



DEPARTMENT FOR PROFESSIONAL EMPLOYEES, AFL-CIO

January 19, 2022



The Honorable Nydia M. Velázquez
Chairwoman, U.S. House Committee on Small Business
2361 Rayburn House Office Building
Washington, D.C. 20515



The Honorable Blaine Luetkemeyer
Ranking Member, U.S. House Committee on Small Business
2069 Rayburn House Office Building
Washington, D.C. 20515



Dear Chairwoman Velázquez and Ranking Member Luetkemeyer,



On behalf of the Department for Professional Employees, AFL-CIO (DPE), I wish to share our perspective on the “power, peril, and promise” of the creative economy.



By way of introduction, DPE is a coalition of 24 national unions, 12 of which are unions representing professionals working in the arts, entertainment, and media industries. DPE coordinates activities among these 12 unions, including advocating for shared policy priorities. These unions’ members work in nearly every part of the creative economy - from the bright lights of Broadway to the regional theaters of the Midwest to the soundstages of Hollywood, and the big cities and small towns in between. They are actors, camera operators, cinematographers, costumers, craftspeople, choreographers, dancers, directors, editors, instrumentalists, make-up artists, musicians, performers, stagehands, variety artists, writers, singers, stage managers, and many other professions.



Union creative professionals help power the creative sector, which is responsible for more than 5 million jobs, over four percent of the United States’ GDP, and a positive trade balance. In addition, the creative economy has a positive economic spillover effect for local economies. Research indicates that audiences spend an estimated \$31.47 per person, per event, beyond the cost of admission, on lodging, restaurants, clothing, transportation, and other goods and services. Indeed, many of these establishments benefiting from the extra audience spending are likely to be small businesses.



SAG-AFTRA



The members of DPE’s affiliate unions in the arts, entertainment, and media industries are also proud that, through collective bargaining, they have helped create a sector where people can work in W-2 jobs that provide family-supporting pay; affordable, quality healthcare; retirement security; and safe working conditions. These standards were not won overnight or handed down



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benevolently, but, rather, they were achieved through years of creative professionals coming together to earn a fair return on their work. Which is why Congress must strengthen and promote worker protections, including the right to organize and collectively bargain with employers.

While the creative sector is typically an economic powerhouse, the reality is that the COVID-19 pandemic caused economic devastation. Most creative professionals work in public venues and on job sites requiring close personal contact. Some continued to work during the pandemic. However, the majority of creative professionals were among the first to lose their jobs at the pandemic's outset, and they have been among the last to return to work. During this surge of the latest variant, an increasing number of live events have been cancelled or postponed, thereby keeping many creative professionals out of work.

The CARES Act and the American Rescue Plan were invaluable lifelines for union creative professionals, helping them to weather the worst of the pandemic. In particular, I wish to thank the House Small Business Committee for passing policies that helped union creative professionals impacted by the COVID-19 pandemic. Expanding the Paycheck Protection Program (PPP) to labor unions impacted by the pandemic ensured that unions could keep their employees on the job providing critical member services. Throughout the pandemic, despite declining and sometimes no revenue, DPE's affiliate unions committed resources, including staff time, to ensuring that their members could navigate complex state unemployment systems, find rental and mortgage payment assistance, and have access to basic mental health services, among other support functions. DPE's affiliate unions also continued to negotiate collective bargaining agreements and work with employers on plans for members to safely return to work.

Looking forward, there are meaningful actions Congress can take to help the creative sector continue to recover from the economic impact of the COVID-19 pandemic and resume its positive impact on the American economy.

Congress should pass H.R. 4750, the Performing Artist Tax Parity Act (PATPA). Introduced by Reps. Judy Chu (D-CA) and Vern Buchanan (R-FL), this bipartisan legislation would update the Qualified Performing Artist (QPA) deduction to correct an unintended consequence of tax reform that has caused a drastic tax increase for middle class creative professionals. QPA is a provision of the tax law that allows certain performing artists the option to take an "above the line" deduction for expenses incurred in the course of their employment. Modernizing this deduction will help low-income and middle-class creative professionals seek employment.

Congress should also pass a Fiscal Year (FY) 2022 appropriations bill that funds the National Endowment for the Arts (NEA) and the National Endowment for Humanities (NEH) at \$201 million each and the Corporation for Public Broadcasting (CPB) at \$565 million. Many union creative professionals earn their living working on nonprofit productions and in performances that receive funding from the NEA, NEH, and CPB. Through grants, seed money, and technical support, these agencies help ensure that Americans of all means, geographies, and abilities have access to artistic

and educational content. NEA, NEH, and CPB-funded programs help veterans heal from the invisible scars of war, inspire the next generation of creators and innovators, and deliver content that unites people across small towns and big cities. In addition, the nonprofit arts sector is a proving ground where people wanting to work in the commercial parts of the arts, entertainment, and media industries can establish their careers. These funding levels are also an important step toward restoring the NEA to an inflation-adjusted full funding level of \$331 million, or \$1 per capita.

DPE and our affiliate unions in the arts, entertainment, and media industries believe now is also the time for smart policies that can aid our ongoing pursuit of a more diverse, representative creative sector. Enclosed is our “Policy Agenda for Advancing Diversity, Equity, and Inclusion in the Arts, Entertainment, and Media Industries,” which contains policy solutions aimed at creating diverse talent pipelines, incentivizing diversity in hiring, and supporting collective bargaining that will help our workplaces and the creative industries move forward. Equity and inclusion are essential, not only as a matter of doing what is right, but also for the long-term sustainability of the creative sector, which is why we are committed to pushing the arts, entertainment, and media industries to create more and better jobs for underrepresented people.

In closing, the creative sector is a source of pride for America, both culturally and economically. Creative industries bring Americans together and put them to work in good-paying, family-supporting jobs. DPE’s affiliate unions in the arts, entertainment, and media industries are proud of their members’ contributions to the sector’s success. I again thank the Committee for holding this important hearing, and urge its members to recognize that policies supporting creative professionals benefit the sector and the economy as a whole.

If you have any questions, please contact DPE Assistant to the President/Legislative Director, Michael Wasser, at mwasser@dpeaflcio.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "JDorning", with a stylized flourish at the end.

Jennifer Dorning, President

Attachment: Policy Agenda for Advancing Diversity, Equity, and Inclusion in the Arts, Entertainment, and Media Industries