



# Employment and Economic Impact Assessment of Covid-19 on the Arts Sector in Ireland

Commissioned by The Arts Council /  
An Chomhairle Ealaíon

Executive note - Reliance restricted

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8 October 2020

Dear Deirdre,

In accordance with the terms of our engagement agreement (the 'Agreement') dated 25 May 2020, we have assisted the Arts Council in a study of the economic impacts of COVID-19 on the Irish Arts sector. Our role is to provide you with our analysis and findings. We have not performed any management functions or made any management decisions.

#### Limitations of scope

We have not, except to such extent as you have requested and we have agreed to in writing, sought to verify the accuracy of the data, information and explanations provided by yourselves, and you are solely responsible for this data, information and explanations. We have therefore relied on the information provided by you to be accurate and complete in all material respects. This report has been provided to you for the above Purpose only and should not be used or relied upon for any other purpose, nor should it be disclosed to, or discussed with, any other party without our prior consent in writing.

#### Use and distribution of this report

This report has been prepared for the purpose set out in the Agreement and may only be used and disclosed, quoted or referred to on the basis set out therein. Ernst & Young only accepts responsibility to the addressees of this letter on the basis of the Agreement and assumes no responsibility whatsoever in respect of, or arising out of, or in connection with the contents of this report to parties other than yourselves. If other parties choose to rely in any way on the contents of this report, they do so entirely at their own risk.

We appreciate the opportunity to have provided EY's Advisory services to you.

Should you have any queries or comments regarding this report or if we may be of any further assistance, please do not hesitate to contact me on +353 1 475 0555.

Yours sincerely

Shane MacSweeney  
Partner

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## Introduction

Forecasters and economists continue to debate and study the impacts of COVID-19 on the global economy. They are debating about what shape a recovery may take: the most optimistic scenario, a rapid bounce back (a 'V' curve), a longer recovery (a 'Tick' curve) or a double-dip crisis (a 'W' curve). It is becoming increasingly apparent that a 'V' curve is unlikely and that the recovery might take up to two years or longer, depending on the evolution of the virus.

Discussions of curves and deficits can seem far-removed from the real, human impacts of what is happening. Behind this terminology, all sectors of society - families, business leaders and workers - are worrying about their health today, and their livelihoods tomorrow.

During these highly uncertain times, sectors are not feeling the burden equally. The Arts and Entertainment sector was one of the first and most severely hit, along with the tourism sector.

Arts is not only vital for our economy, but its development is at the heart of Project Ireland 2040 aspirations to build a more sustainable and resilient economic model which is less dependent on Dublin. With a higher focus on indigenous SMEs rather than big multinational companies, the Arts sector provides a unique and locally embedded complement to Ireland's more widely publicised sectors, therefore providing multilateral benefit.

The Arts sector is a job-intensive sector, with many jobs classified as pillars of the Irish economy, such as in aviation, hotels, B&Bs, pubs and restaurants, festivals, museums, exhibitions and conferences.

The Arts could act during the crisis as a *civic force field*<sup>1</sup> *enriching our cultural lives*<sup>2</sup>. It provides joy and inspiration; it helps to energise us; it is a gateway for people to experience our society and all it has to offer. Covid-19 has brought the importance and value of community into focus, and in many ways the arts sector is synonymous with community as a place and an expression of positivity. For this reason and the ones presented thereafter, it should be at the heart of our recovery strategy.

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<sup>1</sup> Director of the Arts Council, Maureen Kennelly, 25 May 2020

<sup>2</sup> Minister for Culture, Heritage and the Gaeltacht, Josepha Madigan, 3 April 2020

## Methodology and approach

EY were commissioned by the Arts Council in May 2020 to support the work of the COVID-19 Expert Advisory Group to the Arts Council. It aims to assess at a high level the potential economic impact of COVID-19 on Arts Council funded organisations and the core Arts sector in Ireland<sup>3</sup>.

This assessment is based on the latest data available and following the methodological guidelines of the Government of Ireland<sup>4</sup>.

The Economic Impact Assessment is based on the latest input-output tables published by the CSO as well as EY Ireland Economic Forecasts. It is based on the direct contribution of the core Arts sector to the Irish economy (e.g. creative, arts and entertainment activities). This means that the figures quoted in this report only refer to direct GVA and direct full-time equivalent jobs. Indirect and induced impacts are not taken into account so as to not overestimate the impact of COVID-19, and to allow decision-makers to have more sector-specific information at their disposal.

The three scenarios have been built in conjunction with the Arts Council to assess all negative impacts generated by COVID-19:

- ▶ A health crisis creating restrictions\* to the way businesses operate and spend and the way people move
- ▶ An economic crisis reducing consumer purchasing power
- ▶ A behavioural shift changing consumer spending

In order to account for the diversity of the Arts sector, it may be helpful to carry out a more detailed analysis at a sub-sectoral level in the coming weeks, both from an economic and strategic perspective.

This analysis could integrate the particular financial situation of Arts sector companies prior to COVID-19, the new sanitary restrictions and the potential impact at a regional level. This analysis could support decision-making by identifying strategic recommendations and assessing their costs and benefits for the Exchequer and the different stakeholders impacted.

Finally, this analysis could consider the wider impact on the creative industries sector<sup>5</sup>. This analysis aims to maximise the efficiency of the plan in the short term and leave a positive legacy by making the Arts sector more resilient in the long-term.

**This report has been updated in October 2020 taking into account the new governmental guidelines around COVID-19 until the end of 2020 and making projections related to the sanitary and economic crisis in 2021.**

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<sup>3</sup> The core Arts sector is based on the latest CSO data. It corresponds to Division 90 "Creative, Arts and entertainment activities" and includes the activity of performing arts, support activities to performing arts, artistic creation, operation of Arts facilities

<sup>4</sup> Government of Ireland, *Economic Considerations for Reinstating Economic Activity*, May 2020

<sup>5</sup> According to the UK British Council, Creative industries refer to: Literature and publishing, Radio and Television, Advertising, Film and Video, Library, Archives, Museums, and other cultural activities, Software, Performing Arts, Support activities to performing arts, Artistic creation, Operation of Arts facilities.

\*Note: Restrictions refer to fluctuations between level 3 and level 4 of the National Framework for living with COVID-19 where indoor events are not allowed to occur, and outdoor events are limited to gatherings of up to 15.



## 1.2 The Arts sector keeps our heritage alive by bringing together people of all backgrounds

The Arts sector has the unique ability to bring people together from varying demographic types to enjoy one common purpose. This can create a sense of social cohesion and community. The existence of Arts centres provides a physical place where community members can gather to learn, experience, teach and enjoy the arts. As of 2016, a total of 488 venues were identified to be involved in the presentation of the Arts to the public. Without such access to the Arts, it can be difficult for communities to find a central hub that everyone can enjoy, thus contributing to local quality of life and attractiveness by keeping vibrant communities together.

The Arts sector has a significant impact on rural communities. Often Dublin and the larger cities receive much of the funding and development made available. However, the Arts sector strives for inclusivity, both on a local level in terms of individual access, and on a national level in terms of regional funding. In 2019, only 32% of Arts funding was allocated to local authorities in Dublin. The remaining 68% of funding was spread across local authorities in 25 different counties throughout Ireland.

The Arts sector supports and promotes the development, education and inspiration of young people and children. The Arts sector works in tandem with the Department of Education and Skills developing art-related educational schemes, such as the 'Arts in Education Charter', while direct investment in schools enables children to engage in and produce original work together.

## 2. The Arts sector was one of the first to be hit and is likely to be one of the last to recover from COVID-19

The Arts sector, along with the tourism sector, has been more affected than others and will be, for the foreseeable future, given the nature of its activity (public-facing), the size of its companies (SMEs), the seasonality of its activity (summer dependent) and the nature of the services offered (non-essential consumer spending).

There are three main mechanisms through which the COVID-19 crisis will have a lasting effect on the economy:

1. The actual economic and operational impact of legally restricting the opening of Arts venues
2. The ensuing recession's downward pressure on consumer spending and disposable income
3. The potentially most damaging, but hardest to quantify impacts are the behavioural changes which will result from this crisis, in terms of individuals' propensity to consume Arts products and services.

### 2.1 The impact of restrictions on the Arts sector could be irreversible

The Arts is the least confident of all sectors in its ability to operate through COVID-19<sup>7</sup>. Restrictions will have a negative and long-lasting effect on its activity.

- ▶ Government plans will reduce drastically the activity of the Arts sector until the end of 2021
- ▶ The negative impact of restrictions will be amplified by the seasonality of some cultural sub-sectors, such as festivals
- ▶ Spending that did not occur will not be compensated for later in the year
- ▶ Being comprised mostly of SMEs, the Arts sector is particularly subject to cash flow issues

### 2.2 The Arts sector has been significantly impacted by COVID-19, despite support from public stakeholders

The current impact of COVID-19 is hard to quantify due to its rapidly evolving nature. However, the magnitude of the effect will be unparalleled, as shown by early indicators. According to the Arts Council, more than 2.4m audiences were impacted by COVID-19 in Ireland, with 91% of organisations reporting cancelled or postponed events since March 2020<sup>8</sup>.

Arts sector workers have been severely impacted by COVID-19. 58% of total arts sectoral employees were in receipt of the Temporary Wage Subsidy Scheme or the Pandemic Unemployment Payment (as of 24/08/2020). While some can work from home (e.g. painters, writers, administrative), others (e.g. performers, technicians) have been left with no revenue. Often, it is difficult for some artists to access Government schemes.

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<sup>7</sup> ONS 'Coronavirus and the economic impacts on the UK, 21 May 2020'

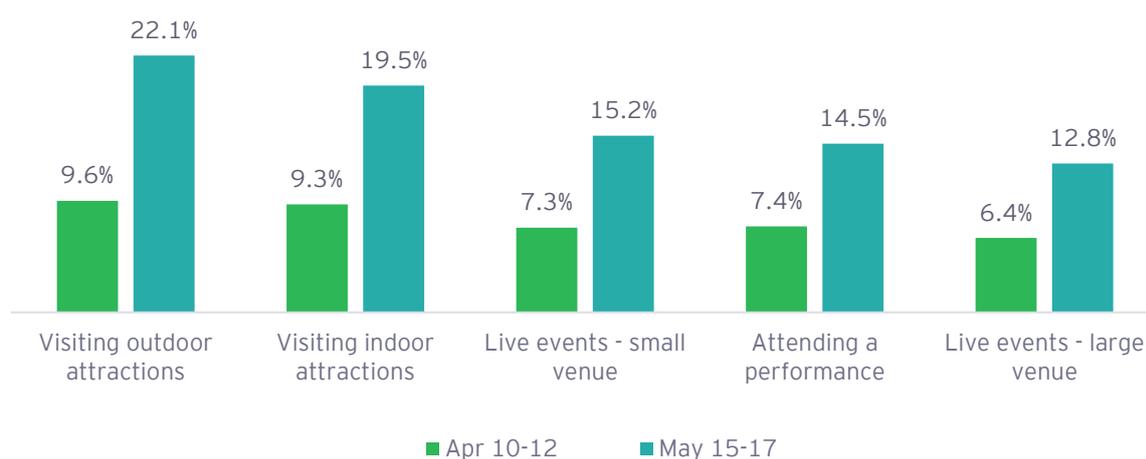
<sup>8</sup> Arts Council, *Survey of artists on COVID-19 impact*, April 2020

## 2.3 Customers' behaviours will be key to the recovery of the sector

The concept of saving for a rainy day has never been more pertinent, with households increasing their savings and reducing non-essential expenditure, such as on the Arts, in anticipation of job insecurity. In April 2020, deposits from Irish resident households more than tripled and increased by €3.0bn<sup>9</sup>.

People will also fear for their health and safety in the context of COVID-19 and a potential second peak. Previous crises demonstrated that countries affected (e.g. N1H1 in Mexico, SARS in Thailand or EU terror attacks) could take 9 months or longer to go back to pre-crisis level. The International Air Travel Association (IATA) do not foresee air travel returning to pre-Covid levels until 2023 which will reduce overseas demand.

### Perceived safety of travel activities: % of respondents saying each activity is 'safe' or 'very safe'



Behavioural effects will differ between demographics, countries and backgrounds. This analysis remains highly volatile: despite its low level, perceived safety of cultural activities doubled between April 2020 and May 2020<sup>10</sup>.

<sup>9</sup> Central Bank of Ireland, Statistical release, 29 May 2020

<sup>10</sup> Destination Analysts' Coronavirus Travel Sentiment Index Report, Released May 18 2020

### 3. The Economic Impact Assessment highlights that the effects of COVID-19 could last until 2025

#### 3.1 Modelling different scenarios is the most effective way to prepare for what might lie ahead

COVID-19 will generate three interlinked crises following their own timeline, over the coming months:

- ▶ A health crisis creating restrictions to the way businesses operate and the way people move
- ▶ An economic crisis reducing consumer spending and investment
- ▶ A behavioural shift changing consumer preferences

Given the evolving nature of these crises, the Economic Impact Assessment was built around three different scenarios. These scenarios are based on the latest CSO data and focused on the Creative, Arts and Entertainment activities in Ireland which represents the core of the Arts sector (e.g. Performing Arts, Support activities to Performing Arts, Artistic creation, Operation of Arts facilities). A case study has also been carried out to assess the specific impact on Arts Council funded organisations.

These three scenarios are built on different types of impacts, detailed in the appendices of this document and in particular:

- ▶ The impact on activity, driven by government restrictions and social distancing\* guideline
- ▶ The impact on consumer spending, driven by evolving customer behaviours and purchasing power
- ▶ The impact on exports, driven by overseas visitors
- ▶ The impact on investment, driven by public and private stakeholders

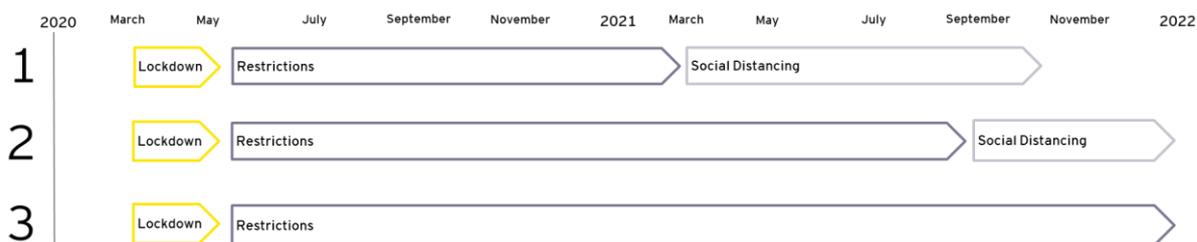
As agreed with the Arts Council, the three scenarios are based on the following assumptions regarding restrictions applying to the Arts sector specifically (e.g. closed venues, closed borders, restricted business operations, social distancing guidelines).

- ▶ Lockdown refers to level 5 of the National Framework for living with COVID-19.
- ▶ Restrictions refer to a situation varying between level 3 and 4 in the National Framework for living with COVID-19.
- ▶ Social distancing refers to a situation varying between level 1 and 2 in the National Framework for living with COVID-19.

Two aspects of this pandemic could increase the negative impact of the restrictions in the medium-term for the Arts sector.

On the one hand, COVID-19 clusters will lead to specific restrictions or lockdown at a local or regional level in 2020 and 2021. On the other hand, the uncertainty around this virus means that, until a vaccine is found, organisers and consumers will be reluctant to plan and invest for their next cultural event. This would mean that the impact for the Arts sector will be felt even after restrictions are lifted.

**Impact assessment of COVID-19 on the Irish Arts sector, Overview of the three scenarios**



Source: EY Analysis, October 2020

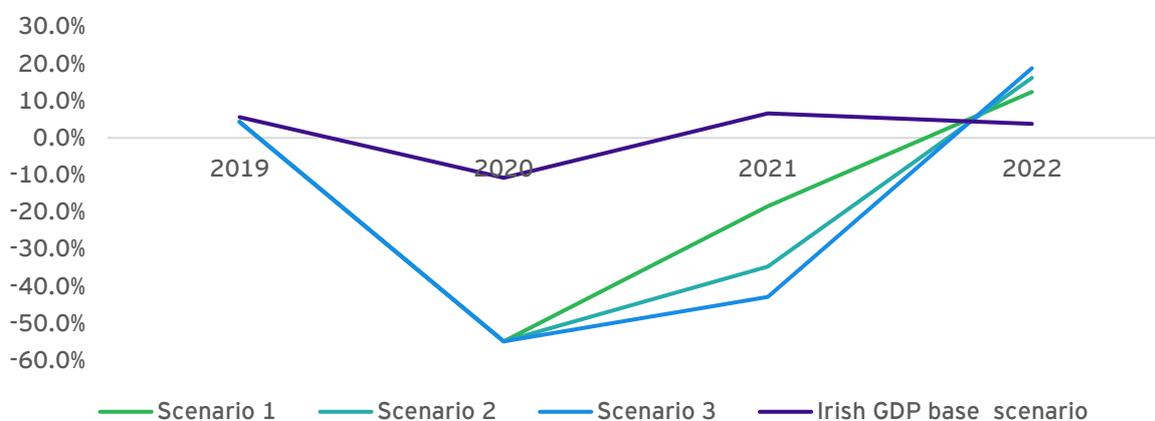
**3.2 The Arts sector will be more impacted than the rest of the Irish economy in 2020 and 2021**

The economic impact of COVID-19 on the Irish Arts sector will be felt mainly in 2020 and 2021. It will be more substantial than in the rest of the economy due to the specific nature of Arts activities and the restrictions that will continue to apply to this sector over the coming months.

In 2020, the recession in the Arts sector will be around -55% compared with -11% in the Irish economy on a whole. During Q2 2020, according to the latest CSO publication, the activity of the Arts sector in Ireland fell by 67%.

In 2021, the recession in the Arts sector could be between -18% and -43%, depending on the evolution of the pandemic and the level of sanitary restrictions compared with +6.6% for the rest of the economy according to the latest EY Economic Eye forecast.

**GDP contribution of the Arts sector Year-on-Year change (EY forecast, October 2020)**



The impact in terms of jobs will also be more substantial for the Arts sector due to the scale of the recession but also the fact that it is more job-intensive than the rest of the economy. The scale of the loss may be sufficiently severe to push many organisations into bankruptcy - this may mean they are not there to lead a recovery, and the bounce back may be much less in 2022 with a diminished sectoral base. These downside risks could weaken this outlook further.

In 2020, the decrease in the number of jobs supported by the core Arts sector is projected to be around -15.5%, putting around 1,600 arts jobs at risk compared with -9.7% for the rest of the economy. This situation could get worse in 2021 depending on the economic and sanitary crisis. The year on year impact on employment could be between -5% and -13% for the Arts sector compared with +4.5% for the rest of the economy. From 2019 to 2021, between 2,000 and 2,700 arts jobs could be lost in Ireland as a result of COVID-19. This would represent roughly a quarter of the Arts workforce in Ireland.

**Jobs supported by the Arts sector Year-on-Year change (EY forecast, October 2020)**

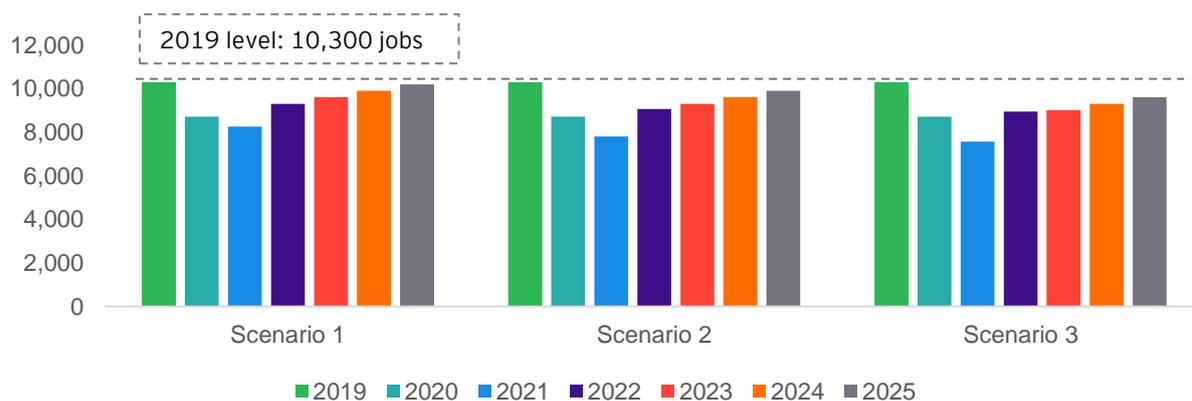


**3.3 The recovery of the Arts sector may take until 2025 if nothing is done to mitigate the impacts of COVID-19**

The recovery of the Arts sector to pre-crisis levels will not follow a 'V'-curve due to the specificities of this sector. What has not been spent during the first months of 2020 will not be compensated for later in the year due to cancelled events, fewer overseas visitors, rainy day savings, reduced private investment, prolonged social distancing guidelines and the apprehension of people regarding social gatherings.

While it is hard to assess impacts until 2025 not knowing how the pandemic will evolve over the coming months, the data currently available predicts that the arts sector will not go back to 2019 levels in terms of jobs until 2025. Changes in public consumption of, and spending on the arts, is unknown, but will likely have a further negative impact on this forecast because some organisations could close down, meaning they are unable to support any potential recovery after 2023.

**Number of direct jobs supported by the Arts sector in Ireland between 2020 and 2025 (EY forecast, October 2020)**



## Case study: The economic impacts of COVID-19 should be significantly lower for Arts Council funded organisations in 2020

The reliance on public sector funding rather than other sources of income such as sponsorship, sales or donations will make Arts Council funded organisations more resilient to the COVID-19 impact in the short term.

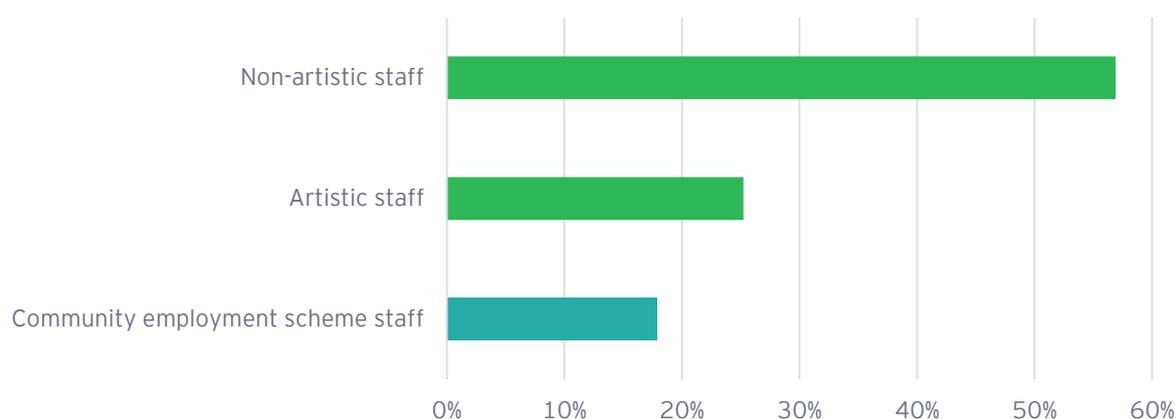
In 2018, the 311 Arts Council funded organisations spent €166m<sup>11</sup> directly employing 1,725 staff.

The Arts Council, the local authorities and other grant funding covered 41% of this amount. These organisations are dependent on public support. In 2020, the Arts Council forecasts that they should continue to benefit from it. The organisations who had arrangements with the Arts Council or local authorities will continue to be supported. Of the 46% of artist contracts which have been postponed, 92% of local authorities intend to honour commitments to artists through alternative work or postponement of activities<sup>12</sup>. However, Arts funding through local authorities in 2021 remains uncertain and any alteration to the 2020 mechanisms would have a significant effect on the sector.

Because of the specificities of this business model, the economic impacts on Arts Council funded organisations should be between 40% and 50% less severe than in the rest of the Arts sector. The GVA generated by these organisations could decrease by 15% to 20%, which could put between 80 and 120 jobs at risk in 2020.

The job structure of Arts Council funded organisations is quite specific with a relatively high proportion of staff on the community employment scheme (18%). Despite their positive social impacts locally, these jobs are likely to be particularly impacted as a result of the COVID-19 crisis. The situation should go back to normal a year sooner than the rest of the Arts sector in 2022 or 2023 because of a higher reliance on public funding.

### Types of jobs in Arts Council funded organisations (Arts Council, 2018)



<sup>11</sup> Arts Council, AAR, 2018

<sup>12</sup> Arts Council, Survey of local authorities on COVID-19 impact, March 2020

## 4. Next steps: an ambitious plan to support creative industries, today and tomorrow

### 4.1 An ambitious plan is needed to answer one of the greatest threats in the history of the Irish Arts sector

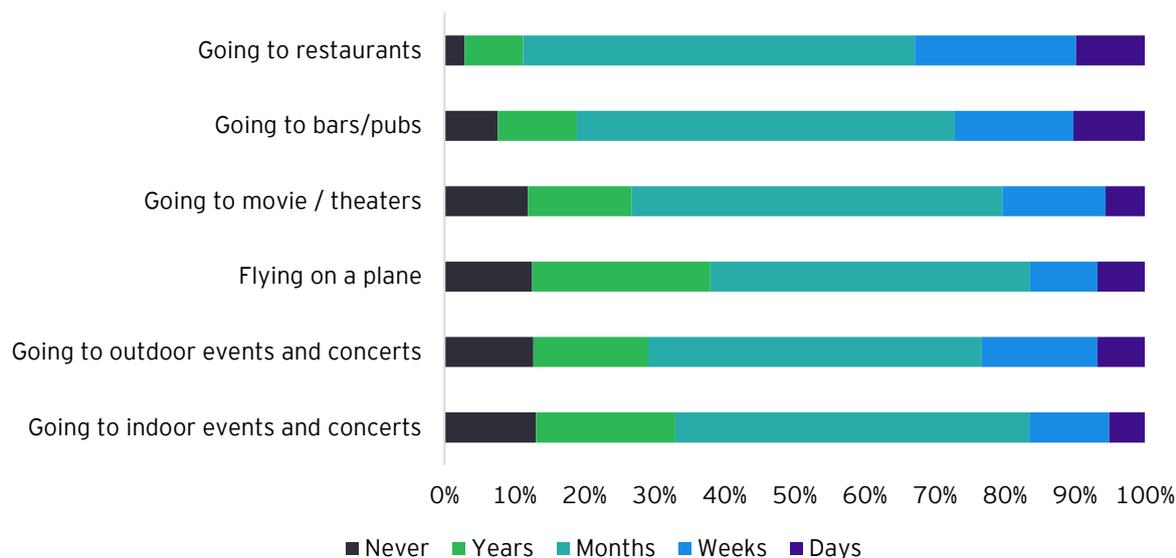
The high-level economic impact assessment of COVID-19 on the Arts sector reveals the damage this health, economic and behavioural crisis could cause in terms of jobs, tourism attractiveness and balanced regional development throughout Ireland. More than any other sector, the Arts sector will be impacted harder and longer for five main reasons:

1. Social interactions are within its DNA
  - ▶ Restrictions will apply to this sector for longer than others and paralyse its activity. Social distancing measures will be particularly difficult to implement while remaining profitable.
2. Lost income to date is lost for good
  - ▶ We cannot expect expenditure in the coming months to compensate for the exhibitions, plays or festivals that were cancelled due to COVID-19.
3. Arts events are highly seasonal
  - ▶ Restrictions during spring and summer season disproportionately effects revenues.
4. SMEs are at the crux of the sector
  - ▶ Profitability, cash flow and investment capacity are limited, which reduces the sector survival rate.
5. Arts & leisure spending is considered non-essential
  - ▶ In the context of an economic downturn, this spending would be most likely cut first.

Thankfully, just over 10% of the sector will continue to benefit from public support but the remaining 90% are primarily dependent on consumer spending.

For the Arts sector, a 'V'-shape recovery is highly unlikely because the crisis will have long-lasting effects on people's minds and purchasing power. 13% of people are still saying in May 2020 that they will never feel comfortable going back to a concert and another 20% say it will take them a year.

**How long will it take for you to feel comfortable doing the following? (UK) (source: EY Future Consumers' Index, UK data, May 2020)**



It is very likely that incentives will have to be put in place to bring people back to Arts venues when it is considered safe to do so, by those in authority. Otherwise, the 43% of Arts sector employees in receipt of TWSS or PUP will be at great risk once Government supports begin to weaken or are removed.

#### 4.2 An objective, tailored and coordinated recovery plan for Creative Industries could maximise efficiency and leave a positive legacy

During the next few months, every sector will assess the impact of COVID-19 to demonstrate that support mechanisms that should be put in place. It will be key to provide unbiased information to the government in order to build trust and support decision-making. Every recommendation should assess potential costs and benefits at a national and regional level, from a social and economic point of view.

This assessment objectively demonstrates that the COVID-19 crisis will not only have negative economic impacts but would present challenges for the delivery of the tourism, culture and heritage component of Project Ireland 2040. To this extent, it is aligned with government guidelines detailed in the report *Economic Considerations for Reinstating Economic Activity*.

An efficient plan should consider two imperatives in order to be efficient:

1. The diversity of the different Arts sub-sectors should be taken into account, to ensure an efficient use of public spending

Given the extreme diversity of the Arts sector, and to ensure an efficient use of public funding by putting in place the correct incentives, it will be crucial to implement a plan tailored to the needs and difficulties of the different sub-sectors (e.g. cash flow, insurance, demand, skills, etc.).

The diversity of stakeholders should also be considered (e.g. organisations supported by the Arts Council, businesses depending on advertising and sponsorship, suppliers of services relying partly on the activity of the sector, individual artists with no other source of income, foreign companies needing to fly to Ireland).

During COVID-19, some activities such as live events will suffer more than others. No strategy would be consummate if it did not account for this diversity.

2. The coordination with the wider Creative Industries sector could be a positive legacy of an ambitious and coordinated recovery plan

Lessons can be learnt from France and the UK regarding their holistic approach of the creative industries sector (including in particular: film, video, software, museums, library, literature, archives, radio, television and advertising). A recovery strategy could not only be used to support the Arts sector but to serve as a tool to have a more coordinated approach to make the Arts sector more resilient in the long term.

Before COVID-19, not all the sub-sectors were in the same financial situation. In order to be more precise in estimating the number of jobs at risk and the recovery potential, it would be useful to co-construct an assessment methodology with key industry stakeholders and government officials. It could also be an opportunity to share strategic findings regarding best practice, identified in other sectors of the Creative industries.

Not only will the sector be supported in the short-term, it will be more resilient in the long-term (e.g. skills, partnerships, clusters, export strategy, innovation, resources).

## Appendix A Economic impact figures of the Irish Arts sector

<b>Scenario 1</b>					
% Change	2018	2019	2020	2021	2022
Intermediate consumption		5.4%	-7.8%	-0.9%	14.5%
Consumer spending		2.8%	-67.8%	-43.5%	3.1%
Investment		1.3%	-50.1%	-16.0%	18.1%
Exports		11.1%	-82.0%	-3.9%	13.2%
Value €m					
Intermediate consumption	175.1	184.5	170.1	168.5	192.9
Consumer spending	421.9	433.7	139.5	78.8	81.3
Investment	141.6	143.4	71.6	60.2	71.1
Exports	125.2	139.0	25.0	24.0	27.2
Total output	863.8	900.6	406.2	331.5	372.4
<b>% Change YoY</b>		<b>4.3%</b>	<b>-54.9%</b>	<b>-18.4%</b>	<b>12.4%</b>
Loss of revenue (output)		36.8	-494.5	-74.7	40.9
GDP	688.7	718.1	323.8	264.3	296.9
<b>% Change YoY</b>		<b>4.3%</b>	<b>-54.9%</b>	<b>-18.4%</b>	<b>12.4%</b>

<b>Scenario 2</b>					
% Change	2018	2019	2020	2021	2022
Intermediate consumption		5.4%	-7.8%	-6.9%	18.0%
Consumer spending		2.8%	-67.8%	-70.5%	3.1%
Investment		1.3%	-50.1%	-39.9%	22.4%
Exports		11.1%	-82.0%	-9.7%	16.3%
Value €m					
Intermediate consumption	175.1	184.5	170.1	158.4	186.9
Consumer spending	421.9	433.7	139.5	41.1	42.4
Investment	141.6	143.4	71.6	43.1	52.7
Exports	125.2	139.0	25.0	22.6	26.2
Total output	863.8	900.6	406.2	265.2	308.3
<b>% Change YoY</b>		<b>4.3%</b>	<b>-54.9%</b>	<b>-34.7%</b>	<b>16.2%</b>
Loss of revenue (output)		36.8	-494.5	-141.0	43.1
GDP	688.7	718.1	323.8	211.4	245.8
<b>% Change YoY</b>		<b>4.3%</b>	<b>-54.9%</b>	<b>-34.7%</b>	<b>16.2%</b>

<b>Scenario 3</b>					
<b>% Change</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Intermediate consumption		5.4%	-7.8%	-9.8%	19.9%
Consumer spending		2.8%	-67.8%	-84.0%	3.1%
Investment		1.3%	-50.1%	-51.8%	24.7%
Exports		11.1%	-82.0%	-12.6%	18.0%
<b>Value €m</b>					
Intermediate consumption	175.1	184.5	170.1	153.4	183.9
Consumer spending	421.9	433.7	139.5	22.3	23.0
Investment	141.6	143.4	71.6	34.5	43.1
Exports	125.2	139.0	25.0	21.8	25.8
Total output	863.8	900.6	406.2	232.1	275.7
<b>% Change YoY</b>		<b>4.3%</b>	<b>-54.9%</b>	<b>-42.9%</b>	<b>18.8%</b>
Loss of revenue (output)		36.8	-494.5	-174.1	43.7
GDP	688.7	718.1	323.8	185.0	219.8
<b>5 Change YoY</b>		<b>4.3%</b>	<b>-54.9%</b>	<b>-42.9%</b>	<b>18.8%</b>

## Appendix B Arts sector jobs in Ireland

	2019	2020	2021	2022	2023	2024	2025
Scenario 1	10,300	8,707	8,265	9,299	9,600	9,900	10,200
Scenario 2	10,300	8,707	7,802	9,067	9,300	9,600	9,900
Scenario 3	10,300	8,707	7,571	8,951	9,000	9,300	9,600

Note: 2019-2022 figures are based on EY forecast models of the Irish Economy. 2023-2025 figures assume that jobs will grow by 3% per year (Oxford Economics Model of the British Arts sector +1 percentage point due to a sharper decline in EY model in 2020 so the bounce back effect would be stronger).

## Appendix C Key assumptions for the three scenarios

Details	Scenario	2020	2021	2022	Rationale
Number of weeks of lockdown	Scenario 1	7	0	0	2020 impact is based on the government guidelines published in October 2020.
	Scenario 2	7	0	0	
	Scenario 3	7	0	0	
Number of weeks of restriction (activity of the arts sector is stopped)	Scenario 1	35	13	0	2021 impact follows the following assumptions: <b>Scenario 1:</b> Covid restrictions similar to current restrictions are with us for 3 months, loosened for 9 months <b>Scenario 2:</b> Covid restrictions similar to current restrictions apply for 9 months of 2021 and restrictions are loosened for 3 months <b>Scenario 3:</b> Covid restrictions similar to current restrictions apply until the end of 2021
	Scenario 2	35	39	0	
	Scenario 3	35	52	0	
Number of weeks of social distancing	Scenario 1	0	39	0	
	Scenario 2	0	13	0	
	Scenario 3	0	0	0	
Cost of one day of lockdown	All scenarios	-84%	-84%	-84%	Source: Copenhagen Economics, 2020 quoted by the Irish Government in <i>Economic Considerations for Reinstating Economic Activity</i> , March 2020
Cost of one day of restrictions	All scenarios	-84%	-84%	-84%	
Cost of one day of social distancing	All scenarios	-30%	-30%	-30%	EY assumption based on the impact of social distancing guidelines on UK restaurant attendance during the two weeks before COVID-19 (Source: Davis Coffey Lyons; RSM UK; CGA, March 2020)
Exports impact	Scenario 1	-57%	+6.8%	+8.1%	In 2020, exports are falling due to travel restrictions. Forecasts are replicating the most optimistic scenario from the UNWTO (May 2020). In 2021 and 2022, exports are replicating the rest of the Irish economy.
	Scenario 2	-57%	+6.8%	+8.1%	
	Scenario 3	-57%	+6.8%	+8.1%	
Public spending impact	All scenarios	0	0	0	It is assumed that public spending will not be affected by the COVID-19 crisis
Investment	Scenario 1	-35%	+28%	+8%	It is assumed that investment in the arts sector will be aligned with the rest of the Irish economy. Figures are based on an EY Ireland forecast, May 2020

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