

Art Dealers Association of America Survey Indicates Ongoing Impact of COVID-19 on U.S. Art Galleries

70% of U.S. Art Gallery Respondents Report Revenue Decline in 2020 and Ongoing Recovery to Pre-pandemic Business Operations

New York, NY - July 20, 2021 – The Art Dealers Association of America (ADAA) reports new data indicating that U.S. galleries are continuing to grapple with the impact of COVID-19 lockdowns in 2020 and the resulting economic downturn. As of June 2021, 70% of surveyed galleries reported an overall decline in revenue for 2020, as well as staffing levels that remain below pre-pandemic levels. At the same time, the results indicate signs of resilience and a positive outlook for the gallery community for the remainder of 2021 and beyond, with the majority of respondents specifying that pivots to virtual operations and access to federal assistance programs sustained their businesses through the challenges of 2020. Looking ahead to the coming year, 65% confirmed plans to expand their artist rosters and 76% are returning to in-person fair participation.

The data is drawn from a survey of leading galleries across the United States, conducted by the ADAA in June 2021, to assess the impact of COVID-19 on art galleries—the art world’s core group of small businesses—which play a critical role in the cultural vitality and economic health of the arts and culture ecology in the U.S. and globally. Approximately one year after the ADAA’s 2020 *COVID-19 Impact Survey of U.S. Art Galleries*, conducted in April and May 2020, the 2021 report provides an opportunity to compare galleries’ projections for 2020 with the revenue, staffing, programming, and other business activities that ultimately occurred through the 2020 fiscal year, and to assess the outlook of the gallery community for 2021 and beyond. Galleries across the country participated in the survey, spanning members of the industry’s leading organizations of national and regional art dealers, including the ADAA, Houston Art Gallery Association (HAGA), and the San Francisco Art Dealers Association (SFADA).

Highlights of the 2021 *COVID-19 Impact Survey of U.S. Galleries* findings include:

- **70% of respondents reported a decline in revenue** in the 2020 fiscal year.
- In contrast to the findings of the 2020 report, which was conducted shortly following the initiation of new government programs to assist small businesses, an **overwhelming majority of galleries reported that they were able to access federal assistance in 2020** and that it was critical in enabling staff retention and/or the re-instatement of laid off or furloughed staff.
- **78% of respondents did not make any layoffs** in 2020.
- **84% of respondents did not instate any furloughs** in 2020.

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- Of those that pivoted to virtual business operations and programs, 62% of respondents reported that it directly supported sales.
- As in-person events return, the **majority of respondents plan to reduce participation in online fairs programming**; however, they also reported a slight reduction in in-person fair participation compared to last year.
- Of those participating in fairs in 2021, the **majority of respondents reported plans to participate in fairs in U.S. markets**, over other major international markets.
- Suggesting a positive outlook for the remainder of 2021, **65% of respondents plan to expand their artist rosters this year**.
- When asked to rank their primary concerns moving forward, respondents indicated that their continued recovery from the impact of COVID-19 was top of mind. Additional pressing concerns included overhead (rent costs); the operational and administrative impacts caused by potential anti-money laundering legislation; and by the complicated sales tax implications of the South Dakota v. Wayfair Supreme Court decision in 2018.

“While it is clear that galleries have yet to return to pre-pandemic levels of activity; the ADAA’s 2021 report also demonstrates just how nimble and innovative galleries continue to be, as so many quickly pivoted to virtual programs; found ways to sustain their physical spaces; and retained staff, through an unprecedented period,” said **Anthony Meier, President of the ADAA and Founder of Anthony Meier Fine Arts** (San Francisco), and **Maureen Bray, Executive Director of the ADAA**. “As the art world’s core group of small businesses, the outlook for art galleries has far-reaching implications for the entire cultural community. Galleries contribute greatly to cultural sector employment and are key to supporting artists and cultural production, both economically and as advocates. By continuing to collect and share data with the public, and the cultural, business, and legislative communities, the ADAA advances greater understanding of the critical role of galleries, as well as the Association’s own activities and programs to support ADAA member galleries.”

The 2020 report indicated that the financial impact of COVID-19 lockdowns was swift and immediate for respondents, with galleries across the country projecting an overall gross revenue loss of 73% in the second quarter of 2020, following a 31% revenue loss in quarter one, as a result of developments from COVID-19. While galleries had succeeded in retaining the majority of their full-time staff as of May 2020, the shut-down of their physical spaces and decrease in revenue caused a significant reduction in the engagement of art handlers and other independent contractors that rely on the art gallery ecosystem for employment. At the time of the 2020 survey, which was shortly after federal COVID-relief programs for small businesses became available, galleries had largely not yet been able to take advantage of these opportunities for government assistance and were seeing mixed results when working with landlords to reduce or

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pause rent obligations. As a result, overhead for their physical spaces was the most pressing concern reported by most respondents in 2020.

The 2021 and 2020 *COVID-19 Impact Survey of U.S. Art Galleries* are an extension of the ADAA's ongoing initiatives in support of its members and the gallery community year-round and during the COVID-19 crisis. The ADAA provides members with access to industry experts, webinars, and other resources to support them in navigating the ongoing crisis and recovery, as well as a range of other issues and trends impacting the gallery community, including collaborating with public policy experts to advocate for members in Washington, D.C.

About the ADAA

The Art Dealers Association of America (ADAA) is a nonprofit membership organization that supports the economic and cultural contributions of the nation's leading fine art galleries. The ADAA includes nearly 190 members from more than 30 cities in the U.S., representing hundreds of established and emerging artists internationally. ADAA members have extensive expertise across primary and secondary markets and established reputations for upholding the best practices in the field. The ADAA serves as a resource and advocate, raising awareness of dealers' critical roles in the international art market and the cultural community. The ADAA is a leader on issues pertaining to connoisseurship, scholarship, ethical practice, and public policy.

The ADAA Foundation, supported by donations from ADAA members, promotes a broad range of activity in the arts and culture community by distributing grants to museums and arts organizations with operating budgets under 5 million dollars to advance art historical research and exhibition development. Recent grantees include the Asia Society Texas Center; Frost Art Museum; Institute of Contemporary Art, Los Angeles; Intuit: The Center for Intuitive and Outsider Art; The Rockwell Museum; and Zimmerli Art Museum. www.artdealers.org.

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ADAA COVID-19 Impact Survey of U.S. Art Galleries - 2021

Conducted June 2021

Table of Contents

- I. Introduction**
- II. Respondent Profiles**
- III. Gallery Revenue**
- IV. Gallery Employment and Staffing**
- V. Overhead for Physical Spaces**
- VI. Availability and Use of Federal Assistance**
- VII. Art Fair Participation**
- VIII. Virtual Programming**
- IX. Future Outlook and Primary Concerns for Galleries**

I. Introduction

In April and May 2020, shortly after pandemic-related lockdowns began in the United States, the Art Dealers Association of America (ADAA) conducted the [*COVID-19 Impact Survey of U.S. Art Galleries*](#), a survey of leading galleries across the United States, to assess the impact of COVID-19 on art galleries. Art galleries are the art world's core group of small businesses, which play a critical role in the cultural vitality and economic health of the arts and culture ecology in the United States and globally.

The financial impact of COVID-19 lockdowns was swift and immediate for respondents, with galleries across the country projecting an overall gross revenue loss of 73% in the second quarter of 2020, following a 31% revenue loss in quarter one, as a result of developments from COVID-19. While galleries had succeeded in retaining the majority of their full-time staff as of May 2020, the shut-down of their physical spaces and decrease in revenue caused a significant reduction in the engagement of art handlers and other independent contractors that rely on the art gallery ecosystem for employment. At the time of the survey, which was shortly after federal COVID-relief programs for small businesses became available, galleries had largely not yet been able to take advantage of these opportunities for government assistance and were seeing mixed results when working with landlords to reduce or pause rent obligations. As a result, at the time of the survey, overhead for their physical spaces was the most pressing concern reported by most respondents.

Approximately one year after this initial report, the ADAA conducted a follow-up survey of U.S. galleries to compare galleries' projections for 2020 with the actual revenue, staffing, programming, and other activities, and assess projections for 2021. This report provides an overview of data relevant to the outlook for galleries in 2021 and beyond, which indicates that nearly halfway through the 2021 year, and as many major U.S. markets return to normal activity, galleries are still in the midst of recovery from the impact of COVID-19 lockdowns and economic downturn.

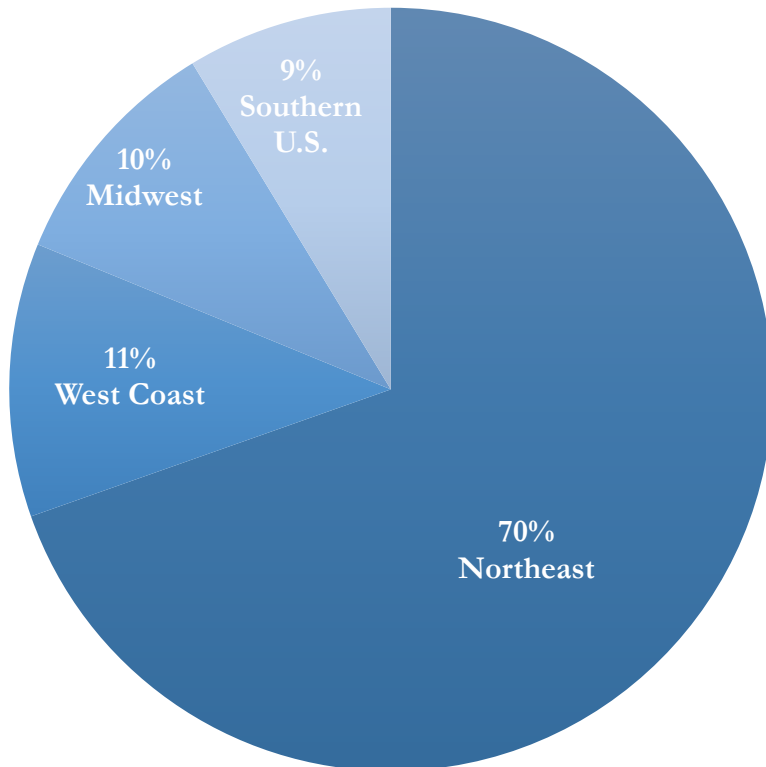
II. Respondent Profiles

Total Respondents: 81

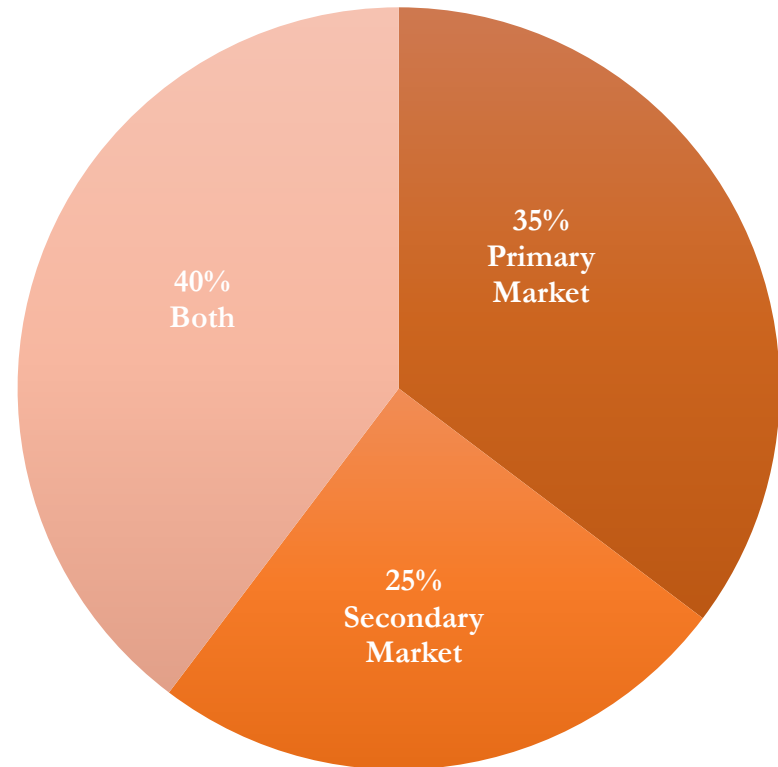
Respondents are members of the following national and regional associations of U.S. art dealers:

- Art Dealers Association of America (ADAA)
- Houston Art Gallery Association (HAGA)
- San Francisco Art Dealers Association (SFADA)

Respondents by Geographic Region:



Business Focus of Respondents:



Representation of artists and estates by respondents:

Respondents represent a total of:

- 1,068 living artists
- 220 artist estates

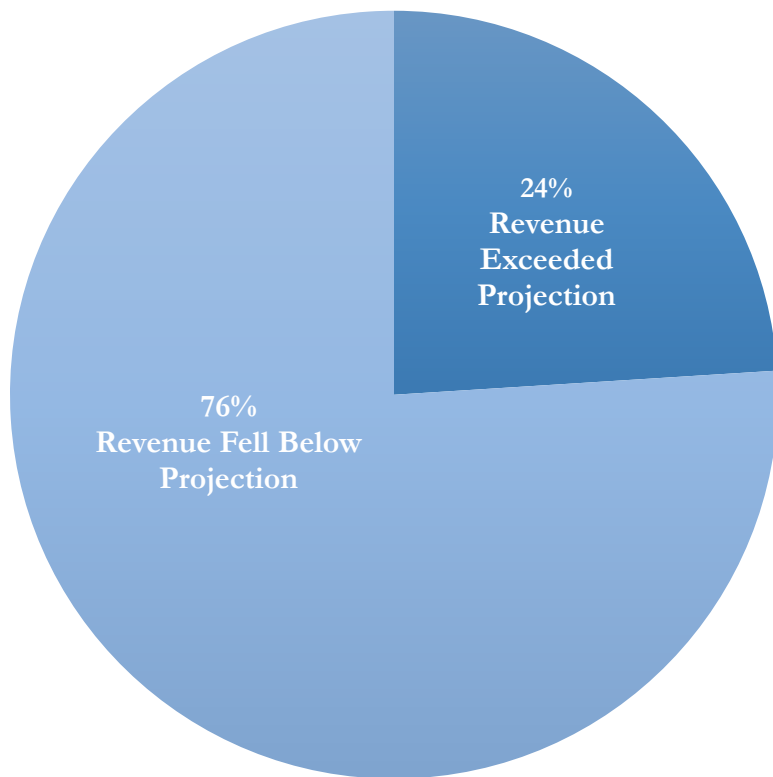
Plans for artist roster in 2021:

- 65% plan to expand their roster of artists
- 35% do not plan to expand their roster

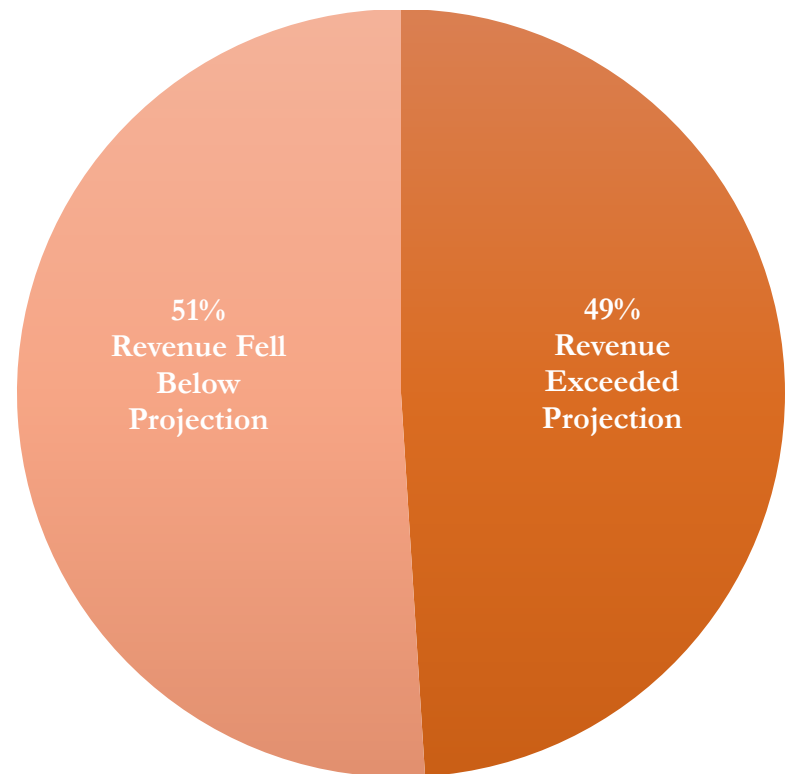
III. Gallery Revenue

Respondents to the ADAA's 2020 *COVID-19 Impact Survey of U.S. Art Galleries* reported a 73% overall decrease in projected gross revenue for Q2 of 2020, versus their original projections for Q2, prior to the global pandemic. For this follow-up survey, respondents provided financial information for the entirety of the 2020 fiscal year and thus far in 2021.

Galleries' projected gross sales revenue vs. actual gross sales revenue in 2020:

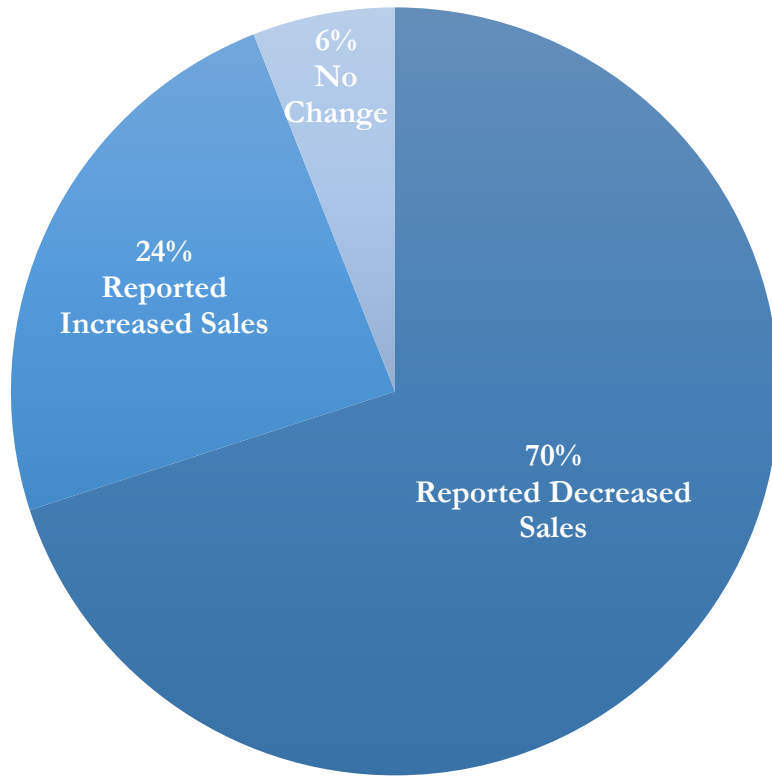


Galleries' projected vs. actual gross sales revenue for Q1 of 2021:

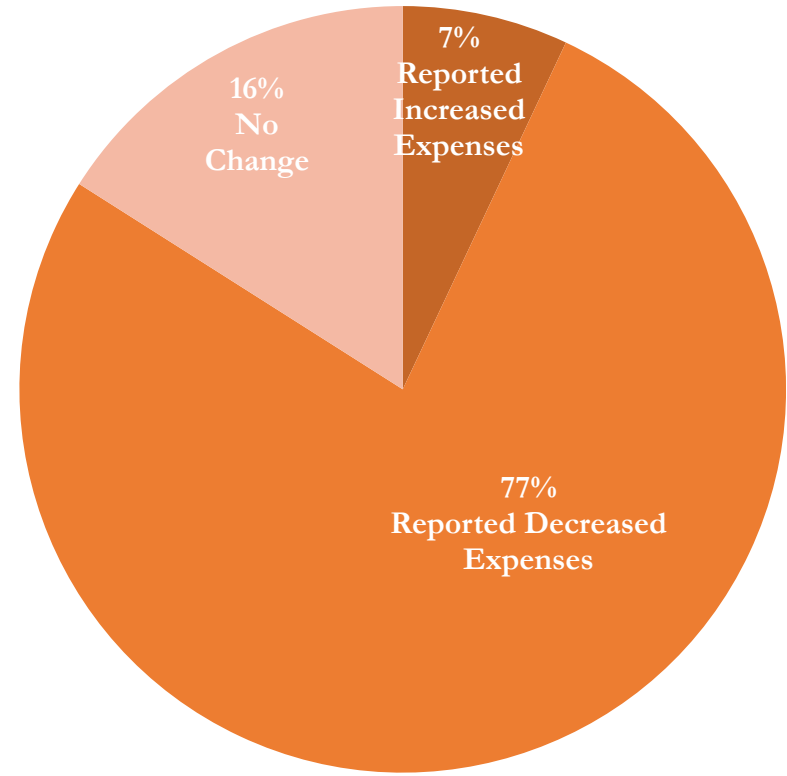


- Respondents who saw a decrease in gross sales revenue in 2020 reported an average 37% decrease.
- Respondents who saw an increase in gross sales revenue in 2020 reported an average 17% increase.

Galleries' 2019 vs. 2020 gross sales:



Galleries' 2019 vs. 2020 expenses:



- 35% average decrease in gross sales among respondents who reported a decrease
- 21% average increase in gross sales among respondents who reported an increase

IV. Gallery Employment and Staffing

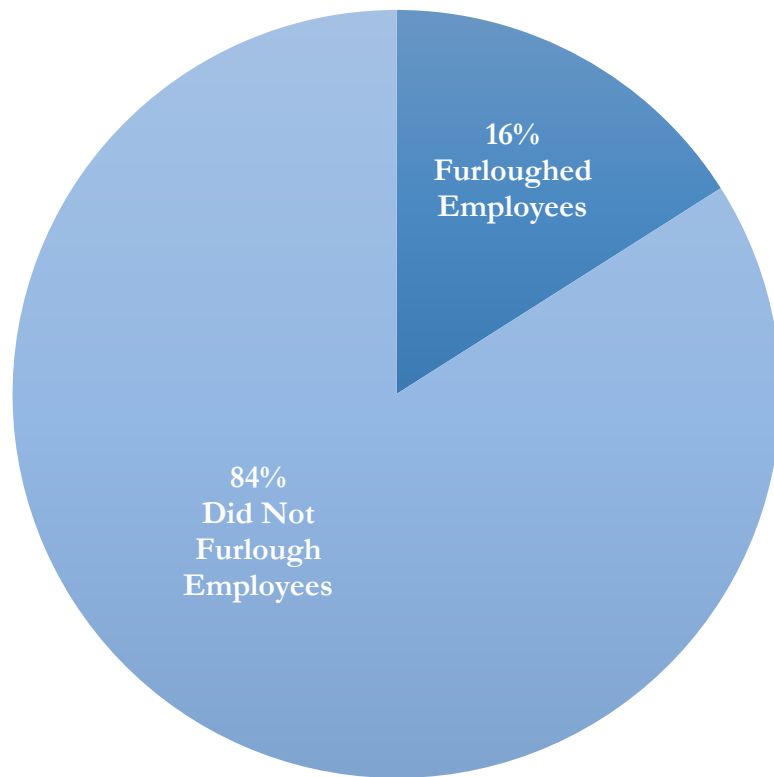
Respondents to the ADAA's 2020 *COVID-19 Impact Survey of U.S. Art Galleries* reported 10% of their staff had been furloughed and 5% had been laid off as of May 2020. 10% reported that they expected to lay off or furlough full-time employees and freelance or contract workers in the coming 90 days, at the time of the survey in May 2020.

The below figures for the 2021 report indicate that galleries were conservative in their estimates of the duration and breadth of the pandemic's impact on staffing. The responses additionally indicate that the majority of galleries have not yet returned to pre-pandemic staffing levels.

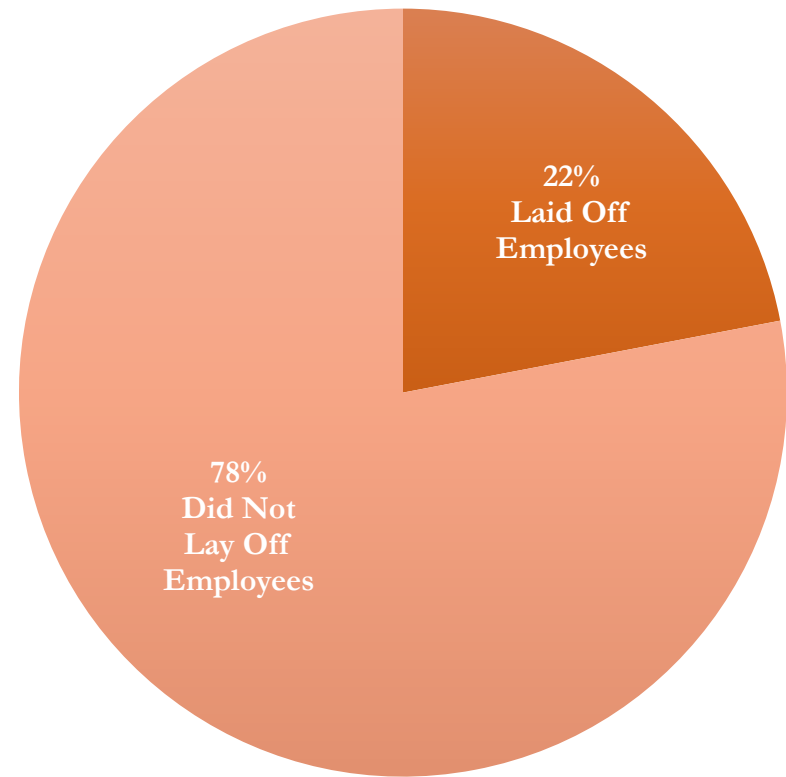
Changes to pre-pandemic employment figures:

- Number of full-time employees:
 - In 2020: 21% below pre-pandemic levels
 - As of June 2021: 18% below pre-pandemic levels
- Number of freelance/independent contractors:
 - In 2020: 21% below pre-pandemic levels
 - As of June 2021: 31% below pre-pandemic levels

Furloughs in 2020:

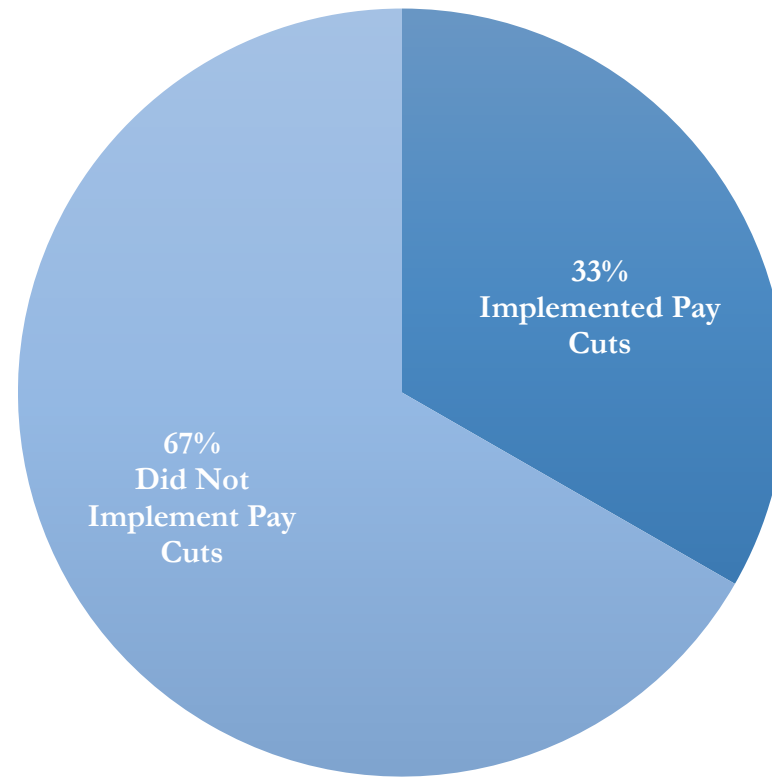


Layoffs in 2020:



- 62% have reinstated one or more furloughed employees.
- 33% have rehired one or more laid-off employees.

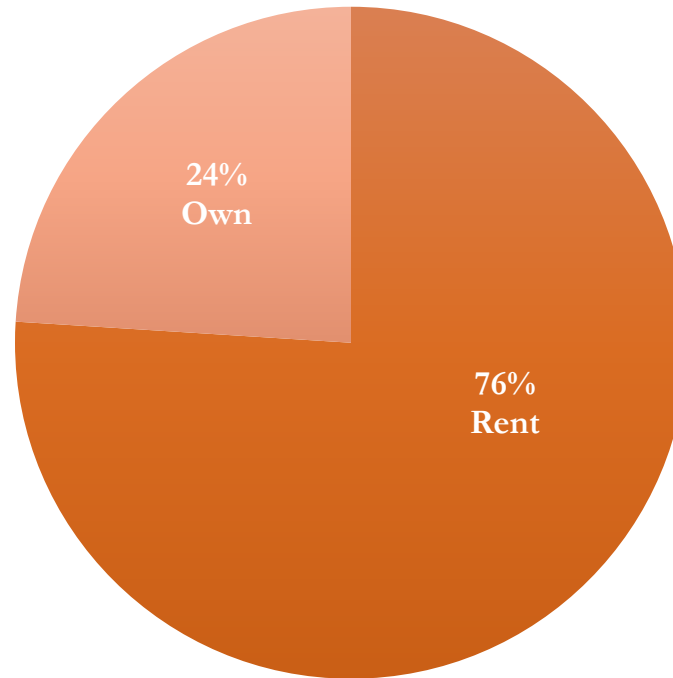
Pay Cuts in 2020:



- 63% of respondents who implemented pay cuts have reinstated salaries.

V. Overhead for Physical Spaces

Respondents reported the following regarding the overhead for their physical gallery spaces.



Of those that rent:

- 69% reported that their landlord allowed a delay or reduction in their rent payments in 2020.

Of those that have a mortgage:

- 37% reported that their mortgage holder allowed a delay or reduction in their mortgage payments in 2020.

Of those that received a delay or reduction:

- 47% reported a beneficial impact on the sustainability of their business during the pandemic.

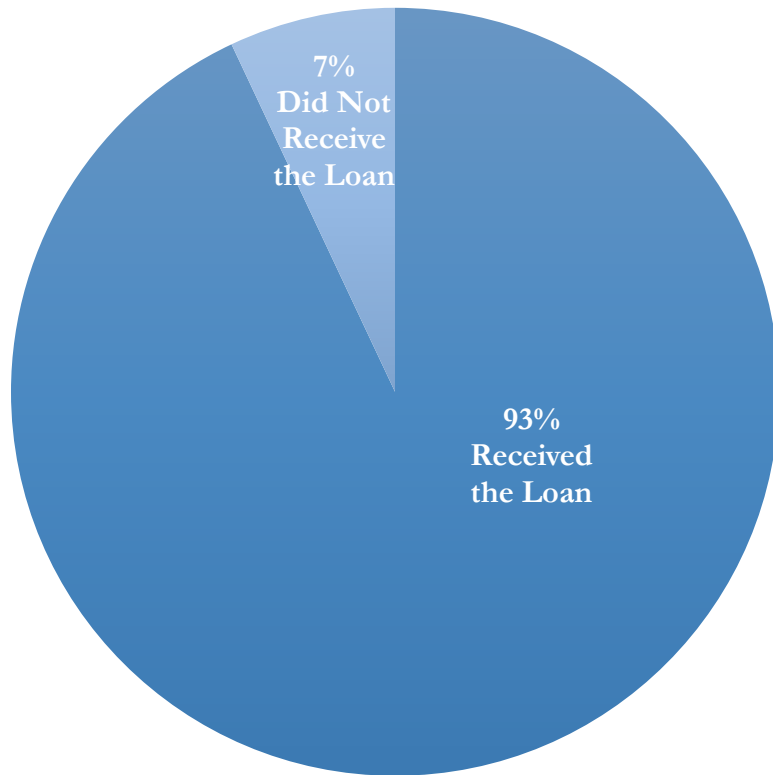
VI. Availability and Use of Federal Assistance

Respondents reported the following regarding their access to and use of federal loan programs available to small businesses. In the ADAA's 2020 *COVID-19 Impact Survey of U.S. Art Galleries*, respondents reported some difficulty accessing government assistance, as of May 2020. For example, only 76% of respondents had been accepted for a Small Business Administration (SBA) Paycheck Protection Program (PPP) loan. Based on data provided by respondents for this follow up survey in 2021, most galleries who applied ultimately received assistance and reported that this assistance made it possible to retain staff.

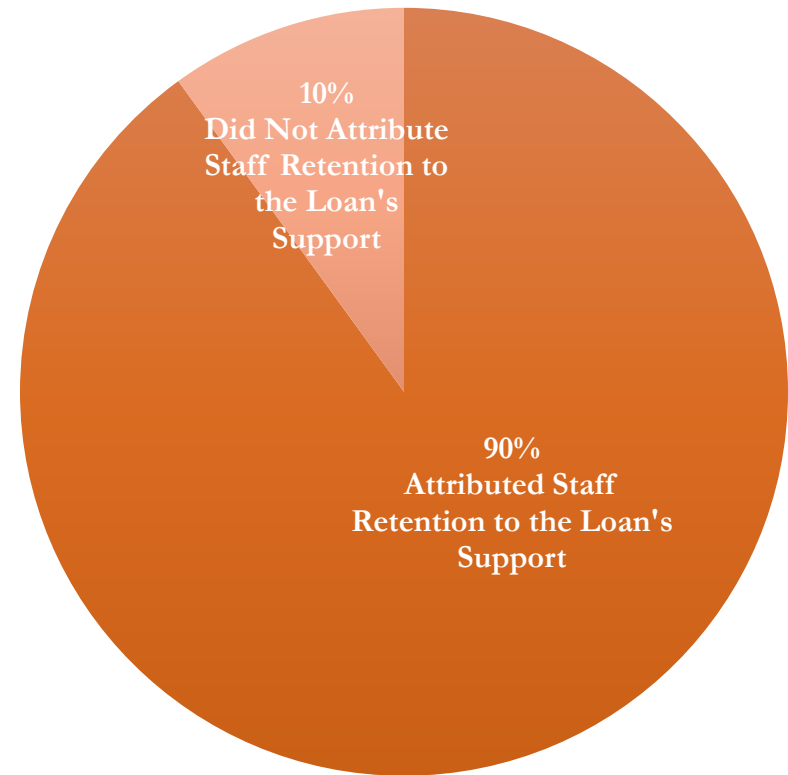
Small Business Administration (SBA) Paycheck Protection Program (PPP) Loan

- 88% of respondents applied for this loan.
- 38% applied in only the first round
- 3% applied in only the second round
- 59% applied in both the first and the second rounds

Of those that applied:



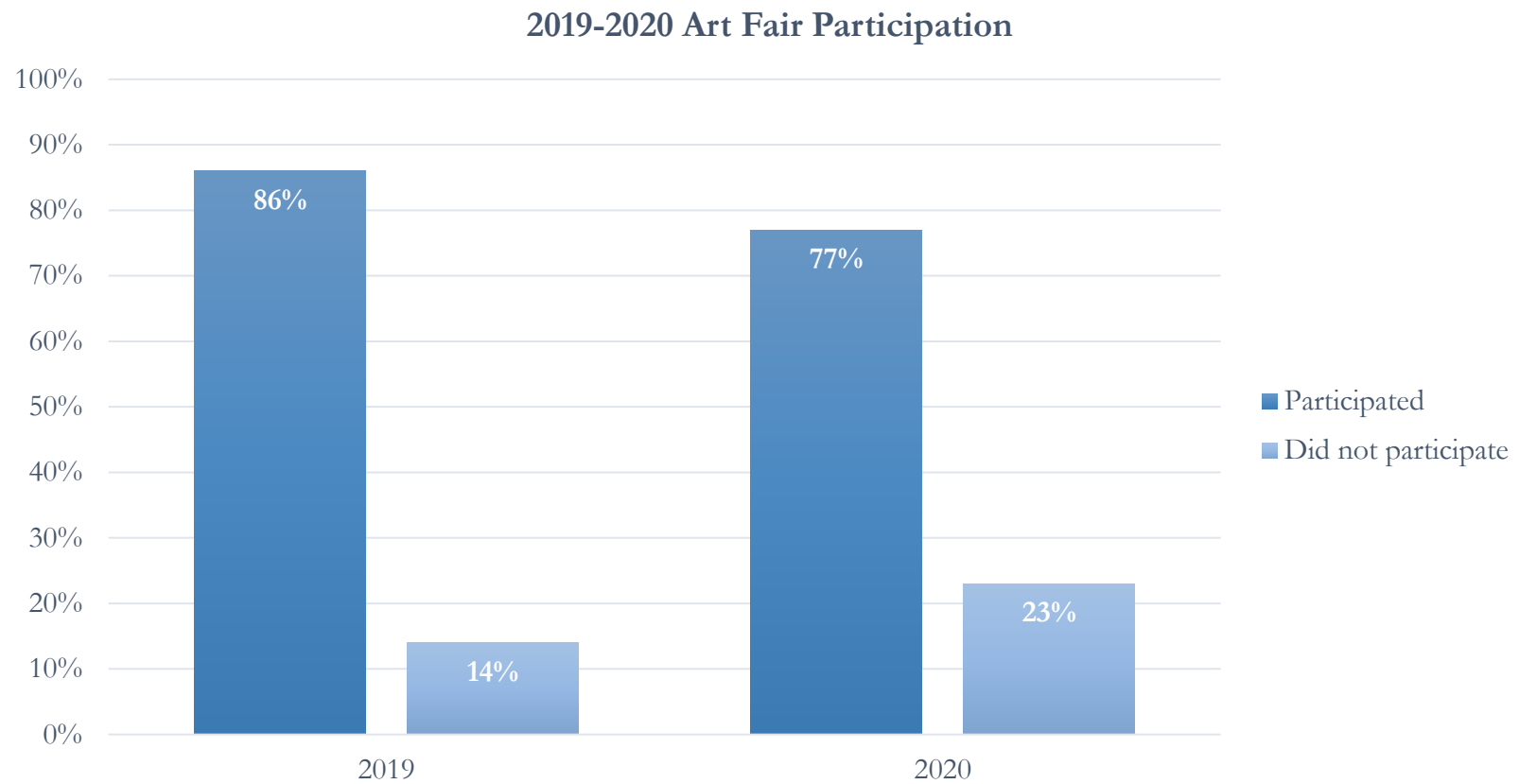
Of those that received a loan:



SBA PPP Loans Received in 2020

7% of respondents received loans of \$25,000 or less
25% of respondents received loans of \$50,000 or less
44% of respondents received loans of \$100,000 or less

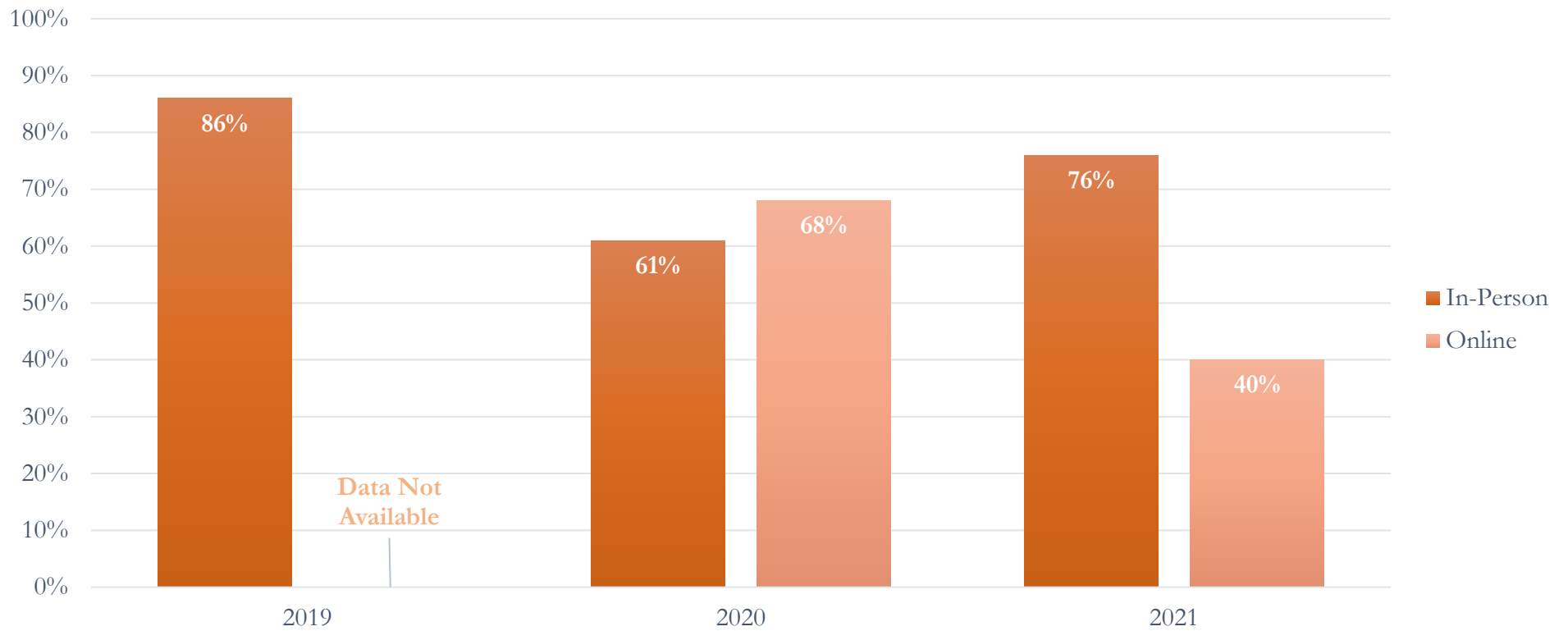
VII. Art Fair Participation



Of those that participated in art fairs in 2019:

- Respondents participated in an average of 5 fairs.

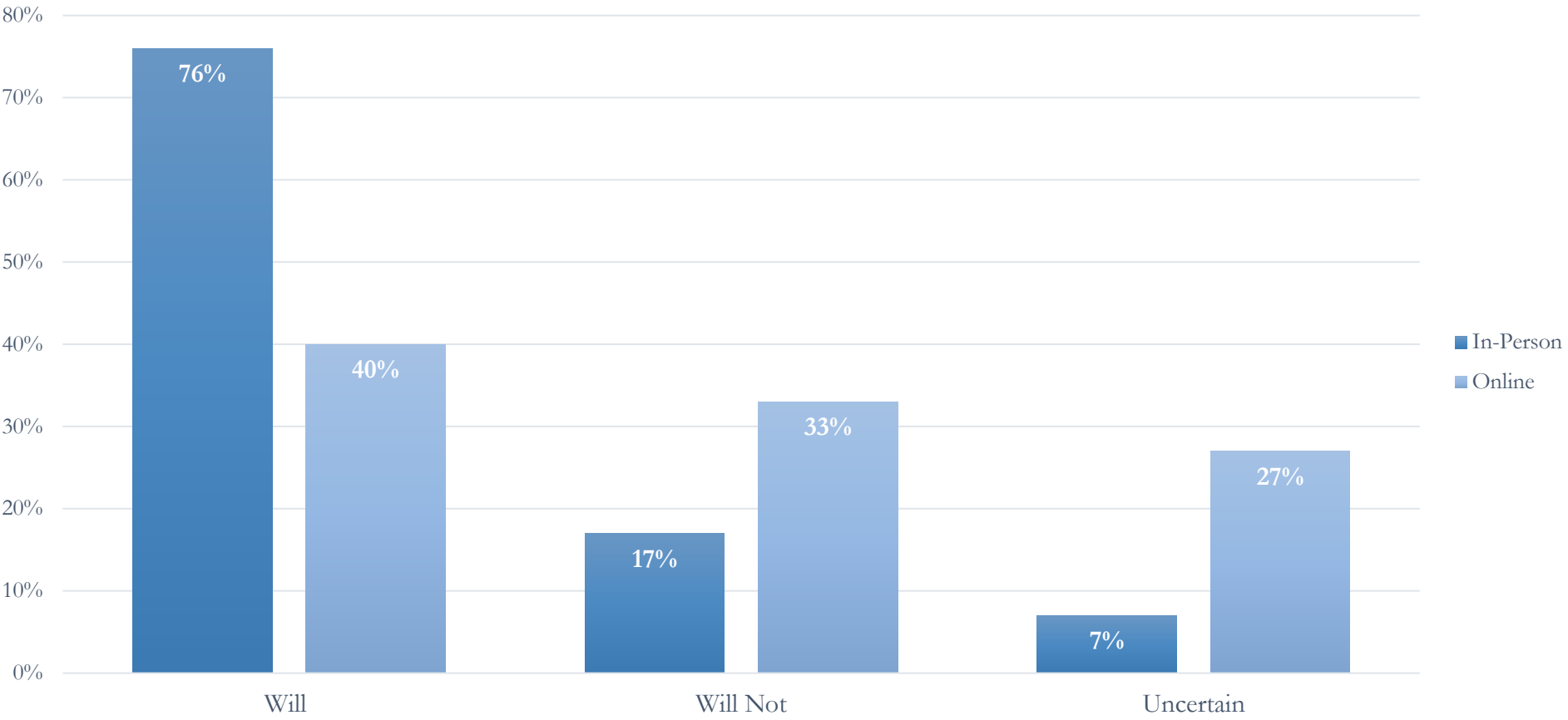
In-Person vs. Online Art Fair Participation and Plans



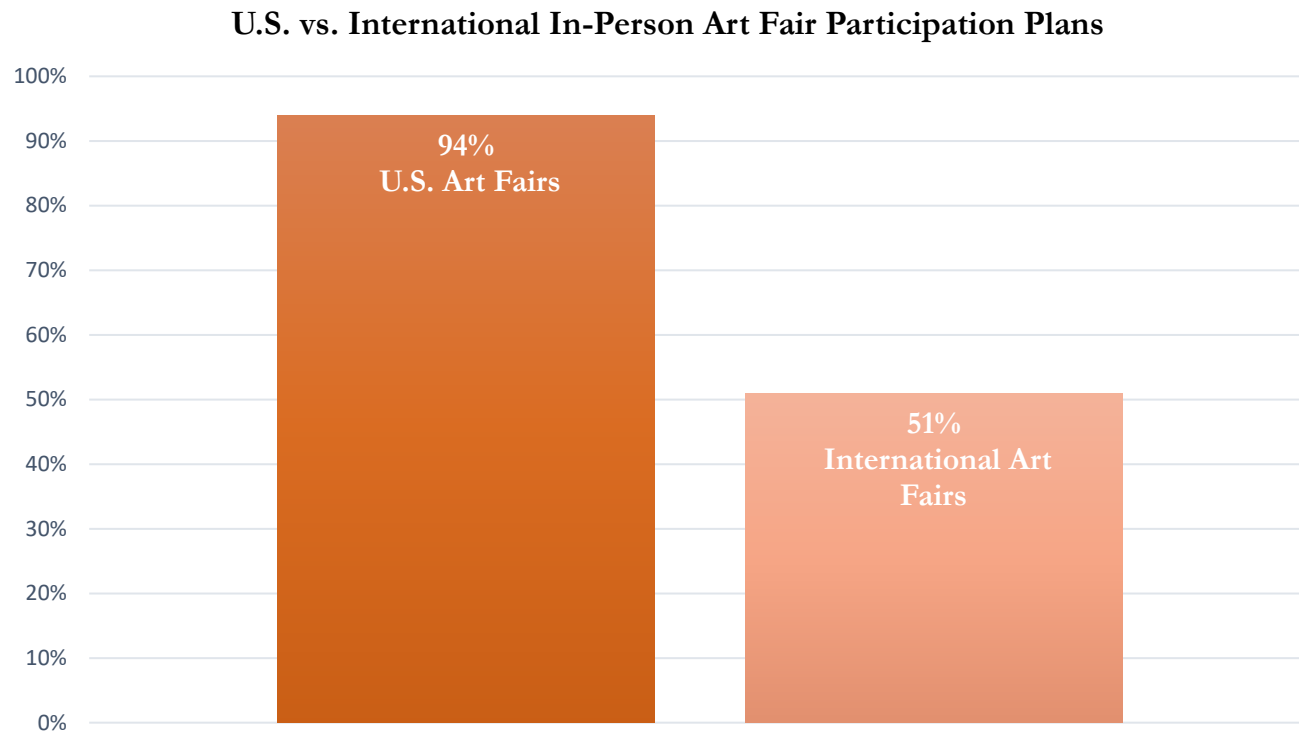
Of those that participated in art fairs in 2020:

- The average respondent participated in 3 online fairs.
- The average respondent participated in 2 in-person fairs.

2021 Art Fair Participation Plans



2021 In-Person Art Fair Participation Plans:



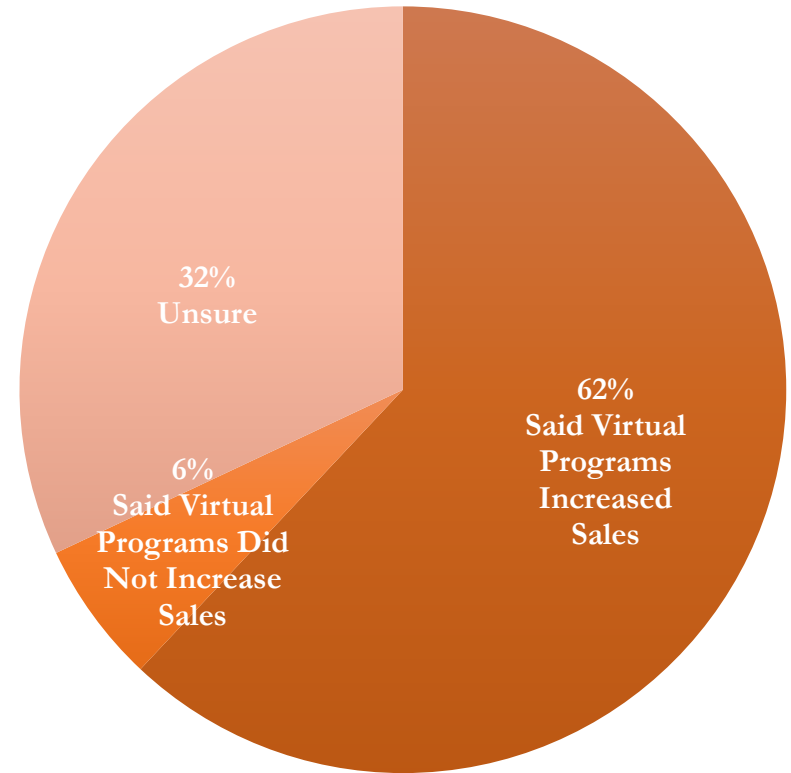
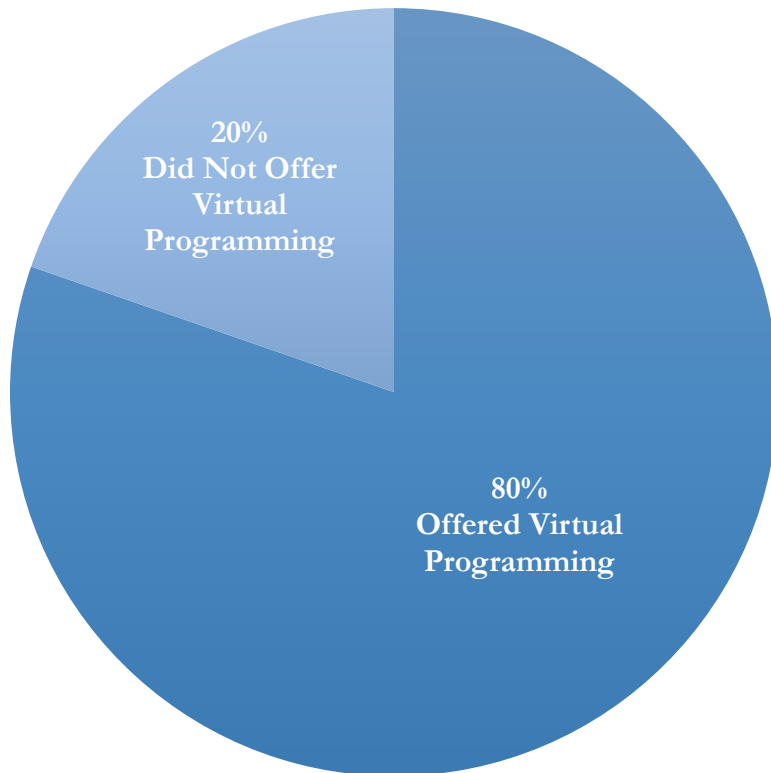
Fairs with Most Planned Participation for 2021:

- Art Basel Miami
- ADAA's The Art Show
- The Armory Show

VIII. Virtual Programming

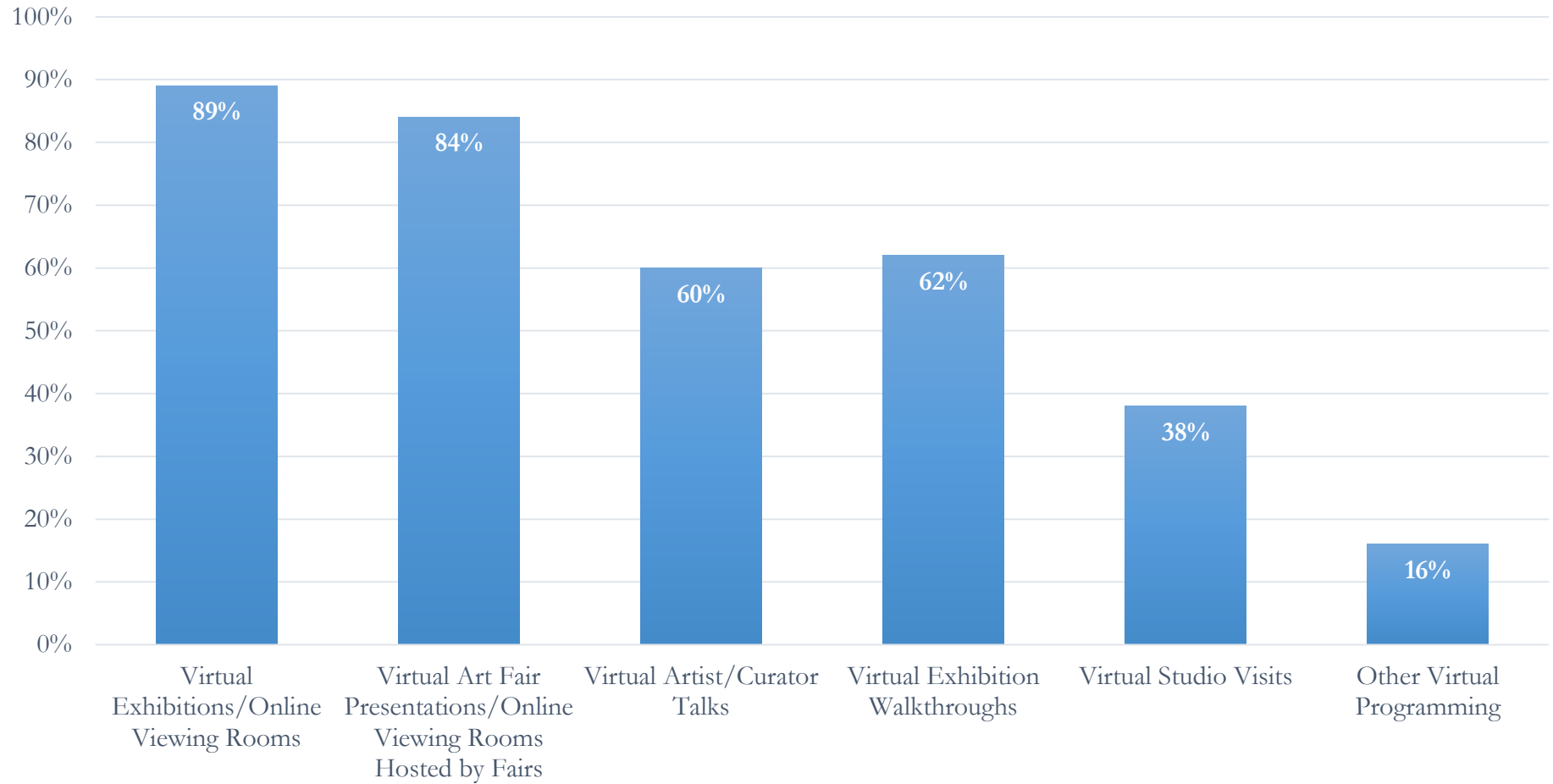
Respondents reported the following regarding their pivots to virtual strategies and offerings in 2020, as a result of the pandemic.

Of those who mounted virtual initiatives in 2020:



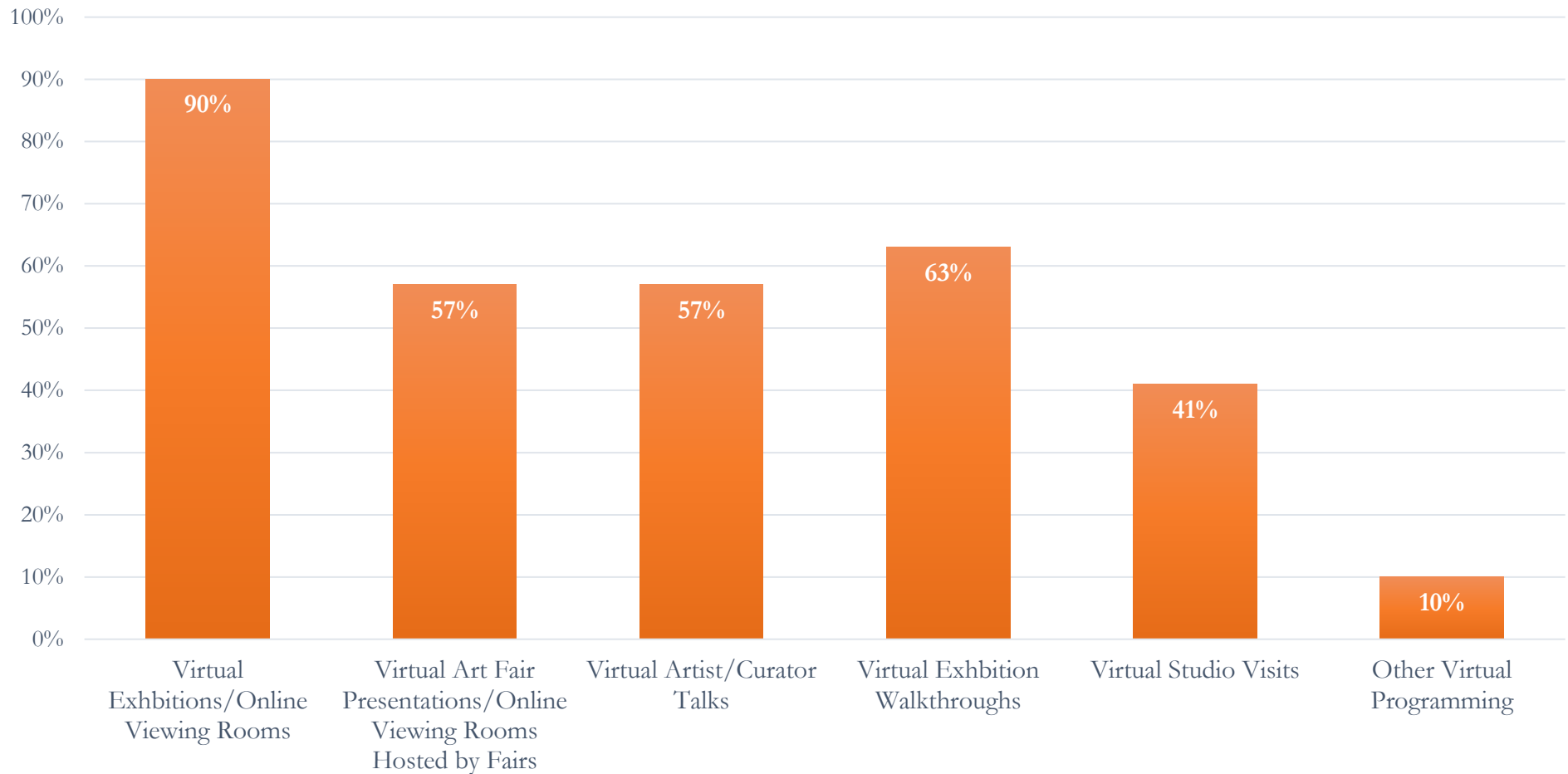
Types of Virtual Programming and Initiatives in 2020

Those respondents that organized virtual programming mounted the following types of initiatives.



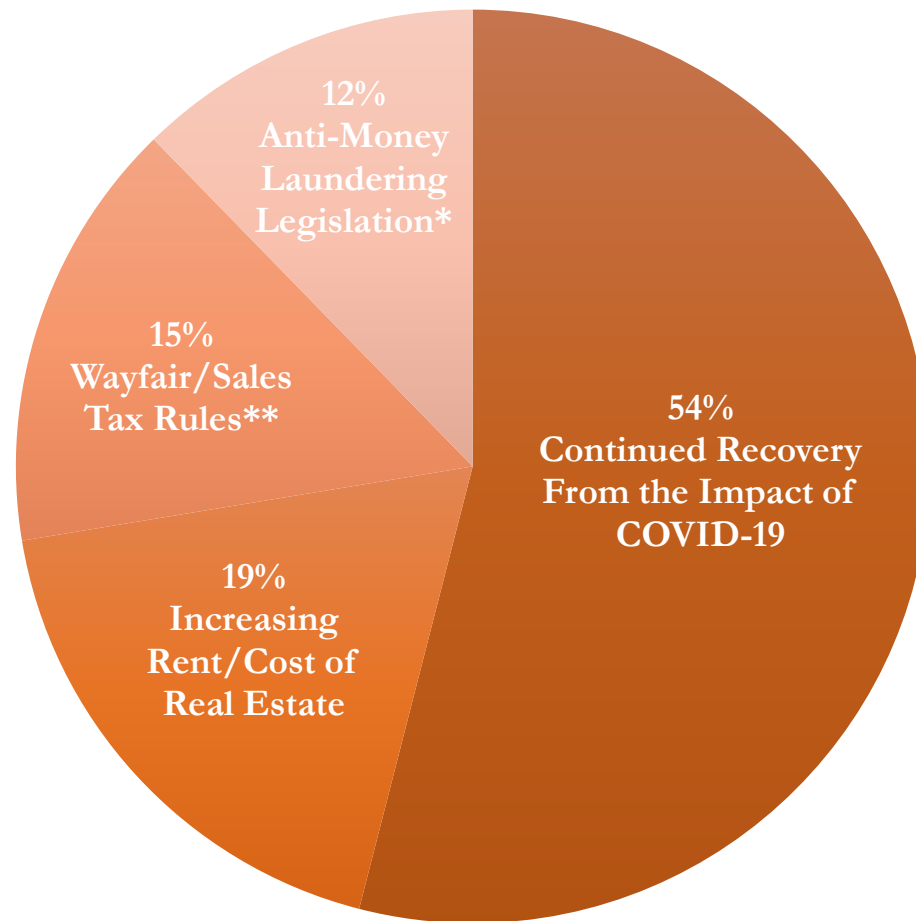
Outlook on Virtual Programming in 2021 and Beyond

92% of respondents plan to continue virtual offerings long-term. The following are the types of programs respondents indicated that they will continue to organize.



IX. Future Outlook and Primary Concerns for Galleries

The following percentages of respondents identified the below issues as the top business concern for their gallery in the next two years:



*Administrative/operational impact of potential anti-money laundering legislation

**Administrative/operational impact of complex sales tax implications of the South Dakota v. Wayfair Supreme Court decision in 2018