of people their jobs and prompted the jettisoning of two productions that were in previews but had not yet opened: the new Martin McDonagh play "Hangmen," and a revival of Edward Albee's "Who's Afraid of Virginia Woolf?"

Broadway is expected to be among the last sectors of the economy to reopen because its finances depend on assembling large crowds in confined spaces and its workplaces, onstage and backstage, place cast and crew in proximity to one another.

The industry has other challenges, too. In recent years, its audiences have included large numbers of tourists and seniors, two groups that seem likely to return to Times Square more slowly than others. And its ticket prices are high, which could be a deterrent if the economy stays weak and unemployment remains high.

In Britain, the Society of London Theater last week announced that shows in the West End have been canceled until June 28. “This does not mean theaters will reopen on 29 June,” the society’s announcement said. “If further cancellations are necessary they will continue to be announced on a rolling basis.”

The Washington Post

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Citing the pandemic, Disney puts Broadway's 'Frozen' permanently on ice

By **Peter Marks**

May 14, 2020 at 4:10 p.m. EDT

In the first ground-shaking Broadway closing of the pandemic, “Frozen” the musical will not return to Times Square after the shutdown ends, Walt Disney Co. officials announced Thursday.

The show, based on an Oscar-winning, billion-dollar Disney movie franchise, opened on Broadway in March 2018 and played for 851 performances — barely a blink of an eye in megahit terms. Such blockbusters as “The Lion King” and “Aladdin” — the other Disney properties waiting out Broadway’s shuttering — have been running robustly for 22 and six years, respectively.

Disney officials say the stoppage does not signify a failing enterprise: The show, directed by Michael Grandage, was bringing in about \$1.5 million a week at the St. James Theatre, and grossed more than \$150 million over its run. (Estimates put the show’s initial costs at \$25 million to \$30 million.) Rather, it was a belief that when Broadway comes back, the audiences to sustain multiple Disney productions will not be returning in sufficient numbers. Earlier this week, the Broadway League announced that Broadway’s 41 theaters will remain closed through Sept. 6, adding that “a date to resume performances is yet to be determined.”

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“This difficult decision was made for several reasons, but primarily because we believe that three Disney productions will be one too many titles to run successfully in Broadway’s new landscape,” Thomas Schumacher, president and producer of Disney Theatrical Productions, said in a letter to his staff. He added that closing the show permits the company to repurpose the sets and costumes for “Frozen” in London, Sydney, Tokyo and Hamburg over the next year.

Schumacher also used the letter to detail other projects in the works — notably, a stage musical version of the 1987 cult movie favorite “The Princess Bride,” with a book by Bob Martin and Rick Elice and a score by David Yazbek, and an expanded stage version of the “Hercules” that debuted last summer in Central Park. Book writer Robert Horn, a Tony winner for “Tootsie,” will be added to the songwriting team of Alan Menken and David Zippel.

“We remain committed to developing and producing stage musicals for a long time to come,” Schumacher said.

AD

Nevertheless, “Frozen’s” Broadway demise may be a dismal prologue to a tale of unhappy endings for some productions with previously healthy prognoses. (Several plays that were to open, including a revival of “Who’s Afraid of Virginia Woolf?,” have been scuttled, too.) “I am heartbroken,” Schumacher wrote of “Frozen,” “that the entire company could not experience the closure of a final performance or a chance to say goodbye.”

These days, heartbreak pervades Broadway, and the theater world beyond, over the fate of an arts sector that generates an estimated \$14 billion a year for New York City. (Broadway attendance exceeds that for all of New York pro sports teams combined.) The viability of a Broadway scaled down to accommodate social distancing is difficult for the industry to envision; privately, producers say they are waiting for the government to announce a treatment or vaccine.

One major Broadway producer summed up the prevailing mood in an email earlier this week in a single word: “despair.”

AD

Disney, dependent on a family audience drawn from out-of-towners, is as vulnerable as any large entertainment entity on Broadway. (Tourism accounts for about two-thirds of Broadway ticket holders.) The parent company has been furloughing thousands of employees and shuffling offerings in response to the pandemic. For example, a film version of “Hamilton” that was to be released in theaters in October 2021 will now be available starting July 3 on the Disney Plus streaming service.

In his letter to the staff, Schumacher, who has been part of Disney Theatrical leadership since its beginnings in the 1990s with the Broadway version of “Beauty and the Beast,” conceded that the unknowns remain formidable.

“There’s no question of the appeal of live entertainment to audiences,” he wrote. “We know they’ll return, hungry for that spark of connection that only live theater can provide. But we also acknowledge that both we and our audiences will be returning to a changed world, and that we will all have to adapt.” Those who bought “Frozen” tickets through Ticketmaster will receive automatic refunds within 30 days; anyone who purchased tickets through other outlets are being advised to contact those sellers.

AD

Schumacher noted that a North American tour of “Frozen,” with music and lyrics by Kristen Anderson-Lopez and Robert Lopez, and a book by Jennifer Lee, will proceed at a date to be announced. He also listed plans for a stage version of “Jungle Book,” with a book by Rajiv Joseph, as well as a revival of the musical “Aida,” directed by Schele Williams and debuting in Germany in spring 2022.

Still, Thursday’s announcement was a bitter pill for the cast of “Frozen.” “Nothing I say,” Schumacher wrote, “can soften that blow.”

Coronavirus: What you need to read

The Washington Post is providing some coronavirus coverage free, including:

Updated May 19, 2020

Live updates: The latest in the U.S.


Coronavirus maps: Cases and deaths in the U.S. | Cases and deaths worldwide | Which states are reopening

What you need to know: Your life at home | Personal finance guide | Make your own fabric mask | Follow all of our coronavirus coverage and sign up for our daily newsletter.

How to help: Your community | Seniors | Restaurants | Keep at-risk people in mind

Remembering the victims: Stories of Americans who have died | A memorial for those lost to covid-19

Peter Marks

Peter Marks joined The Washington Post as its chief theater critic in 2002. Previously, he worked for nine years at the New York Times, on the culture, metropolitan and national desks, and spent about four years as its off-Broadway drama critic. Follow 

GLOBAL CONSUMER TRENDS

COVID-19 EDITION

THE NEW NORMAL



THE COVID-19 PANDEMIC HAS CHANGED OUR WORLD.

These drastic changes are causing an unprecedented shift in consumer behavior across all parts of our lives. In March and April, we explored the immediate effects of the pandemic in our Global Consumer Trends COVID-19 Special Report, examining some of the immediate and profound changes experienced by consumers – from the sources they were turning to for information, how fast they were pivoting to online shopping, and early expectations on when the pandemic would end.

Now, as many governments and businesses consider reopening and many countries are approaching or passing the first peak of infection, we're looking at changes in consumer behaviors and trends with a goal to help uncover which ones might be temporary, and which ones could become permanent. What do brands need to know to stay ahead of these consumer trends and meet their emerging wants and needs?

Our Global Consumer Trends COVID-19 Edition: The New Normal seeks to identify those changed consumer trends to help brands and agencies find insights on which might have long-term staying power. In times of unprecedented change, Dynata reports on new consumer trends across 11 countries as we all settle in to our COVID-19-influenced world.

METHODOLOGY

Dynata conducted 11,322 interviews between the 30th of April 2020 and the 2nd of May 2020 using its propriety first-party research panels.

Interviews were conducted in 11 countries, approximately 1,000 interviews per country. Countries covered were the USA, Canada, the UK, France, Germany, the Netherlands, Spain, Italy, China, Singapore and Australia. Quota controls were applied at the country level to ensure a well-balanced sample.

At these samples sizes we are 95% sure, at a country level, that the results produced here are within +/-3% of the reality.



HOME FOR WORK:

Will we go back to the office?

There's been a dramatic increase in people working from home. Having experienced it, most people don't want to go back to an external work environment. Two thirds say they're just as or more productive at home.



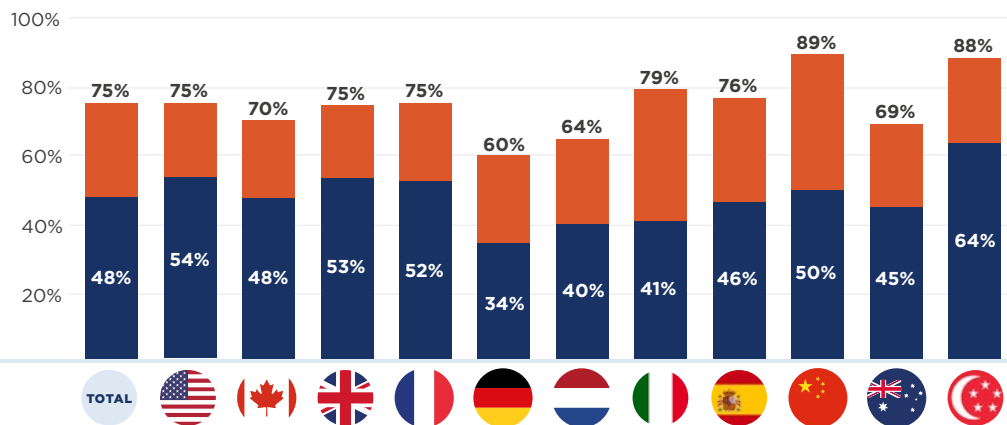
IMPENDING IMPACT

As more people embrace a work from home model, will companies still invest in full office space? Is there a potential impact on commercial real estate industry and urban planning - fewer office visits might mean new terms for office leasing, fewer cars on the road, or maybe a drop in public transportation usage? And will we need to redefine concepts of collaboration, teamwork and the classic office environment?

The impact of COVID-19 on people's working lives has been dramatic. In our latest results we see considerable variation by country, as well as by age and income, on just how dramatic the changes have been.

Dramatic increase in people working from home since start of pandemic

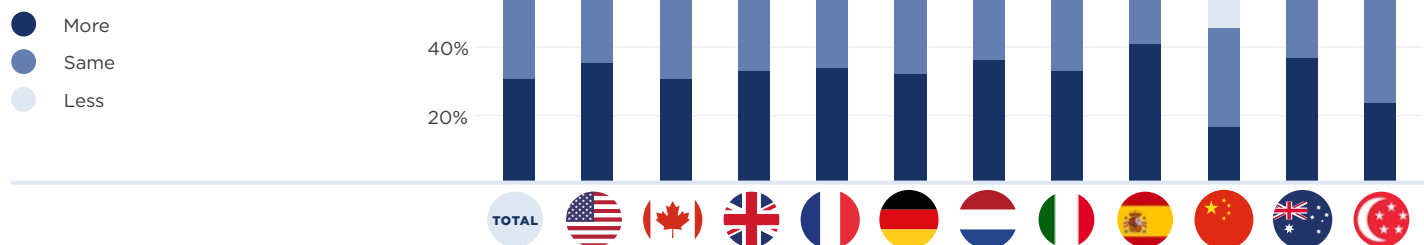
- All the time
- Some of the time



In China, nearly **nine in 10 working people** are doing so from home at least some of the time, as are 88% of those working in Singapore, 79% in Italy, 76% in Spain, and 75% in the USA, UK and France. At the lower end, 70% in Canada, 69% in Australia, 64% in the Netherlands and 60% in Germany are doing so.

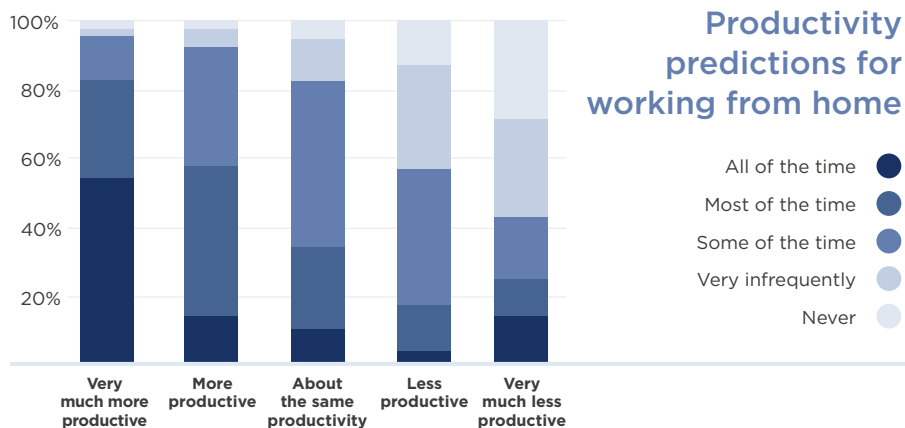
Are people more productive when they work from home? Overall, **just under two thirds report they are just as, if not more, productive at home than they were in the office (31% more productive, 31% just as productive)**; 38% percent believe they are less productive. Americans have the highest opinion of their productivity from home, with 18% saying they feel very much more productive, compared to 10% overall. China, on the other hand, stands at the other end of the scale, with less than half feeling they are as productive or more so now than when they worked outside the home, and just 3% say they are very much more productive.

How productive are you when working from home vs. working in an office?



Not surprisingly, those who feel very much more productive at home are the ones most likely to want to continue to work from home all the time (55%). But the benefits of working from home don't appear to be limited to just productivity, as 43% of those who say they are very much less productive at home still want to work from home at least some of the time. Surprisingly, a quarter of those who say they are very much less productive at home still want to work at home all or most of the time when the pandemic is over!

Certain types of jobs are more conducive to working from home, so it's no surprise that people who previously worked from home all the time are most likely to feel that working from home makes them as productive or more so than being away from home. **However, more than half (55%) of those who have never worked at home before say they are just as productive or more so than they were previously.**



Our questions about the benefits of working from home were asked fully six weeks after most countries went into lockdown - some have been in lockdown for much longer. Therefore, we believe the results don't appear to reflect just the novelty or "honeymoon period" of working from home, but rather suggest that - in the minds of many workers - working from home is a productive option for the long term.

These results suggest that, contrary to prior belief, many more types of jobs are good candidates for a work-from-home approach. This has ramifications for the office of the future and for the roles of managers, workplace cooperation, teamwork and more.

Those in higher income brackets are more likely to be working from home full-time during the pandemic (57%), compared to 42% of those in the low-income range. Those with low income are over 60% more likely to be still going out to work (29% are doing this compared to 18% of those with high income). **High income earners self-reported feeling slightly higher levels of greater productivity than those with low income (63% vs. 58%).**

There is enthusiasm for switching to working from home across all income ranges, with 75% of those with low incomes wanting to work from home at least some of the time, 72% of those in the medium category and 77% of those with high incomes.

GenX, Millennials and GenZ were all working at home full time at the same rate pre-COVID-19 (15%, 16% and 16%, respectively); during the Coronavirus pandemic, Millennials are more likely to be working from home full time, at 53%, compared to 47% of GenX and 44% of GenZ.

Interestingly, the younger generations, whom we might think are more likely to have children at home and therefore suffer more distractions, are more likely to self-report being more productive at home. Just a quarter of Boomers say they work more productively at home compared to outside the home, while 31% of GenX'ers, 32% of Millennials and 33% of GenZ'ers say this. However, we should note that when same and better levels of productivity are combined, the picture changes: 62% of Boomers, GenX'ers and Millennials say they are at least as productive as they were previously; only GenX disagrees, with 57% of them saying they're at least as productive as they were before they started working from home.

Younger generations are more likely to want to work from home moving forward, with 34% of Baby Boomers wanting to do so all or most of the time, 37% of GenX, 41% of Millennials and 40% of GenZ.

As companies start to cautiously reopen, these trends can help them understand the feasibility of which tasks can be done from home permanently, and the implications for office space, supplies, company culture, team structures and more. Second order effects resulting from a migration to work from home could include impacts on car manufacturers, public transportation, road maintenance, food consumption, clothing, the social role of colleagues in people's lives, and much more.



TELEMEDICINE

Here to Stay?

Eighty-four percent of those trying telemedicine during the pandemic were doing so for the first time. Results are positive – over half found the experience very or extremely satisfactory.

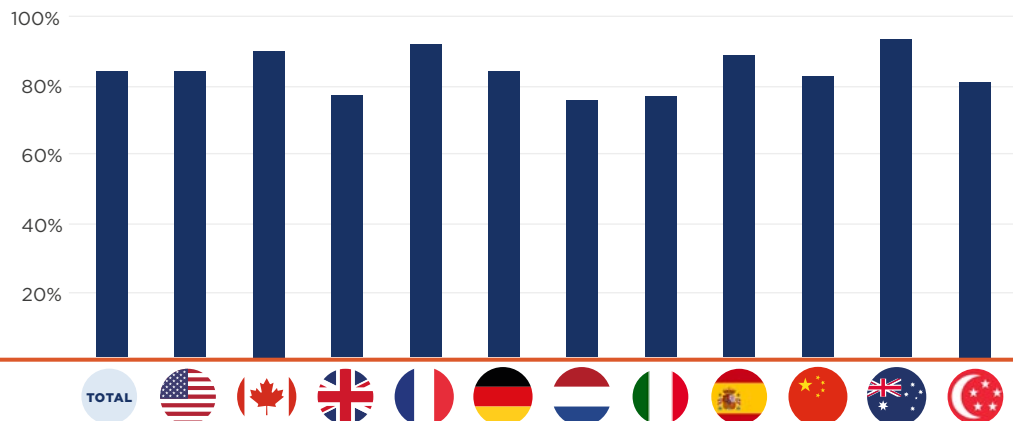


IMPENDING IMPACT

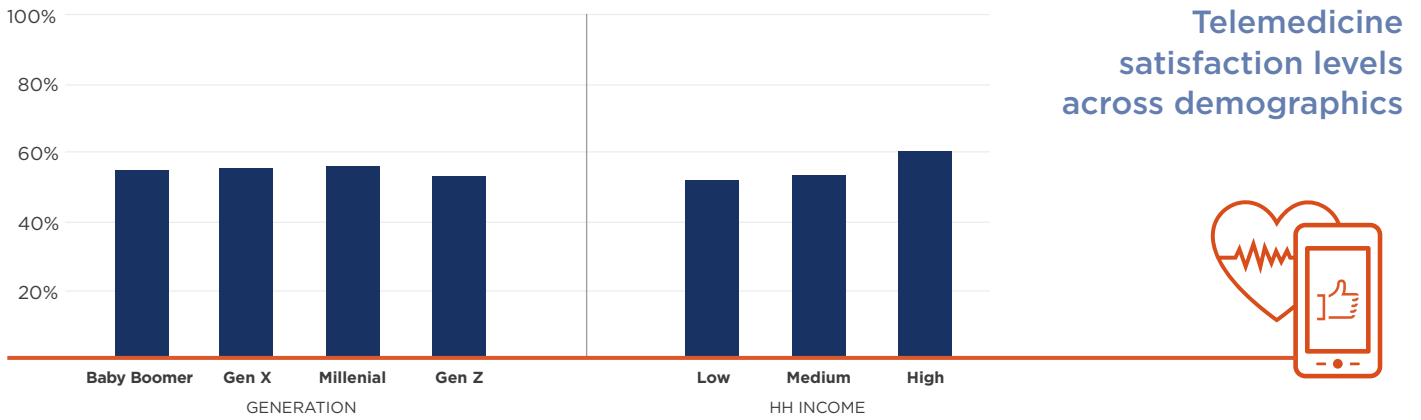
If more consumers choose the convenience of telehealth/telemedicine, will hospitals and health systems put more resources behind developing better technology? How will insurance companies respond to the increasing needs of telehealth? How will this change how doctors and nurses are trained? Will this lead to widespread use of AI diagnoses through home assistants (Amazon Alexa, Google Home), and 24/7 “Dr. Anywhere” services?

One of the ways the COVID-19 pandemic is likely to transform healthcare is a rise in the use of telemedicine, described recently by the director of the Center for Health and Technology at the University of Rochester (NY) “as big a transformation as any ever before in the history of US healthcare.” Many of us may know someone who has used a telemedicine option during the pandemic for the first time. **Our data shows overall, 39% of people have contacted a healthcare provider during the pandemic and in two thirds of those cases telemedicine was used, either exclusively or in combination with an in-person visit.** Usage of telemedicine ranges from a high of 89% in China and 83% in Spain to lows of 38% in Germany, 41% in Singapore and 49% in France.

Used telemedicine for first time during pandemic



Most people (55% overall) using telemedicine found the experience either extremely or very satisfactory. Only the Netherlands was something of an outlier, with only 30% agreeing, with those low ratings perhaps due to the relative ease of access to doctors there, including the common practice of home visits by doctors. The USA, UK and Canada – each with a relatively low number of doctors per population – were the most satisfied with the experience. However, other countries with even lower doctor-to-population ratios, such as China and Singapore, reported satisfaction levels only in the midrange. Italy joined the Netherlands as the only countries with less than 50% of the population reporting lower levels of satisfaction with the telemedicine experience. More research would provide further insight into the drivers of satisfaction with the telemedicine experience.



THE FUTURE OF “LIVE” ENTERTAINMENT



Over half say they will return to live entertainment slowly or not at all. More than half are streaming sports and entertainment content at home. Older people are even more cautious about going back into crowds to enjoy entertainment.



IMPENDING IMPACT

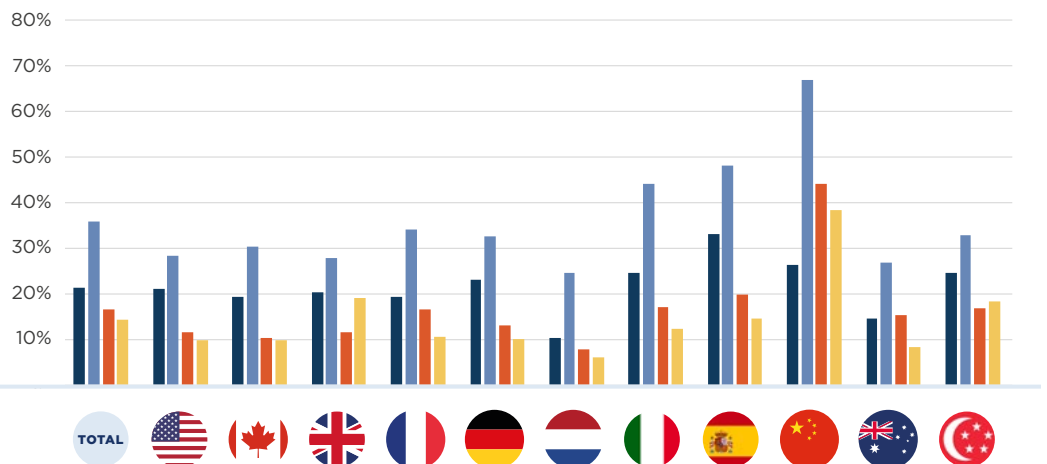
Has the ease and ubiquity of streaming diminished the live experience? If so, what are the emerging revenue opportunities for streaming? If consumers want a live experience how will entertainment companies adapt?

Prior to the pandemic, four out of five people across the countries we studied used to attend some form of live sport or entertainment event. Four in 10 attended live concerts, two thirds went to the movies, just over a third used to go to live sporting events and a third to live theater.

Since the pandemic started, however, **just over half have live-streamed a concert, movie, sports event or theatrical production**, with movies being most popular (36% have streamed movies), followed by concerts (at 21%), sporting events (17%) and theater (14%).

Most popular Streaming content by geography

- Concerts
- Movies
- Sports events
- Theatre



The countries with the highest percentage of people choosing to go to live concerts (Spain, Italy, the UK and Canada) were not necessarily those where the most live concert streaming took place: people in Spain, China, Italy and Singapore are most likely to have been streaming concerts during the pandemic. We can observe the same phenomenon for movies, where those in Italy, Spain, Singapore and Canada were most likely to have enjoyed movies in person, while China, along with Italy, topped the list for live streaming of new movie releases.

The highest levels of live sports event attendance pre-COVID-19 were reported in Spain, Italy and the USA; lately, China, Spain, Singapore, Italy and France were most likely to have streamed sports events. Those in the UK and Spain were most likely to have attended live theater before the outbreak, while those in the China, the UK and Singapore were most likely to have enjoyed these as virtual experiences in recent months.

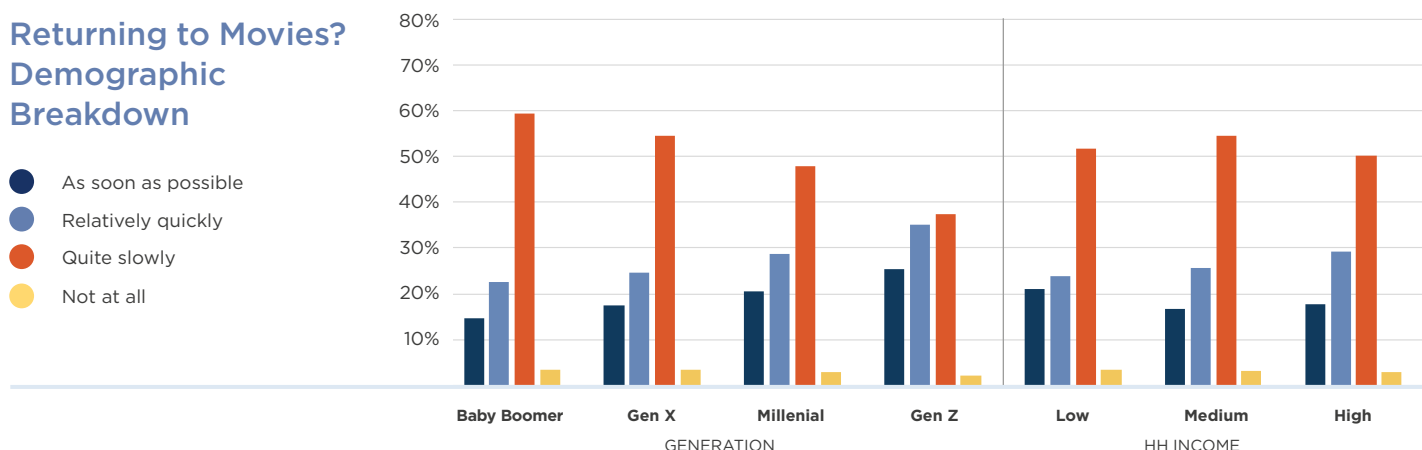
Millennials and GenZ'ers are at least twice as likely as Boomers to have streamed movies, and all three younger generations are much more likely to have streamed content from all categories. Nearly two thirds of Boomers (63%) say they haven't streamed any of this content, compared to just over a quarter (27%) of GenZ.

Our findings suggest a mood of caution as people think about a return to live experiences. **Sixty-five percent overall say they will return to live concerts quite slowly or not at all; 55% say the same for movies, 57% for sporting events and 64% for live theater.** But the numbers for people who say they will never return to these live experiences are very low, at 5% or less for each of the four entertainment opportunities.

France, Germany and Italy are the most eager countries to recapture the live experience in entertainment as soon as possible.

Interestingly, our results show successively higher levels of caution about re-engaging with events in person across generational cohorts, portending a longer path to recovery for those entertainment categories relying more heavily on older audiences. **Sixty percent of GenZ, 49% of Millennials, 42% of GenX and 37% of Boomers say they plan to go back to movies as soon as possible, or relatively quickly.** Fifty-eight percent of GenZ'ers, 46% of Millennials, 40% of GenX'ers and 38% of Boomers are eager to go to a live sporting event as soon as possible, or relatively quickly. Those in the low-income group are just as, or more eager, than those with high income to return to live experiences as soon as possible.

Returning to Movies? Demographic Breakdown





RETURN TO SHOPPING:

The Grocery Store Example

Despite the prevalence of lockdowns globally, online delivery for groceries sees only a modest gain in popularity. Smaller specialty stores (bakeries, delicatessens, fishmongers) lose a larger proportion of their customers than supermarkets as customers reduce the number of stores they use.



IMPENDING IMPACT

The surge in retail ecommerce – is it a “real” change? Or is it because non-grocery stores are closed? Grocery stores have stayed open, experiencing only a modest rise in home delivery. And while we continue to visit large grocery stores, specialty shops have suffered – will the “shops around the corner” be able to stay in business after life comes back to normal?

Grocery stores are one of the very few physical, aka brick-and-mortar, retailers to remain open during the global pandemic lockdowns. But even while remaining open, they’re experienced business disruption driven by panic buying in the early stages of the pandemic to, more recently, the advent of social distancing measures reducing the number of customers allowed in a store at any one time, producing increased average basket sizes despite the reduction in shopping visits. Other lockdown rules have resulted in many consumers changing their store usage habits.

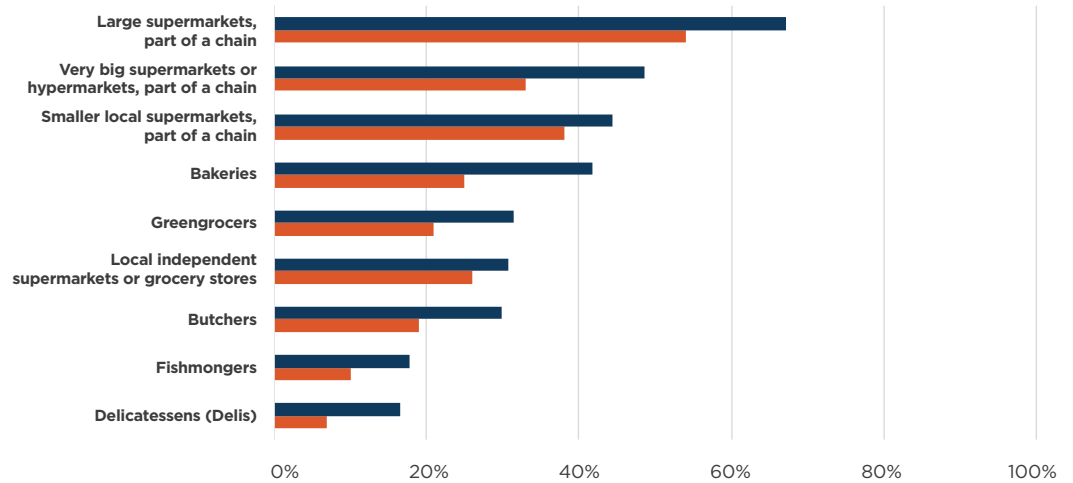
Prior to the pandemic, people reported using 3.3 of the 9 food retailer types presented to them (very big chain supermarkets/hypermarkets, large chain supermarkets, smaller chain supermarkets, local independent grocery stores, butchers, greengrocers, fishmongers, bakeries and/or delicatessens), with hypermarkets proving most popular (used by one in two) and delicatessens the least visited (at 17%). Among grocery stores, the most popular type was the large chain supermarket, used by just over two thirds of the people surveyed

There was surprisingly little variation in the pattern of supermarket usage across countries. **In China, local smaller, independent supermarkets prevail as the most used, at 48%, compared to the rest of the countries surveyed (29%);** and in the Netherlands, the relative absence of hypermarkets contributes to the lower rate of usage – just 24% – compared to an average across all other countries of 51%.

When we reset the question to ask about “now,” the biggest change is a reduction in the number of shop types used – down one store on average to 2.3.

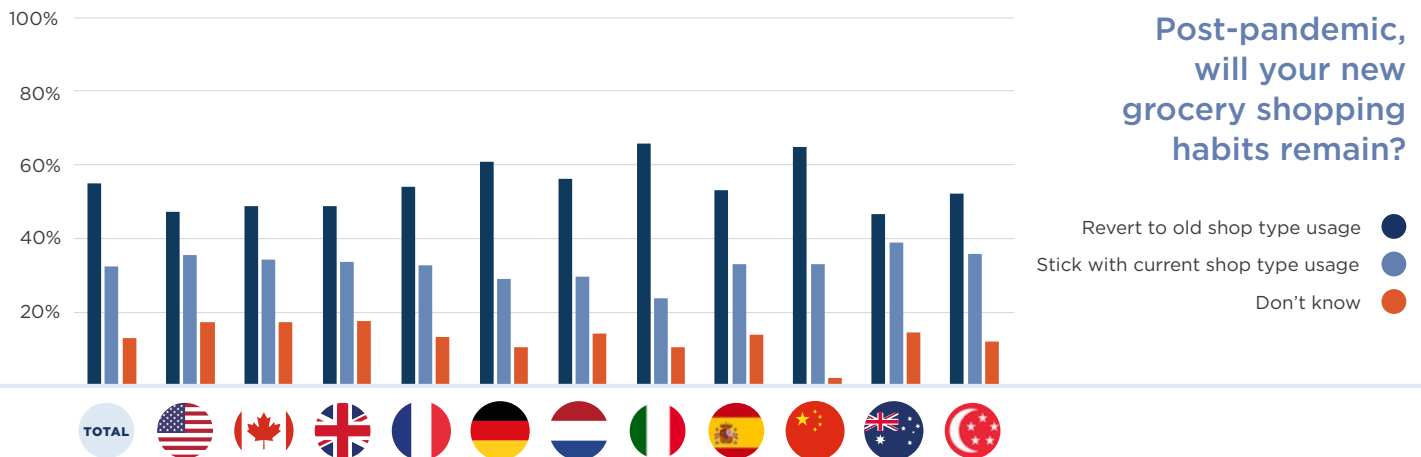
Type of grocery store you shop at - pre-pandemic vs. now

- Pre COVID-19
- Now



The big losers during the pandemic are the independent specialty stores: butchers, bakers, greengrocers and the like. While having fewer customers to begin with they have lost relatively more of them. In France, Germany and Italy, where usage of such shops is at its highest (all having 70% or more of the population using them), the customer losses have been lower, but still significant. Now only around six in 10 of those populations (and only 49% in Italy) are using such stores. Bakeries are less hard hit in the countries where fresh bread is culturally important, but in the UK, the USA, Canada and China the usage of bakeries is down almost 70%.

The evidence of the general abandonment of small businesses flies in the face of the stated social “obligation,” at least on the part of half the population, to “help smaller business survive rather than the larger chains.” In fact, of those who agree with that statement, 39% have stopped using smaller independent specialty businesses entirely, compared to 28% of those who disagree with it.

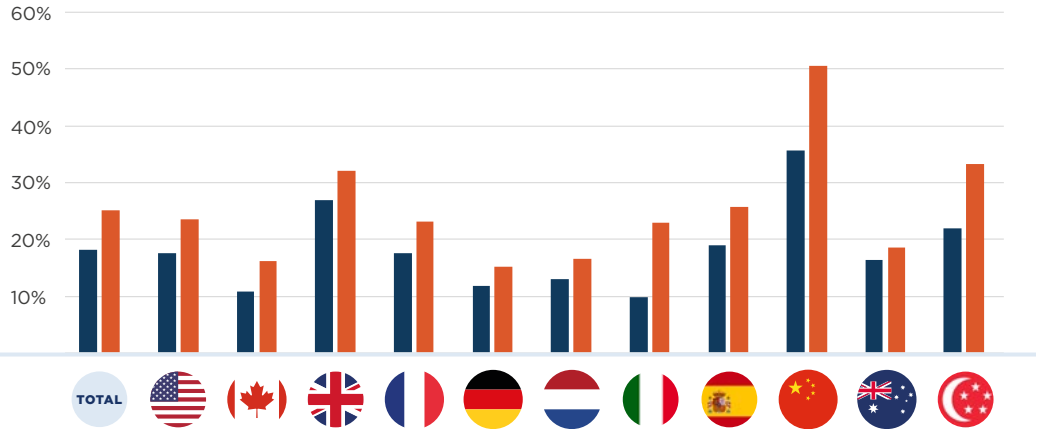


The problem for the independent stores is that they are not generally seen as pleasant places to shop. Only around half the population agrees with this notion, ranging from a low of 38% in Singapore to a high of 54% in Spain. Add to this little perceived quality uplift from shopping at independents (only 41% endorse this) and contrast it with the 80% who agree that it is more convenient to shop all in one place and take advantage of the lower prices on offer (65% agree that prices are lower), and it is hard to imagine a bright “post-pandemic” future for all independent specialty grocery stores.

During a period of lockdown, we may also expect to see a change in the number of people having their groceries delivered, or at least wanting to, perhaps presenting a major logistical challenge on the part of supermarkets – as has already proven to be the case for many. In fact, we see only modest rises in the usage of home delivery “at all.” **The proportion of people never having used home delivery has fallen from an overall 57%, pre-pandemic, to 54% during the pandemic.**

Grocery delivery frequency pre-pandemic vs. during, by geography

● Pre COVID-19
● Now



About half of those who have changed their delivery patterns intend to reverse this after lockdown is over, rising to 65% of Italians and 63% of Chinese. **About a third intend to stick with their new changed pattern.**

In the new normal we do not expect to see major shifts in grocery shopping behavior. The larger supermarkets will continue to dominate, although there may be some redistribution of customers and perhaps a continued step-up in home delivery services. We cannot tell if the current pattern for fewer stores being used per shopper with bigger baskets per trip will remain. Unfortunately, the big losers may well be the independent stores.





CONSUMERS & CHANGING PAYMENT METHODS

The pandemic has jumpstarted contactless options in the USA. Cash is least favorite payment method everywhere during the COVID-19 pandemic.



IMPENDING IMPACT

Will the preference for contactless payment options accelerate the widespread introduction of contactless payment? If so, what do banks and financial institutions need to prepare - issuance of contactless bank cards, security/privacy implications, and education programs? And what does it mean for the payment technology providers?

Perhaps surprisingly, payment methods, before the pandemic, were very different across countries. Even within the EU, and between the USA and Canada, we see major differences.

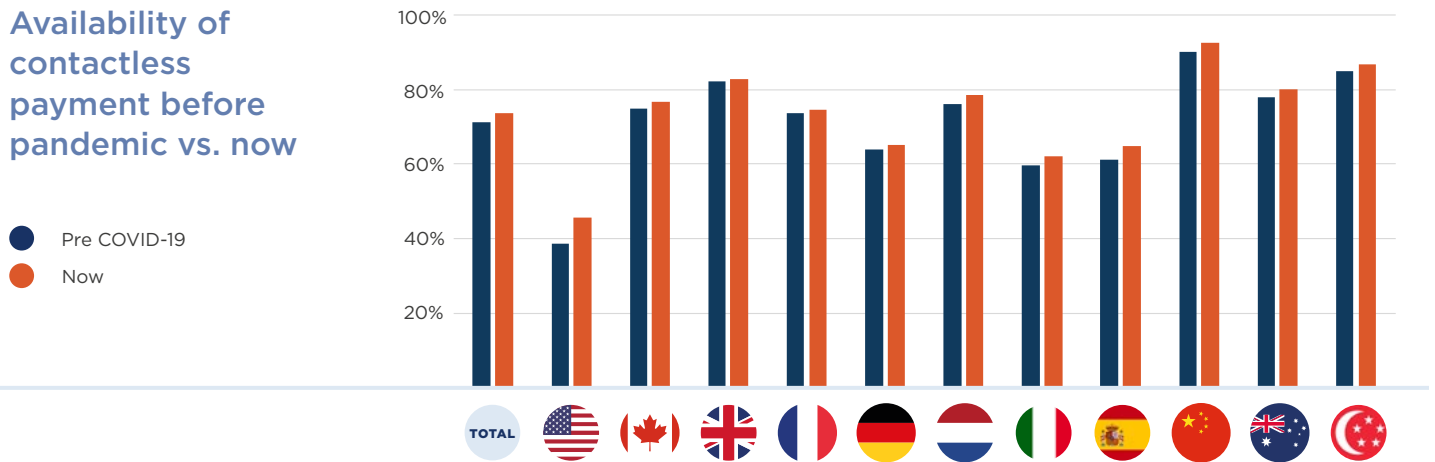
Within the six countries of the EU in our study, around one in ten in both Germany (11%) and Italy (13%) had no “plastic” (and no phone app) to make payment with. This was double the number seen in the UK, France, the Netherlands and Spain - and similar to the US (10%). Canada was more like Europe at 3%, than its near neighbor. Asia-Pacific, or at least China, Australia and Singapore, tended to be like Europe.

Also, the types of cards held - contactless, “chip and PIN” and “chip and signature” - were different across countries. **The highest level of contactless card or phone app ownership was seen in China, where 90% report having at least one and 84% having a phone app;** followed by Singapore (85% having some form of contactless card or phone app ownership); the UK (81%); and Australia (78%). In the USA, by contrast, only four in ten had contactless methods of payment before the pandemic.

Where people had a contactless method, it was popular. Around half of Canadians, Britons, Australians, French, Dutch and Singaporeans indicated their favorite method was their contactless card. In China, 78% chose their contactless phone app as their favorite. **Germany, in stark contrast, strongly identified as a cash economy with as many as 43% citing cash as their preferred method of payment, pre-COVID-19.**

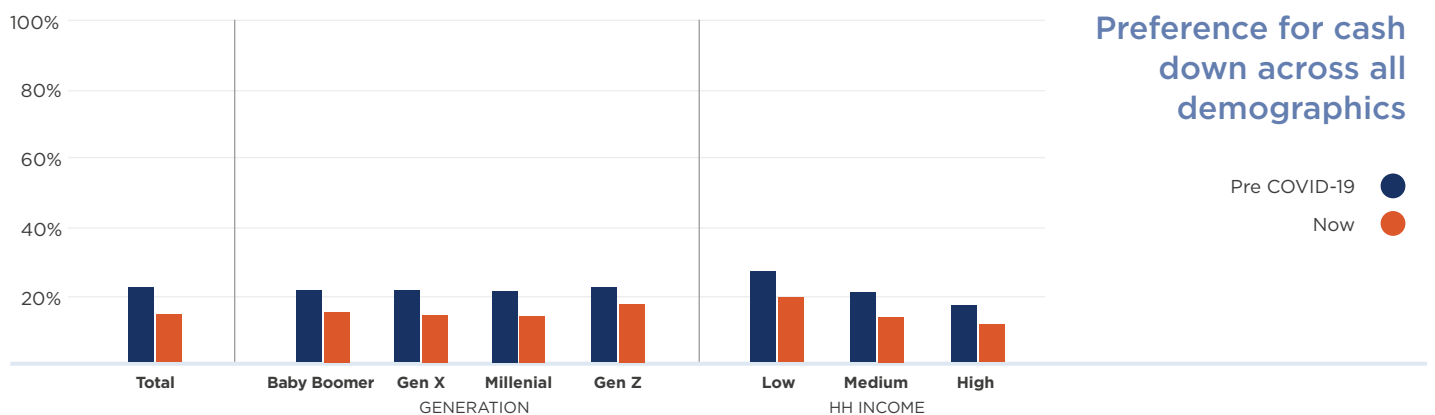
Since the COVID-19 outbreak we have all been advised, wherever possible, to use cards rather than cash, and contactless rather than chip and PIN or chip and signature. The past few months have seen an increase in the availability of contactless methods. **The biggest growth has been seen in the USA, moving from 38% to 46% ownership of a contactless method of payment.**

Availability of contactless payment before pandemic vs. now



The preference for cash has fallen away faster than contactless methods have grown. **Prior to the pandemic, 22% of respondents across all countries expressed a preference for cash. This has now dropped seven points to 15%.** The largest fall is seen in Germany, who reported the most reliance on cash, dropping from 43% to a 33% preference for cash. In Italy and Spain, we also see large drops in cash as the preferred method of payment, down 10 and 13 points, respectively.

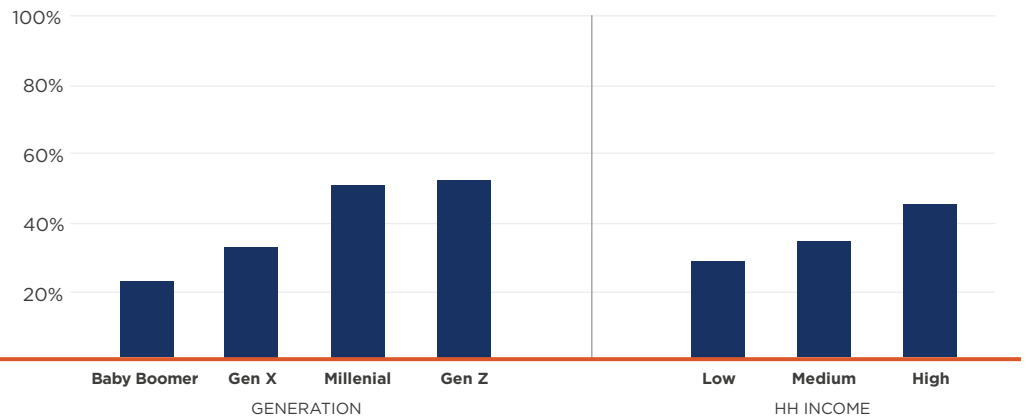
Looked at as percentage change rather than an absolute change, the biggest movement away from cash occurred in Spain, decreasing from 29% preferring cash to 17% - a reduction of 43%. Similar large shifts were seen in the UK (-42%), China (-40%), Canada (-40%) and the Netherlands (-38%). In the USA, by contrast, the preference for cash remains essentially fixed at around 15%.



Preference for cash down across all demographics

The pandemic is not yet over, and there is a continuing movement toward contactless cards and apps. Of the quarter of the population who have no contactless ability right now, around a third of them say it is extremely or very likely that they will get one soon. For a small minority (3%) it is certain, and the card is already ordered.

Younger generations pivoting toward contactless payment?



A persistent cohort of around three in 10 respondents who currently don't have a contactless method say it is not at all likely that they will go contactless. This equates to about just under one in ten of the population (8%) on average. By country this varies from a mere 1% in China, to Singapore, the UK, Canada, France, Australia and the Netherlands all being under 10%, to the highs in Germany (16%) and the USA (19%).

It appears the pandemic will have accelerated the movement from cash to plastic and from PIN or signature plastic to contactless methods, whether via cards or smartphone apps. It seems unlikely that contactless behaviors learned or reinforced during the pandemic will be abandoned after it is over. The example of countries that are well “ahead” in the move to contactless demonstrates how simple, convenient and easy it is to pay by card rather than cash. It is also more secure for the retailer, even for mundane and low value activities such as buying a drink in a bar or a loaf of bread at a bakery.





RETURNING TO WORK:

New Skills, New Jobs

Two thirds of those laid off say returning to their previous job sector is unlikely. Most who think this are taking steps to improve their skills.



IMPENDING IMPACT

As the unemployment rolls swell, and workers seek the new jobs and new skills they need to get back to work, will providers of online learning experience benefit? Will the gig economy provide a bridge for those looking to return to work? And, since re-opening doesn't mean everyone comes back at the same time, will - and how long should - furloughs and other practices remain in place?

Overall, around one in four currently unemployed participants were laid off directly because of the COVID-19 pandemic. This ranged from a high of 37% in the US to a low of just over one in 20 in France. All other countries were within 10 percentage points of the average.

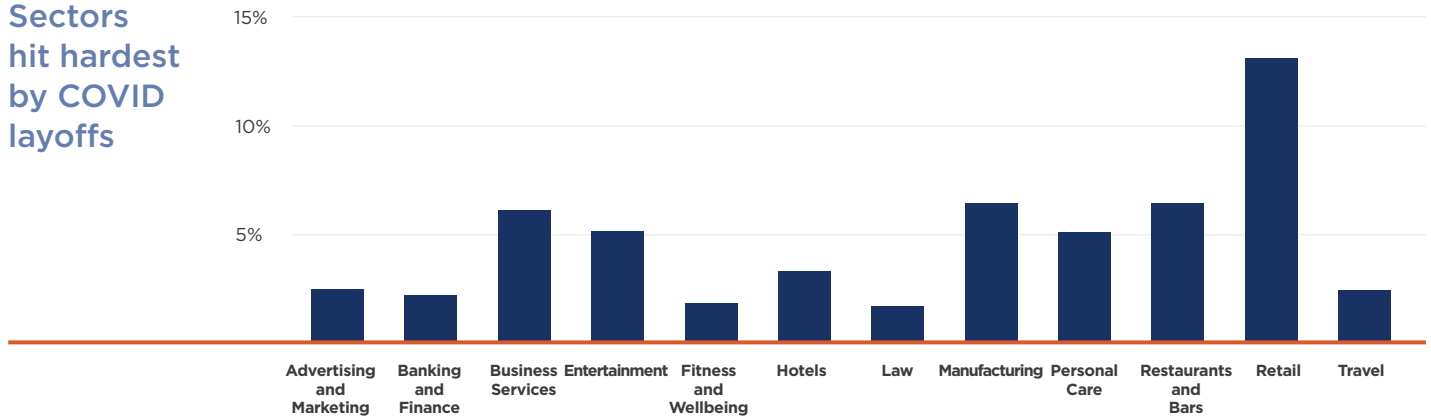
When we include those currently furloughed from employment, we see a doubling of the total respondents unable to work today due to the pandemic. The number of people furloughed is higher in countries where national governments are underwriting furlough programs. In the UK, for example, we observe a 7:1 ratio in favor of furloughing over being laid off; and in France, almost every participant who lost their job was on furlough rather than having been laid off.

The employment impact is felt more among lower income households than among the higher income brackets. **For lower income households, the chances of being unable to work due to the pandemic more than doubles compared to higher, with medium-income households landing between the two.**

Fortunately, despite reports of rising unemployment numbers and negative economic forecasts, most of the workforce - almost nine out of 10 - was either still employed or not looking for employment.

When examining individual industries, **the retail sector accounts for the largest proportion of layoffs due to the pandemic, at 14% across the 11 countries studied.** This, however, is only slightly higher than the proportion of people employed in retail in the economy, perhaps reflecting the resilience of grocery and other essential retailing along with online retail, all of which are still open.

Sectors hit hardest by COVID layoffs



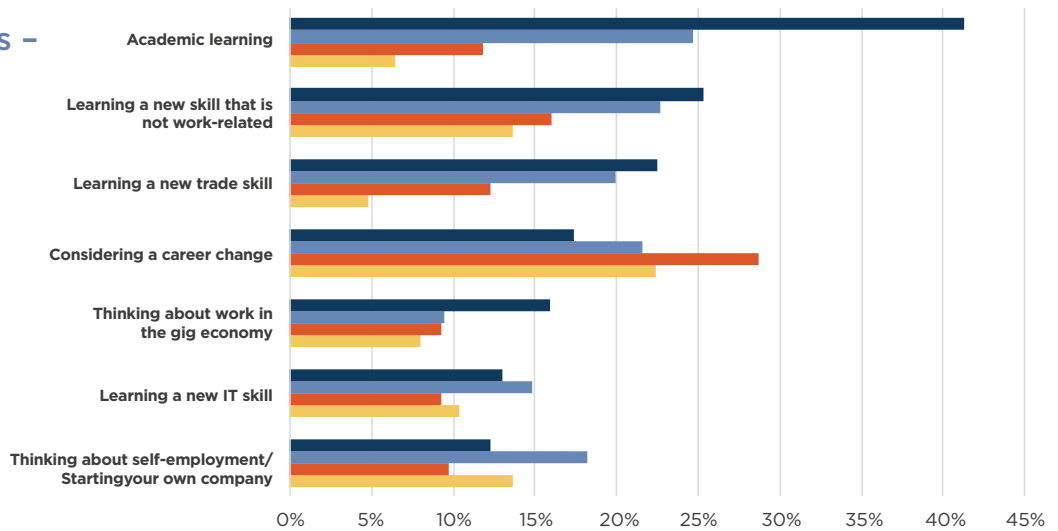
Those laid off are not very confident about their chances of returning to work in the same sector after the pandemic is over. **Only one in three said they felt it was very or extremely likely they would return to their prior industry.**

Workers in retail were less confident than their counterparts in entertainment, gyms and fitness or even hotels about the likelihood of being able to return to their previous employment. However, they were somewhat more confident than those working in restaurants and bars.

The majority of those not convinced of the possibility of returning to their previous careers are actively doing something about it. And they are more active in this regard than those who are more longer-term unemployed. One in five are learning a new trade skill, while only slightly fewer are learning new IT skills. This contrasts with the longer-term unemployed, where the comparable numbers are 15% and 11%. **One in five, for both groups of unemployed individuals, report going “back to school” and enrolling in some form of academic learning.** More of the newly-unemployed are also thinking about career changes (32% vs. 21%) or starting their own company (18% vs. 13%). Even the gig economy looks more tempting, with 17% of those laid off due to COVID-19 considering work in these sectors, compared to just 9% of the longer-term unemployed.

Return to work plans – demographic view

- Gen Z
- Millennial
- Gen X
- Baby Boomer



Post-pandemic, we all hope for a swift return to the employment levels seen before the outbreak. For some, however, their former jobs will simply not be there, especially in brick-and-mortar retailing, the restaurant and bar trade and the travel business. **Forward-thinking people are taking steps to prepare themselves for a different career path than the one they were on, learning the new skills that will be more in demand.**



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The Coronavirus Crisis

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Now Playing On Broadway: Uncertainty, Unemployment And Displays Of Unity

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Heard on Morning Edition



JEFF LUNDEN

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Broadway star Brian Stokes Mitchell — who has recovered from the coronavirus — sings from his window to show appreciation for New York City's healthcare workers and first responders. "People need this, too," he says. "They need that

connection. They need to be reconnected to themselves, to their own center, to each other, you know, to feel that we're all in this together."

Rob Kim/Getty Images

Before everything shut down, there were already jitters. An usher tested positive for coronavirus, actors were no longer taking selfies at stage doors and on March 12, one hour before a matinee of *Moulin Rouge: The Musical!*, the company held an emergency meeting, says actor Danny Burstein.

"They said that somebody in our cast was currently at the doctor's suffering symptoms of COVID-19 and that they were canceling the show," he recalls.

Later that afternoon, New York governor Andrew Cuomo shut down Broadway theaters, concert halls and arenas. Broadway was part of the first wave of COVID-19 closings around the county, and it has been hit especially hard. With its 41 theaters shuttered indefinitely, thousands of people are out of work, millions of dollars have been lost and some members of the community have been infected by the coronavirus.

The financial impact has been huge. Charlotte St. Martin is president of The Broadway League, an association which represents producers and theater owners. She says every week Broadway is closed, it loses \$33 million in ticket sales alone.

Article continues after sponsor message



THE CORONAVIRUS CRISIS

The Show Must Go Online: Theaters Closed By COVID-19 Get Creative

"On an annual basis, Broadway contributes over \$14.9 billion dollars to the economic impact of New York City," she explains. "And we are responsible for almost 95,000 jobs."

Brittney Mack has one of those jobs on indefinite hold. She was about to make her Broadway debut in the musical *Six*, when she found out opening night was canceled. "Man, it kind of hits you like a ton of bricks and a crane and a truck," she says.

Mack says she has daily chats with her fellow cast members. Her unemployment application has yet to come through, so she has no income. Still, you can find her singing on Instagram.



brittmack8

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Burstein, from *Moulin Rouge*, is waiting for unemployment insurance as well, but he says: "I'm just happy to be alive." In the week after his show closed, he developed all

the symptoms of COVID-19. "I had the fever, the chills, body aches, headaches. A friend of mine described the headaches as a hammer being inside your head, trying to chip its way out."

He collapsed in his bathroom, and ended up spending five days in the ICU at Mt. Sinai Hospital. "I just kept telling myself: 'I'm going to get better. I'm going to get better...'" he says. "I started literally doing dances from *Moulin Rouge* in my bed with my legs, trying to, you know, mimic what I did in the show, just to keep thinking forward."



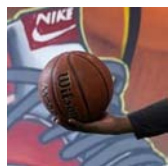
THE CORONAVIRUS CRISIS

A Broadway Star And #SunshineSongs Bring High School Musical Theater To Small Screens

It's been three and a half weeks since he left the hospital and, though he still doesn't have his singing voice back, he is getting better. But there have been deaths on Broadway: playwright Terrence McNally, actor Mark Blum. Another actor, Nick Cordero, who's on a ventilator, had his leg amputated. Everyone I spoke with told me Broadway will probably be one of the last places to get up and running.

There's a lot of uncertainty about what Broadway will look like when theaters reopen, says Charlotte St. Martin. For example, the shows *Hangmen*, *Who's Afraid of Virginia Woolf?* and *Beetlejuice* have all announced they will not return, she says, and two others have been postponed to the fall.

"How many shows come back either from the new ones or the long running shows? We don't know," St. Martin says. "It depends on how long the pandemic lasts."



THE CORONAVIRUS CRISIS

Getting Bored? Here's A List Of Free Things That Weren't Free Before Coronavirus

She estimates it may cost as much as \$1 million to get a show rehearsed and back on the boards. She warns that some of Broadway's favorite, long-running shows may not survive the pandemic. People in the Broadway community say they're pulling together

and supporting each other, but they worry that the theater-going experience itself may change.

"Will we see people's temperature being taken before they come back into the theater?" St. Martin asks. "Will people wear masks? Will people have certificates or cards that say they've been tested?"

In the meantime, industry professionals, like Brian Stokes Mitchell-- a COVID-19 survivor himself — are finding ways to give people a sense of community. Every evening, after people in New York City applaud health care workers, he stands at his apartment window and sings "The Impossible Dream" from *Man of La Mancha*.

"When I sing this song, I'm singing it for the healthcare workers," he says. "I'm not singing it as a performance. ... At the end, when people clap, I always throw their applause to those first responders and the health care workers ... and kind of just remind everybody: This is why we're doing this. This is why we're here. This is who we're applauding."

BROADWAY STAR BRIAN STOKES MITCHELL SALUT...



YouTube

FOR IMMEDIATE RELEASE: May 11, 2020

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AS SMALL THEATER BUSINESSES FOLD, THE LEAGUE OF INDEPENDENT THEATER AND INDIESPACE CONVENES EMERGENCY TOWN HALL TO SUSPEND COMMERCIAL RENTS

The League of Independent Theater and sister organization IndieSpace announced today a virtual town hall on Thursday, May 28th at 1pm to call upon elected officials to protect small arts organizations from being displaced during this crisis.

Register for the Small Venue Rent Forgiveness Town Hall through EventCombo Here: <https://www.eventcombo.com/e/small-venue-rent-forgiveness-town-hall---litindiespace-39242>

NEW YORK, NY -- Since the beginning of the PAUSE in New York, small arts venues have been at a standstill, unable to generate any revenue while public events remain on hold for the greater good. Meanwhile, rents are due each month with no relief. As theater space after theater space announces permanent closures, the League of Independent Theater and IndieSpace are calling on elected officials to take action and protect small businesses and performance venues throughout the city.

Independent theaters, defined as venues with 99 seats or less as well as non-traditional venues, produce the majority of live performance in NYC per year, including all of the productions outside of Lower Manhattan, according to a 2019 study by the [Mayor's Office of Media and Entertainment](#). The study found that small theaters employ thousands of workers across the city and act as economic tent poles for surrounding small businesses.

The League is calling upon the New York State legislature and New York City Council to suspend commercial rent payments (currently introduced in the State Legislature as [S8125A](#) / [A10224A](#)) and provide long-term rent stabilization to give arts venues a fighting chance to survive this pause.

The events of Wednesday, May 6th should act as an alarm bell for all those with an interest in sustaining the vitality of our community. Shetler Studios & Theatres [closed its doors permanently](#) after 30 years. Located in the heart of City Council Speaker Corey Johnson's district in midtown Manhattan, Shetler Studios represented a critical piece of theater infrastructure. A public notice from Shetler Studios explains "We have great pride in the facilities we built and the community we nurtured... The path to recovery is simply too steep for our small company."

Later that day, The Secret Theatre, one of only three small arts venues in western Queens, announced its closure in an [emotional video from Artistic Director Richard Mazda](#). “The plain truth is that the entire theater business is in such deep trouble now that I expect that we will be only one of many small theaters that will close.”

As the already limited number of rehearsal and performance spaces accessible to indie theater companies continues to dwindle, “the artists tasked with creating the innovation needed to revive our culture and refresh our economy are being forced into untenable financial circumstances,” says the League’s Acting Director Aimee Todoroff. “Our community stood up and made painful sacrifices for the health and safety of our beloved city. Now, this often overlooked sector is simply asking that, while we are reinventing the cultural landscape, we are not also burdened with a back-log of debt accrued during a period when our work was involuntarily interrupted.”

Christina Perry, a co-founder of the Chain Theatre, says they are “home to a 65 seat Mainstage theatrical space and a 35 seat Studio Theatre. Our organization serves artists from underrepresented sectors who create and present in our space as well as the audiences who attend. We host approximately 150 theatre artists a month in our two theaters and 300 filmmakers annually. New York City is the theatre capital of the world. We aim to keep it that way. But if New York City is to continue to have not-for-profit theatre spaces in the five boroughs, Rent Relief must be granted.”

“Wild Project might be considered a small venue with our 89 seats,” say Ana Mari de Quesada Producing Artistic Director and Tom Escovar, Producing Director at the Wild Project “but to our artists and neighbors, we are an incredibly vital component to the economic heartbeat of the East Village. We are a place that nurtures growth in every aspect, by every metric, where artists and ideas come together to inspire the community and keep the neighborhood together and alive with the New York beat. Rent forgiveness will give us a chance to weather this great storm and remain a beacon and place that all artists and communities call home.”

Terry Greiss, Co-Founder and Executive Director of the Brooklyn based Irondale Ensemble Project, shares that “In the 11 years since Irondale turned the former Sunday school at the Lafayette Avenue Presbyterian Church into the Irondale Center, it has become a destination point for cutting edge theater, quality education and community engagement programs. But more than that, it has become a place where people gather to tell and hear stories that are important to them. It has become a center for people to come together-- a place to catalyze democratic activity through theater. Now is the time that we need our community to stand by us... Rent abatement, reduction and assistance will help us face the unknown we are about to enter and know that we are not in it alone.”

“Since neither tenants nor landlords are to blame for this dilemma, why should the onus of solving it fall on tenants alone?” ask Carlo Altomere & Gia Lisa Krahn of Alchemical Studios. “The Alchemical and businesses like us employ thousands of people in NYC, and serve many

thousands more... the closing of our businesses will have a considerable negative economic impact on NYC when the pandemic is over.”

Randi Berry of IndieSpace agrees. “Without full rent cancellation we fear upwards of 25% of our indie venues will shutter for good post Covid19. A loss of that magnitude impacts the entire cultural makeup of the city and leaves thousands of artists without a home to do their work. No rent deferral. We must cancel rent.”

“One thing that is painfully obvious during this pause is the desire for humans to connect face-to-face,” says Guy Yedwab, president of the League’s Board of Directors. “Even before the crisis, unregulated commercial rents over the last decade have closed dozens of venues. How the city responds to the looming threat of more closures will determine the future of our community for years to come.”

“Thousands of households and small business people in NYC, good hard working New Yorkers, have their good name and credit, not to mention their homes and livelihoods, staked on leases that they are contractually obligated to make good. At this time when the government is instructing these people to stay home and close up shop, it is incumbent on the government to create a situation that allows them to do so without losing their home, livelihood, good name and credit and to make it possible for them to eventually leave their homes and continue working their 12 hour days on flat ground and not inside a big insurmountable hole,” says Erez Ziv of FRIGID New York. “You must protect our homes, our businesses and our credit or this shining city, this island of hills built on credit, will crumble into the sea.”

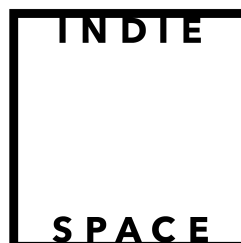
The League of Independent Theater was founded in 2008 out of an emergency town hall in response to the sudden closures prompted by the start of the Great Recession. The planned Emergency Town Hall on Independent Theater will be the launching point for independent theater to fight alongside the #cancelrent movement and advocate for protections for the community.

The Town Hall will be hosted on Thursday, May 28th at 1pm. Please register at EventCombo: <https://www.eventcombo.com/e/small-venue-rent-forgiveness-town-hall---litindiespace-39242>

State and local representatives are invited to answer questions about what they plan to do to protect our remaining independent arts organizations.



LEAGUE OF INDEPENDENT THEATER
collective voice for our independent community



EDITORS' PICK | 25,034 views | Apr 28, 2020, 03:57pm EDT

Show Business Is Adapting To The Pandemic, But It Won't Survive Unless Congress Steps Up



Lee Seymour Senior Contributor ⓘ

Hollywood & Entertainment

I cover theater, money, and their ongoing love-hate relationship



The cast of 'Hadestown' on Broadway, which won the 2019 Tony Award for Best Musical after having ...
[+] JOAN MARCUS

As the coronavirus pandemic ravages the globe, America's small businesses are collapsing, and they are finding scant support from their own government. The loan program intended to float them is underfunded, and the system set up to manage it is blowing gaskets – [it crashed again](#) on Monday as the next round of funding became available.

Yet in absence of typical revenue streams, it is in Washington that many small businesses must place their hope, however Quixotic that feels.

At particular risk is the entertainment industry, which accounts for \$877 billion, or 4.5% of the nation's GDP. These ventures, commercial and nonprofit alike, rely on large gatherings, whether in a stadium, a Broadway theater, or a karaoke bar. Such venues will be the last to come back online, and are vulnerable to the potential stop-and-start caused by new waves of infections.

“A lot of organizations are going to close,” says Meredith Lynsey Schade, a Tony-winning producer. “Not just lay off some people. They're going to lose their spaces and close.”

Today In: [Hollywood & Entertainment](#) ^

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Nonprofits, like the HERE Arts Center in New York, of which Schade is the managing producer, are deep in the small business mix; they're applying for the same funding allocated by the CARES act. While they can't issue stock or enrich shareholders, they are a major part of America's economy, accounting for 12.3 million jobs, or 10% of all private sector work, according to [the Bureau of Labor Statistics](#). That makes the nonprofit sector the **third-largest workforce** in the country, behind only retail and manufacturing.

Despite these metrics, the fight for federal cash is only becoming more desperate, as state funds, which often support arts organizations, dry up due to losses in tax revenue. New York predicts **a \$61 billion falloff** in the next four years, and New York City **another \$7.4 billion** this year alone. The resulting budget cuts are **set to decimate nonprofits**.

These organizations hold particular value to show business, specifically the brick and mortar of live theatre. It is under their auspices that new content can be developed without jeopardizing shareholder value, and those products often go on to great commercial success; Broadway's [billion-dollar boom](#) was built, in many ways, on work developed in small nonprofits.

But their influence stretches far beyond downtown hidey-holes. If you're quarantine-bingeing *This Is Us*, *Shameless*, *Friday Night Lights*, *The Affair*, *House of Cards*, *Orange Is The New Black*, *Glow*, or *Six Feet Under* (to name a few), chances are the episode you just saw was developed by someone who got their start in theater.

"All of us were being protected and helped by the smallest theater companies around the country before the New York Times gave a f**k about us," says writer-producer Jeremy O. Harris, whose [recent HBO deal](#) capped an ascent through New York theatre, spurred by small nonprofits. "If those places don't exist anymore, then for the next the next decade, there won't be the infrastructure for young artists to [discover] their voice outside of a major institution."

Hamilton is perhaps the most famous example of this pipeline at work. As a hip-hop history musical, it was far from a guaranteed hit at first blush. But the well-heeled Public Theater safely incubated it ahead of its commercial run (and earned a share of the eventual box office). Before the pandemic struck, the show had returned almost \$400 million to its commercial backers, off an initial investment of just \$12.5 million.

Six weeks later, tens of millions in advance sales have been written off, and the Public has [furloughed 70% of its staff](#).



Lin-Manuel Miranda and the original cast of 'Hamilton' as The Public Theater JOAN MARCUS

As befits an industry known for comeback stories (both living them and turning them into musicals), signs of life are myriad.

Functionally every theater company has launched some form of online programming to weather the storm. Some are opening up their archives, offering access to recordings normally unavailable to the public. Others are **creating new platforms to support the larger community** around their audiences. Still others are staging work specifically for the new era. Michael Urie's at-home revival of *Buyer and Cellar* was **considered a wild success**, having been re-directed and adapted in quarantine, and raised over \$200,000 for relief efforts.

For **New York Theater Workshop**, original incubator of *Rent* and more recent hits like *Slave Play* and *Hadestown*, it's all of the above.

"It's a community resource," says managing director Jeremy Blocker. "We're focusing all of our resources on human beings: our staff, our artists, and our audience."

Available to them is a collection of recorded shows, including *Endlings*, which was mid-run when the pandemic hit. But the programming also includes online classes, roundtables, and “Virtually Neighbors,” which connects members of the NYTW fold with each other for one-on-one chats.

“We asked our community, ‘Are you feeling lonely at this moment? Would you be interested in connecting with somebody?’ It might be a staff member to an audience member. It might be an artist to a donor.”

And it's been a success. When [NYTW's online services](#) launched, days after the shutdown began, they were oversubscribed within an hour.

[The Tank](#) is finding a similar response as it pivots to digital outreach. The burgeoning organization offers free rehearsal, performance, and co-working spaces for artists who can't yet afford the glitzier industry studios. With a calendar that boasts over 1,000 different performances a year, it self-styles as “the Netflix of downtown theater.”

“When we sent communications [announcing our suspension],” says managing producer Danielle King, “we immediately saw a large amount of donations from individuals who just wanted to make sure we were going to be there when we got back.”

Since then, [they've launched CyberTank](#), an online platform that allows their vast pool of artists to continue producing new work online, adapted specifically for the digital medium. It's been successful enough that the organization plans to make it a permanent fixture of their programming.

That is, if they can survive the crisis in the meantime. The industry-wide rallying has been inspiring to see, yet the revenue generated is a fraction of what these institutions need to stay solvent. The Public [isn't the only one furloughing its staff](#), and more will follow suit after their fiscal years come to an end this summer.

Even NYTW, which has the benefit of owning its own buildings, instantly lost \$1.5 million in revenue when the spring season was cancelled, according to Blocker. It is now projecting a 7-figure deficit for the year – and that's only if foundation and individual donor support remains high.

Outfits like The Tank and HERE have even less room to maneuver. The Tank owes \$18,000 a month in rent, and its insurance policy has a clause explicitly denying coverage for viral outbreaks. HERE's mortgage is \$11,000, compounded with the evaporation of rental income they'd budgeted throughout the year.

“That's not going to change anytime soon,” Schade says. “The government doesn't seem to be doing anything on that front.”

The questions don't get easier as the industry looks to the horizon. Consider, for example, a limited re-opening, allowing ticketholders to sit six feet apart from each other.

“If you're in a theater with under 40 seats and you have 10 people show up, theoretically you could do this,” says Ginny Louloudes, executive director of A.R.T/NY, a theatrical service organization. “But the question is not can you do it - it's who will come? When will they feel safe?”

Furthermore, if you're only able to sell out one quarter of your theater, will you ever make enough money to keep your show running? This is perhaps a greater challenge for commercial productions, which have no revenue stream outside box office receipts, but it affects nonprofits as well.



A scene from the sold-out run of 'Slave Play' by Jeremy O. Harris at NYTW, before it transferred to ...

[+] JOAN MARCUS

While much of the future is uncertain, one thing is clear: The industry will be gutted without major federal help. Arts nonprofits have already [suffered \\$4.5 billion in losses](#) as a result of the pandemic, and theaters alone are predicted to lose \$500 million more by June, according to a new survey by Theatre Communications Group (TCG), a national service organization with over 700 member theaters.

“Theaters need ongoing funding to stay viable beyond tying it to payroll,” says Laurie Baskin, TCG's director of research, of the federal Payroll Protection Program. “Payroll is a piece of it. But even if your staff is slimmed down to just your admin, there are other expenses. And that creates a quandary.”

PPP loans are only forgiven if you use 75% to cover payroll. But that ratio doesn't always add up for smaller organizations when compared to ongoing costs like rent, maintenance, and utilities. And that's assuming you can make it through the system to begin with.

“I'm on chains of emails with other institutions, and none of us can even get an application in,” says Schade, a lament [amplified in recent weeks](#) across

the country, in [seemingly every industry](#).

In true American fashion, [private financiers are stepping in](#) to fill some of the gap. But that comes with its own hurdles.

“We have the most expansive philanthropic system of any country,” says Heather Hitchens, president of the American Theatre Wing. “But it's still a competitive process. If you're not on their radar, you get overlooked.”

Even with all the admirable efforts springing up and pouring money in – from online fundraisers to major collaborative efforts by the [Bloombergs](#) and [Mellons](#) – the relief provided so far barely makes a dent in what is being hemorrhaged, to say nothing of the people behind the numbers. Including [existing government allocations](#), financial support is in the millions; what's needed is billions.

The good news? Given the [record-low treasury yields](#), it costs the government functionally nothing to borrow cash and inject it directly into the economy – which is what the CARES Act has been doing. Mitch McConnell is [clutching his pearls over deficits](#) and pushing states to declare bankruptcy; meanwhile the interest on bonds is far lower than inflation, meaning, for now, money is functionally free.

Let me say that again: Markets *actively want* the Federal government to issue more debt. They are, in essence, paying for the privilege of borrowing money from the government. At these rates, the Treasury risks virtually nothing by funding subsequent rounds of stimulus.

It should be an easy sell to shore up a major segment of the country's third-largest workforce. But despite this favorable environment for federal relief, there exists a fundamentally cynical narrative around the arts, especially [within the current administration](#). They're seen as extraneous, as soft. They're nice, but not necessary.

Ask any of the 5 million workers employed by these companies whether the arts are necessary. Ask the restaurants and hotels that thrive on audience spending. Ask the managing directors waking up nightly with panic attacks, realizing that they won't be able to pay their staff through the end of this year, let alone the next.

Many tears were shed during interviews for this piece, on both ends of the Zoom line. Of course we recognize that hospitals need funding in a public health crisis. I envy nobody tasked with balancing a budget right now; state officials in particular are in an impossible position. No one will escape this unscathed.

But the loss of arts institutions isn't some amorphous, cultural death to memorialize in future documentaries. It is a life-threatening hardship for hundreds of thousands of workers.

Again: The relief currently on offer is in the millions. What's needed is billions. And the federal government can provide it, right now, at functionally no cost.

The question is: Why aren't they?

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Lee Seymour

The Daily Call That 200 Arts Groups Hope Will Help Them Survive

In a sign of the pandemic's toll, New York's cultural institutions, large and small, feel compelled to share their woes and tactics in strategy sessions.



By **Robin Pogrebin** and **Michael Paulson**

Published May 12, 2020 Updated May 14, 2020

It's hard enough to Zoom with your mother.

Imagine being one of the more than 200 arts leaders who for the past month have been getting on the same daily Zoom call seeking comfort, counsel and connection as they try to stave off a raft of institutional failures prompted by the coronavirus pandemic.

More than just a logistical feat, the phone call has become a singular measurement of how worried, desperate and vulnerable cultural organizations have become since the virus hit. And just as notable, how much they are actually acting these days like the "arts community" to which they often aspire.

More typically, the city's cultural institutions compete for audiences, donors and attention. Museums rarely interact with performing arts groups. Manhattan cultural behemoths don't often communicate with their scrappier counterparts in other boroughs.

Yet on these calls, cultural organizations that span the city — some from Museum Mile on Fifth Avenue, others from unheralded blocks in Brooklyn and the Bronx — are trading tips for accessing federal funds, strategies for streaming and thoughts about summer programming. The big fish are helping the small, as they both absorb guidance from local and federal officials who periodically join the conversation.

"The calls have really been a lifeline," said Ellen Kodadek, the executive and artistic director of Flushing Town Hall, a multidisciplinary arts center in Queens. "It's been this remarkable, consistent day-to-day way to touch base with one another."



In Queens, Flushing Town Hall is projecting a loss of \$250,000 because of the pandemic. Ozier Muhammad/The New York Times

The rolling gathering is especially concerned about the small, community-based cultural organizations in neighborhoods hardest hit by the virus that are now the most endangered.

Many of them are anxiously tracking the hearings that began last week on New York City's budget, which will outline where cuts because of the coronavirus are likely to hurt arts groups that count on an annual infusion of city support.

“That’s really where the rubber is going to meet the road for culture and the arts — really for all nonprofits — unless we get a stimulus package,” said Jimmy Van Bramer of Queens, the chairman of the City Council committee that oversees cultural affairs, who said he has been on several of the calls.

“This is an existential threat to the survival of many of these organizations,” he added. “Even the larger ones are really struggling under the weight of what they’re faced with, so it’s very smart for them to gather and remind themselves that they’re not alone and they’re not powerless.”

The calls are led by Taryn Sacramone, the executive director of the Queens Theater, and Lucy Sexton, the executive director of New Yorkers for Culture & Arts, an advocacy group. They argue that culture employs 400,000 workers and generates \$110 billion in economic activity for the city.

“This is a key industry, a key part of our souls, a key part of our economy,” Ms. Sexton said. “We’re going to need it.”

The call takes place weekdays at 3 p.m., and lasts anywhere from 30 to 60 minutes. Some people participate on video. Some simply call in.

At the beginning of each call, everyone is muted, and there is usually a presentation by a working group about some issue facing nonprofits. But they can unmute themselves to ask a question or raise a topic. If they wish to pose a question anonymously, they can send it directly to Ms. Sacramone so she can ask.

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Last Friday, for example, one organization asked whether others had tried charging admission for online programming. That prompted a discussion about revenue potential for streaming content, as well as software recommendations for that purpose.

“When you start to think about 200 people on a call you think, ‘How does that even work?’” Ms. Sacramone said. “But a lot of people are just listening and hearing the topics of the day and don’t plan to speak.”

Of course there are interruptions. “We have kids enter the frame all the time, and people asking a question with somebody sitting in their lap,” Ms. Sacramone said. “That’s the reality right now.”

But the psychological boost from meeting as a group is empowering, as is the advice being shared on best practices.

When Madaha Kinsey-Lamb, the founder and executive director of Mind-Builders Creative Arts Center in the Bronx, fretted on the call over how to give the organization’s dance students a virtual year-end recital, the Metropolitan Opera offered to share its experience with an online gala.

When Ms. Kinsey-Lamb wasn't sure whether its insurance covered a business interruption like Covid-19, Anna Glass, the executive director of Dance Theater of Harlem, offered to look the policy over.

“That kind of thing is just wonderful,” said Ms. Kinsey-Lamb, whose center provides music, dance, theater, voice and martial arts classes for more than 700 students a year.



The Metropolitan Opera has taken part in the daily call. Vincent Tullo for The New York Times

There are other examples around the country of arts organizations trying to band together to get through the pandemic. In San Diego, 28 theaters began a joint campaign to ask for community support, while in Chicago, more than 100 theaters decided to collectively raise money for a Chicago Theater Workers Relief Fund.

Shared adversity has forced the organizations to focus on what they have in common — vulnerable financial portfolios in the best of times, often heavily reliant on ticket sales. Now, with performances and exhibitions canceled for the foreseeable future, they are all collectively — indubitably — in full-blown crisis.

“I was concerned *before* the pandemic,” said Peter Gelb, the general manager of the Met.

That opera company, with an annual operating budget of \$308 million, is projecting a loss of \$60 million, outpacing the damage anticipated by Flushing Town Hall, which has an operating budget of \$2.3 million dollars and is projecting a loss of \$250,000.

But the smaller arts groups generally lack the major endowments and deep-pocketed donors who offer some kind of a safety net for the larger institutions. Just last week, the Secret Theater, a for-profit venue in Queens, announced that it would close, as did Shetler Studios & Theaters, a rental facility in Midtown Manhattan.

“This is a crisis that is causing us to have to think about our business model differently and how we serve our community,” said Alec Duffy, the founder of Jack, a 50-seat performance space in Clinton Hill, Brooklyn. “To be connected and having conversations and sharing ideas with leaders of multimillion-dollar arts organizations — it’s unprecedented.”

At an emotional level, Mr. Duffy added, the calls have made this period less isolating. “Before I started getting on the calls, I felt very disconnected,” he said. “It was a relief to hear there were so many people in the theater community experiencing similar questions and crises.”

The participants have broken out into different working groups around specific subject areas, such as insurance, advocacy and data. How to apply for a coronavirus relief loan through the Paycheck Protection Program? What will programming look like for the fall?

“Whether you’re a large zoo or a one-person shop with a 20-seat theater,” Ms. Sacramone said, “we’re all asking ourselves these same questions.”

The conversations continue off the calls. “Time and time again somebody is considering an idea and another person in the room has already tried it or is about to try it,” said Alejandra Duque Cifuentes, the executive director of Dance/NYC, a service organization. “Coalitions are formed so that resources can be more effectively used.”

For Ms. Kinsey-Lamb, of Mind-Builders, the impact of the daily calls has been emotional as well as practical. They affirm, she said, a Desmond Tutu quote that is painted on her center’s wall behind the reception desk: “One day we will wake up and discover we are family.”

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