

Craft Emergency Relief Fund

Survey of Gulf Coast Beneficiaries – March 2007

Version: All Respondents

**Craft Emergency Relief Fund - Gulf Coast Beneficiary Survey – March 2007
All Respondents**

Executive Summary

Introduction

The widespread destruction caused in 2005 by hurricanes Katrina, Rita, and their aftermath, including breaching of levees in New Orleans, created unprecedented challenges for citizens, government, and relief agencies. While CERF's assistance is focused on assisting craft artists in sustaining their careers, rather than lifesaving measures, the challenges to its capacity, funding, and ability to reach artists in the wake of this natural disaster were significant. In FY 2006, CERF distributed over \$350,000 in grants, loans and donated/discounted goods and services to a total of 134 craft artists - a nearly four-fold increase over assistance provided to artists in FY 2004.

Because of the extreme hardship caused by this disaster, CERF raised the levels of grant assistance from a maximum of \$1,000 to \$5,000 in the first phase of its response focusing on immediate relief. An outpouring of support from the arts community and foundations enabled CERF to move ahead with this level of assistance. In addition, CERF's normal program of interest-free Quick Loans, and brokered donations of equipment, supplies, booth fee waivers, and other services from manufacturers, suppliers, show producers and individuals were available to artists who were ready to take steps toward recovery. Within days of the disaster, CERF implemented a beta version of a web-based tool to share information on the whereabouts and status of artists and arts institutions in the affected area and to help connect artists with offers of assistance, which proved valuable in maintaining personal contact and support for artists in the region.

As this relief phase was concluding, it became clear that CERF needed to assess the state of recovery and needs of artists in the region to focus its strategy for a second phase of assistance targeted at the recovery of artists' careers and livelihoods. Artists who had received assistance from CERF as a result of the disaster were asked to participate in a survey designed to give CERF insights into their current condition, the obstacles to their recovery, and their continued vulnerability to disasters in this hurricane-prone region.

Eighteen months after Katrina, craft artists in the Gulf Coast region still face significant challenges the recovery of their careers. CERF remains committed to assisting artists and hastening the cultural rebirth of the region. It is clear that this is going to take years, but the potential exists for Gulf Coast artists to fully recover, strengthen their businesses, and to take actions to prepare for and to mitigate the impact of future storms on their careers.

Craft Emergency Relief Fund - Gulf Coast Beneficiary Survey – March 2007

All Respondents

Methodology

The survey was designed by CERF staff between December 2006 and January 2007. Questions from a beneficiary survey conducted by CERF in 2000 were refined and adapted for inclusion in the survey. The aims of the survey were (1) to solicit information from Hurricane Katrina and Rita affected artists about their current status and issues impacting their recovery, (2) to establish a beneficiary knowledge base to which data from periodic follow-up surveys can be added, and (3) to provide a pool of data from which CERF can evaluate trends regarding the effectiveness of its support efforts.

The survey was conducted in January and February of 2007. Survey Monkey, an online survey tool, was the primary instrument for collecting responses. Sixty-six (66) CERF beneficiaries were sent links to the survey via e-mail and four (4) were mailed a printed version. Follow-ups were made via email and phone, and paper surveys were sent to artists who were unable to complete the online version. A total of nine (9) paper surveys were completed and four (4) were completed by telephone interviews conducted by CERF staff.

A total of fifty-nine (59) of the seventy (70) artists contacted responded to the survey, an 89% response rate. Two (2) respondents skipped the disaster-related questions because they considered their losses to be caused by failure of man-made structures (levees) rather than being the result of a natural disaster. Although this document presents the survey findings based upon all responses, individual state-by-state snapshots are available in other reports. Individual responses are shown without the identity of the respondent. All other data is aggregate and is not personally identifiable. The names of CERF beneficiaries are considered confidential unless confidentiality is specifically waived. However, offers for assistance may be directed through CERF.

Respondent Location	
36	<i>Louisiana</i>
15	<i>Mississippi</i>
<u>8</u>	<i>Other States</i>
59	<i>Total Response</i>

Craft Emergency Relief Fund - Gulf Coast Beneficiary Survey – March 2007

All Respondents

Key Findings

- Losses in excess of \$10 Million.** Fifty-seven of fifty-nine (57 of 59) respondents reported combined business and personal losses of \$10,325,450. Individual losses ranged from \$6,800 to \$871,500. The median loss, the midpoint of the range of reported losses, was \$90,000. Average (mean) loss per artist was \$178,000. A relatively small amount of those losses were covered by insurance. The average loss after insurance payments was nearly \$128,000 per artist. Several factors influenced the level of uninsured loss:
 - It appears that most homeowners had insurance on their homes, but many of those who lived in areas that had not previously been designated as floodplains did not have flood insurance and many claims for water damage have been refused by insurance companies.
 - Seventy-one percent (71% or 40) of our respondents reported having no business insurance before the disaster.
 - The number of respondents with business insurance has increased by only 10% since the disaster. Several respondents noted large increases in insurance premiums since the disaster.
- Most artists remained in or have returned to their hometowns.** Forty-two percent (42% or 24) of respondents left their hometowns as a result of the disaster and half of them have returned home. Seventy-eight percent (78% or 45) of all respondents are currently living in their hometowns, 5% (3) plan to return, 7.5% (5) are undecided about returning and 7.5% (5) do not plan to return.
- A majority of artists' current housing situation is temporary.** Fifty-eight percent (58% or 33) of respondents described their current housing situation as temporary. Twenty-six percent (26% or 15) of respondents described their current housing situation to be "unsatisfactory." Among the reasons given for unsatisfactory housing were prolonged living in FEMA trailers; increased rents and housing prices; challenges of living in a home while trying to repair it; red tape preventing rebuilding; and lack of funds for purchase or repair of property.
- A majority of artists' current studio or workspace is temporary.** Sixty-three percent (63% or 36) of respondents described their current studio space as temporary, and nearly half (49% or 28) of all respondents characterized their current studio space as unsatisfactory. The reasons cited for the inability to find satisfactory studio space include scarcity of space; rapidly escalating costs of rent and insurance; storage of personal possessions in studio while house is under construction; and difficulty of attempting to live and work in one inadequate space.
- Most CERF beneficiaries are on the road to recovering their businesses, but many lag behind.** Fourteen percent (14% or 8) of survey respondents reported being fully-recovered, half of those (7.5%) stronger than before the disaster. Nearly 47% (27) reported being 50%-75% recovered. While nearly 60% of CERF artists are well on the way to recovery about 40% (23) describe their stage of recovery to be 25% or less. Sixty percent (60% or 35) of all respondents said that the disaster had impaired their current ability to make a living. Lack of workspace; loss of tourism; distractions from emergency related "non-productive" activities; and depression were cited as reasons for impairment of ability to make a living.
- Loss of local markets has had a major impact on artists.** Before the disaster, artists in the Gulf Coast region were in the enviable position of having strong local markets driven largely by the tourist and second home economy. While some artists have a more diversified market, many are dependent on local markets that were severely damaged by the disaster.
 - Shops and galleries as well as artist-owned outlets were destroyed or forced to close due to loss of business.
 - Before the disaster, 70% (40) of respondents sold more than 40% of their work in local markets.
 - A smaller but significant percentage (40% or 22) sold over 80% of their work in local markets.

Craft Emergency Relief Fund - Gulf Coast Beneficiary Survey – March 2007 All Respondents

- Half of the respondents (28) reported losing more than 40% of their local markets because of the disaster. This is especially significant since local markets are frequently the most profitable, being either direct retail sales or easily serviced nearby wholesale accounts.
- Artists reported that before the disaster they sold, on average, 73% of their work retail.

7. **Most artists are producing and selling some work and attempting to adjust to market conditions.**

Eighty-six percent (86% or 49) of respondents are currently producing work, 75% (43) have inventory available to sell, and 86% (49) are currently selling work, despite the problems cited with studio and living space. Nearly half of those currently selling work (23) report significant changes in sales venues since the disaster. For some artists this means shifting from retail sales to wholesale sales in outlets outside the region; some are selling more from their studios and through web sites; and others report loss of wholesale accounts in the region.

Eighty-three percent (83% or 48) of respondents have changed or made accommodations to their work in response to the disaster. Changes include:

- Producing smaller, more easily-sold work.
- Working in another medium when tools or equipment for the preferred medium are not available.
- Using imagery from Katrina in their work.

Despite overwhelming losses, 70% (40) of respondents were able to find some positive changes in their work or life as a result of the disaster. Several artists cited an enhanced appreciation for family, friends, and life in general. Some have seen it as an opportunity to change the direction of their work or improve some aspect of its production.

8. **Artists still face significant obstacles to recovery.** CERF asked artists to rate 16 obstacles to recovery on a 5 point scale ranging from “extremely important” to “not important”. Each of the sixteen was cited as extremely important by at least several artists. The obstacles most frequently cited as important or extremely important were:

- Lost sales venues.
- Lack of operating funds.
- Lack of access to usable studio space.
- Dealing with basic life concerns (food, shelter, and clothing).
- Lack of inventory (finished products).
- Insurance issues.
- Lack of tools & equipment.

While less frequently cited as important or extremely important as the above obstacles it may be significant that about 60% of respondents rated one or both of the following as at least somewhat important:

- Difficulty in coping with psychological effects of emergency.
- Unsure about what to do.

Two artists cited loss of employees and increased labor costs as obstacles that were not included in the survey.

9. **Assessment of possible services to assist artists in recovery.** CERF asked artists to rate the desirability of 20 services, other than those it currently provides. Many of these are services that could be provided to artists through partnerships with organizations, government agencies, local businesses, or manufacturers. The services most frequently cited as ones artists would “definitely use” or “probably use” are:

- Purchase of equipment or supplies at manufacturer’s cost.
- Post-emergency marketing assistance.
- Booth-fee waivers [for art and craft shows].
- Information about purchasing business insurance.
- Information/assistance in assessing insurance needs or in shopping for insurance.
- Financial assistance to purchase business insurance.

Additional responses are shown in Table 6 titled “Possible Services” included in this report.

Craft Emergency Relief Fund - Gulf Coast Beneficiary Survey – March 2007

All Respondents

Conclusion

This study covers only artists that have applied for and received assistance from CERF. While the results may in some ways be indicative of the larger population of artists, similar surveys of larger and more diverse populations of artists could be conducted by state arts agencies or others to assess more accurately the recovery needs of artists in various media and employment situations.

As stated earlier, this study was conducted partly to guide CERF in its efforts to assist craft artists in the region affected by hurricanes Rita and Katrina. The problems are large and CERF's resources are modest. However, it is hoped that CERF can serve as a catalyst to inspire and facilitate the application of a wide variety of resources from individuals, organizations, foundations, the business community, and government to the task of reestablishing artists and the arts in the region. The culture of this region is a vital resource that not only enhances life, but also is a driving force in attracting visitors to the area. The value of the arts and artists in leading the rebirth of communities is well-documented. A modest investment to get artists back to their business of making art will pay large dividends to the physical and cultural revitalization of the region.

CERF has identified the following issues that might be wholly or partially addressed with state and local resources:

- Availability of affordable housing and studio space for artists.
- Reestablishment of viable local markets and access to established regional and national markets.
- Personalized marketing assistance.
- Availability of business loans, to artists at reasonable interest rates through lenders who understand artist-owned businesses.
- Reliable assistance with insurance issues.
- Psychological and family counseling.
- Substantial discounts on equipment, tools, and supplies.
- Sound personalized business and financial advice.

CERF continues to be available as a resource to groups who wish to undertake projects in these or related areas and as a conduit to connect resources to our constituency of craft artists.