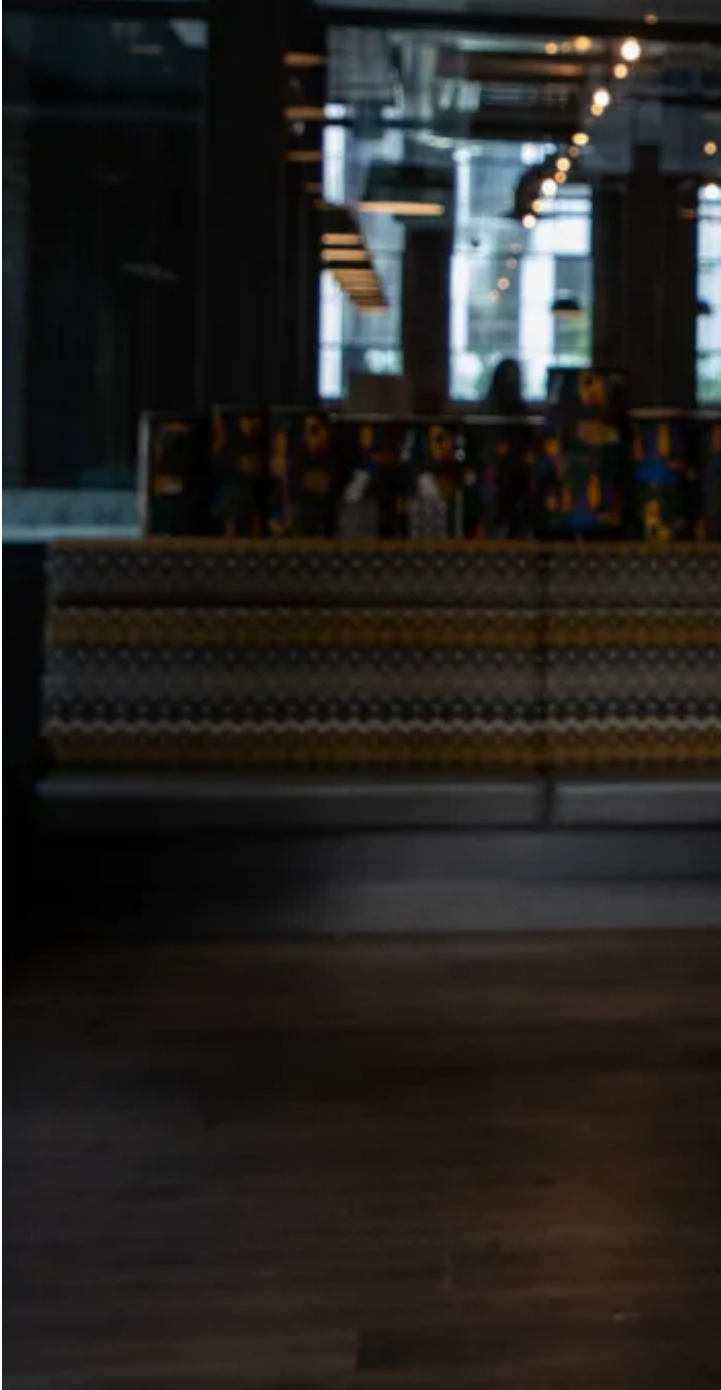


How 3 Seattle arts groups are moving forward without PPP funds

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📷 3 of 13 | Laurie de Koch, Seattle JazzED executive director and co-founder. (Kylie Cooper / The Seattle Times)

By [Grace Gorenflo](#) 

Seattle Times staff reporter

As 2023 lurks around the corner, so does another year of pandemic recovery for Seattle's arts-and-culture sector — this time, with less government financial support than previous years.

Paycheck Protection Program loans, designed to combat layoffs, [were available](#) to businesses small and large, as well as sole proprietors and independent contractors, first in 2020, with a second round in 2021. These [loans](#) were life-sustaining for many of Seattle's arts-and-culture organizations, which used the funds to [maintain staff](#) who could, for example, develop virtual programming. But what happens if those funds are dried up and revenue still hasn't hit pre-pandemic levels?

Seattle Times arts recovery coverage

Seattle's thriving and vital arts-and-culture community has been rocked by the coronavirus pandemic and the only thing certain about the future is change. The Seattle Times takes an in-depth look at the sector's recovery in 2022 with support from the M.J. Murdock Charitable Trust. We will explore how both individuals and institutions are doing in the wake of the pandemic; track where relief money is going; and look at promising solutions to challenges facing our arts community. We invite you to join the conversation. Send your stories, comments, tips and suggestions to artsrecovery@seattletimes.com.

The Seattle Times spoke to Seattle JazzED, National Nordic Museum and Seattle Theatre Group — three organizations of varying types, budgets and sizes of PPP loans. Though these organizations differ, they share common struggles: A lack of PPP funding has left a large hole in their revenue, but 2022 ticket sales or enrollment numbers generally still aren't what they were pre-pandemic. Instead, they're relying on the generosity of the community, as well as creative business models, to push them along.

Leaders at each of these organizations spoke to The Seattle Times about the revenue hole filled by PPP funds, the gaps left once PPP funding ran out and how they plan to move forward without this federal funding in 2023 and beyond.

Seattle JazzED

Without the social aspect of playing in a band, a lot of high school students put down their instruments during the pandemic, and it shows, said Laurie de Koch, Seattle JazzED's executive director. [JazzED](#), which [teaches jazz music to young people](#), has 48% enrollment in its fall classes for high schoolers; typically, she said, they're nearly full.

Enrollment numbers for the entry-level and WeBop classes for babies and toddlers, on the other hand, are at an all-time high.

“It’s gangbusters,” de Koch said. “We usually have to kind of sell it hard, and we’re having crazy waitlists.”

She said it’s too soon to tell what’s causing this trend, but her best guess is that parents and their young ones born during the pandemic are desperate for connection with other parents and children.



Anna Mariko Seymour demonstrates how to play a rhythm to the percussion section during a Foundations Seattle JazzED class in South Lake Union last month. “Music is important for everyone to learn and everyone to have in their life, no matter the level,” said Mariko Seymour, who has been a JazzED teacher for one year. “I think it teaches community, working together, and really good skills that every human needs, so it’s really important that children learn it.” (Kylie Cooper / The Seattle Times) [Less](#) ^

This flux in enrollment may mean JazzED needs to rebuild its base of students that return year after year, de Koch said. But with the help of community support in the form of donations, which has

helped sustain JazzED through the pandemic so far, that doesn't seem impossible.

JazzED collected about 82% less in programming revenue in 2021 than it did in 2019, but total revenue declined only by about 15% in that time. This is, largely, because contributed revenue, like grants and donations, came in at \$1.8 million — 85% of JazzED's total revenue for the fiscal year.

The 2020 lockdown hit just in time for JazzED's 10th anniversary gala, but three months later, its virtual gala broke the organization's record for donations. The 2021 gala broke the record again, as did the 2022 gala. From 2019-22, gala donations increased 155%, from \$137,000 to \$350,000.



Laurie de Koch, Seattle JazzED executive director and co-founder. (Kylie Cooper / The Seattle Times)

The success of virtual programming helped some, too. With \$183,000 in PPP funds, JazzED kept all of its full-time staff intact to create virtual programming that led to both work opportunities for its teaching artists and learning opportunities for its students, de Koch said. Some of JazzED's most successful virtual programs, she said, were its master classes, summer camps and Girls Jazz Day, where female jazz musicians perform and encourage young girls to stick with it, all done via Zoom.

“Femme-identifying students from all over the country could participate, and we were able to bring in teaching artists from, like, New York City,” she said. “In some ways we had less limits about what we could offer up.”

This fall, program revenue is “on the mend,” de Koch said, with \$218,067 so far in 2022, up from \$61,202 in 2021. But, with a budget of more than \$1.6 million for the current fiscal year, JazzED is still working to fill the gaps previously filled by PPP — 2022 program revenue is still down 38% from what it was in 2019 and is always somewhat inconsistent, since JazzED offers a pay-what-you-can model on tuition for families that need it.



A full-band Foundations class practices at JazzED's South Lake Union space. About 80 students are enrolled in the Foundations program, which teaches beginning students in grades 4-8. The tuition for Foundations classes is pay-what-you-can and many students may borrow their instruments. (Kylie Cooper / The Seattle Times)

In the meantime, de Koch believes the community will keep showing up in support of her nonprofit and the story it has to tell — one with “really cute kids” and a commitment to play music. That, she says, is JazzED’s good fortune.

“We have to think about these kids, and take care of them,” she said. “People actually just needed something hopeful to latch on to, and we were there and ready to tell that story of hope.”

National Nordic Museum

As one of the few museums in the U.S. focused on the Nordic region, Seattle's [National Nordic Museum](#) has an advantage not many other nonprofits have: an international community to provide support, financially and otherwise.

Erik Pihl, director of development, said the museum regularly seeks funding from foundations in the Nordic region, as well as the Nordic Council of Ministers. This year, the museum received a \$30,000 grant through the council's "neighbors to the west" program to put toward its [Nordic Innovation Summit](#), an annual multiday idea exchange for leaders in innovation and technology.



Erik Pihl, director of development at the National Nordic Museum, inside the museum in front of a map of the Nordic countries. (Courtesy of National Nordic Museum)

[The museum](#) started the summit in 2018 after noticing that the Nordic region was looking to Silicon Valley for American partnerships, in hopes that those countries would look to Seattle, too. In general, Pihl said, the museum tries to connect Nordic institutions to those in Washington, both regions that have a history of technological innovation. So far, he said, the summit has led to investment in Washington from Norway and Finland, including Norwegian alternative-energy company Corvus Energy opening a maritime battery factory in Bellingham.

"It's an unusual role for a museum to play, but we recognize that we could be this neutral convener, and that ultimately has meant business opportunities for the region," he said.

The museum also has relationships with Nordic and multinational corporations that lead to program sponsorship, particularly for the Nordic Innovation Summit, Pihl said.

The museum's relationships with the five Nordic embassies in Washington, D.C., too, have led to "cultural opportunities in terms of exhibitions and programs coming to the region and introductions to Nordic corporations and foundations that lead to sponsorships and grants," Pihl said.

These partnerships helped the museum through after pandemic closures washed away admissions, program fees, event rentals, gift shop sales and cafe sales, amounting to about 30% of its budget, which is \$4.5 million in the current fiscal year. And with the help of \$747,000 in PPP loans, virtual programming — from book talks to digital photography exhibits — has helped the museum continue to grow its community, now with a multinational audience. The museum has audience members in all 50 states, all Canadian provinces and 70 countries. The 2020 Nordic Innovation Summit had 6,000 virtual attendees from 19 countries, while an in-person summit usually has about 250 attendees, according to Pihl.

Prior to the pandemic, Pihl said the museum was looking for a way to expand its reach in line with its 2019 congressional [designation as a national museum](#). “The pandemic, even though it was a huge challenge, ultimately provided us an opportunity to do that,” he said.

While the virtual programming continues to see strong attendance, the same cannot be said for in-person exhibits. Attendance is down by 25% from what it was this time in 2019, and the museum’s operating revenue is down about 30% from what it was then. Pihl said the museum is looking for more ways to backfill that revenue, especially as “COVID Relief and COVID recovery funding is pretty much coming to an end.”

The National Nordic Museum’s attempts at backfill are manifesting in a few ways. First, private philanthropy has been strong throughout the pandemic, up by 43% from 2019 to 2022. While Pihl can’t say for sure, this increase could be attributed to the expanded audience. To keep this trend up, Nordic is expanding its virtual programming. Nordic hired a head of digital strategy in early 2021 and plans on continuing to create and test new channels of digital audience engagement in 2023, Pihl said.

The museum is also trying to offer must-see exhibits to draw people in — an exhibition of paintings from Sweden’s Nationalmuseum was one of few exhibits brought to the United States from Europe this year, he said.

With so many connections to the Nordic countries, Pihl is also keenly aware of the support other governments give to the arts. As COVID-19 relief funding dwindles, Pihl hopes to see more routine arts-and-culture support from the government here.

“The question is, how will there be public investment to complement private philanthropy?” he said. “That ultimately helps to drive the arts-and-culture sector and helps us to develop our creative economy here and in the Puget Sound region.”

Seattle Theatre Group

Just a few months ago, the familiar “Hamilton” pattern started happening in Seattle again.

People started scouting for “Hamilton” tickets, wanted to know how to enter the \$10-ticket lottery, went on social media to post photos of themselves near the Paramount Theatre marquee during the blockbuster musical’s run in August and September. In some ways, it was like pre-pandemic days.

And “[Hamilton](#)” did well, with 95% of tickets sold over 48 performances. Other big shows that came to the Paramount, including “[Hadestown](#)” (97% sold) and Aaron Sorkin’s “[To Kill a Mockingbird](#),” the highest-grossing American play in Broadway history (88% sold), did well too.

The return of big Broadway touring shows to enthusiastic Seattle crowds was a welcome sign of recovery at [Seattle Theatre Group](#), which runs the Paramount, Neptune and Moore theaters. Those shows provide one of STG’s three main revenue sources, along with the concert business and donations.

But STG’s recovery hasn’t necessarily been even across its offerings.

“What I see overall from the sector is the cultural offerings that are in the zone of popular culture — comedy, certain concert artists, certain pieces of musical theater — are doing pretty darn well. However, that is only a fraction of what happens culturally across the sector,” said Josh LaBelle, STG executive director. The concern is that “we don’t want to see culture become merely all popular culture-oriented offerings for our communities.”

Government support, he says, “is going to be needed to make sure that we’re really broadly serving our community.”

It was government support, in the form of PPP loans, that initially helped STG get through the first few years of the pandemic.

In the 2019-20 fiscal year, revenue had dropped to \$38.7 million, less than half of the previous year, but employee compensation was only reduced by about 5% in that first fiscal year of the pandemic. STG received \$2.9 million in its first PPP loan and \$2 million in its second, both loans that were forgiven. With its PPP funding, LaBelle said, STG was able to hire back or rehire for all of the staff positions it lost. STG has 97 full-time employees at the time of publication, but that number fluctuates throughout the year.

PPP helped STG chart a path forward in the first few pandemic years, but the next few are less clear. When compared to the 2017-18 season, the last time Paramount hosted “Hamilton,” STG’s current earned revenue is still down about 22%, LaBelle said, and COVID uncertainty doesn’t help. This past summer, STG had to cancel one of eight “Hadestown” performances due to COVID among the cast. A touring show like “Hadestown” has no way to reschedule a cancellation, so 3,000 tickets worth of revenue was gone.

Thankfully, donations have remained steady, LaBelle said. STG, which has a budget of \$66.9 million for the current fiscal year, also wants to expand its horizons beyond what LaBelle describes as the three-legged stool of Broadway shows, concerts and donations. Some other “zones of business” STG is considering are increased digital programming and parking revenue, he said.

“We’ve got a bunch of different interesting ideas in the mix right now that we’re trying to develop,” he said. “That’s going to, hopefully, enable us to not be too concerned if any one of those [three] ... has a bit of a downturn for a period of time.”

Overall, LaBelle is confident that 2022 is not a make-or-break year and 2023 will not be either.

There are already encouraging signs, and not just with the big touring shows. STG just had a 75-performance month in October — pretty normal during STG’s busy fall season — along with 40 education and community engagement events.

“That was big for us,” LaBelle said. “That means, OK, things are cooking. ... We’re getting back into that zone.”

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