

KEY NUMBERS - IMPACT OF THE COVID-19 PANDEMIC ON 2,600 LIVE DMA EUROPEAN MUSIC VENUES AND CLUBS IN 2020

SURVIVAL MODE

Since March 2020, most of the 2,600 live music venues and clubs represented by Live DMA and its members in 16 European countries are in **survival mode**. Due to government regulations, music venues and clubs had to **cancel or reschedule all their events**, which is their core business and main source of income. Most venues had to

close down completely for many weeks in the spring of 2020, before they could **slowly reopen under very strict conditions** limiting their regular audience capacity. Apart from small concerts and non-musical events, organizing concerts for larger audiences and club nights is **still not possible**.

70% decline of music events and artist performances

In 2020, an estimated 664,000 artist performances will not take place in the 2,600 Live DMA venues, because 284,000 music events are cancelled or postponed this year. This is only 30% (a 70% decline) of the number of music events and artist performances that took place last year.

76% decline of audience visits

An estimated 17 million visits instead of 70 million planned visits makes 53 million less audience visits to the music venues in 2020, than was expected before the pandemic. This is only 24% (a 76% decline) of the number of audience visits last year.

- 284,000
music
events

- 664,000
artist
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- 53 MILLION
audience
visits

Physical distancing restrictions and limited capacity make it financially very difficult, if not impossible for most venues and clubs to organize live music events while keeping the costs lower than the maximum possible income. Less audience means less income for the venues and clubs as the revenues generated through ticket sales, food, beverages, and other services is the

main source of income for the music venues and the performing artists.

We expect that most of these regulations will stay until at least the end of 2020. Since the last quarter of the year is traditionally the busiest period of the year for live music event organisers, these circumstances aggravate the financial damage for the venues and clubs.

LOSS OF INCOME DURING 2020

Audience income makes 84% of the well over 1.8 billion euro income the venues were expected to generate in 2020.

In 2020, venues and clubs were able to run live music events and club nights in regular circumstances only during the first 8 to 12 weeks of this

year. The reopening of those music stages under strict regulations and with limited audience capacities brings **hardly any recovery of audience income.**

Only 36% of total income left

In 2020, the 2,600 Live DMA venues will have an estimated loss of income of almost 1.2 billion euro, which consists of an estimated:

€ 496 million less income from ticket sales

€ 521 million less income from food & beverages sales

€ 172 million less other income

This is only 36% of their total income left (a 64% decline) comparing to last year.

The decrease in income is bigger than the decrease in expenses. Although venues and clubs have less programme and personnel costs as a result of cancellation of events, they still have to pay their **fixed costs**, such as housing costs and employment costs for permanent staff.

Many venues and clubs now have **more expenses than income** and see their financial losses increasing every day. In many European regions, additional financial support from governments is urgently needed to avoid bankruptcy, and hence permanent loss of venues and clubs.

FINANCIAL DAMAGE DEPENDS ON VENUES BUSINESS MODELS AND GOVERNMENT SUPPORT

The financial damage, taking in account both the impact on income and expenditure, can drastically differ for different types of venues and clubs, but also for different regions.

The loss of **income** is related to the venues **audience capacity, legal status** and **business model. Public subsidies** are an important indicator. Private commercial venues and many larger non-profit venues have none or only a very low share of subsidy and depend almost exclusively on audience income. Thus, these venues and clubs are more likely to hit hardest by the current restrictions.

The loss of **expenses** is among others related to the **type of workers** different venues employ. Venues with a high share of **freelancers** will have

less employment costs left during the pandemic than venues with mostly **permanent workers** on their own payroll.

The venues and clubs' final financial result of 2020 will partly depend on the amount of financial support from governments. Also relief measures such as ticketing refund schemes, tax payment delays, or loaning options are important for venues liquidity position, and, thus, essential for their survival.

As support measures vary from one country to another, the level of support is different for every individual music venue. We invite to refer to the information provided by Live DMA members on financial damage for venues and clubs in specific regions.

FINANCIAL DAMAGE HIGHEST FOR LARGER VENUES AND PRIVATE COMMERCIAL VENUES

48% of all Live DMA music venues and clubs have a **private commercial** structure. For this type of venue, the financial damage is extreme. These venues and clubs lost almost 100% of their total income, because it consists almost solely of income generated by their audiences (ticket sales, beverage, food, etc.). Without this income source, the 1,250 venues and clubs cannot fulfil their financial obligations. They fully rely on their own reserves, cutbacks and financial support from governments to survive.

44% of Live DMA music venues and clubs have a **private non-profit** structure. We observe that not all of their income disappeared because they often still receive subsidies in 2020. Subsidies can be an important share (31% average) of their total income. This can cover part of their fixed expenses, such as housing costs (9% of total expenses) and employment costs (34% of total expenses).

Larger private non-profit venues tend to have a lower share of subsidy (sometimes less than 10%). Their loss of income and deficits are still threatening. Most of these venues and clubs are

not able to cover all their expenses anymore, and have to rely on their own reserves, cutbacks and financial support from governments to survive.

8% of Live DMA music venues have a **public non-profit** structure. We suppose that the financial damage is relative as subsidies cover an important share (54% average) of their total income. This makes it easier to cover housing costs (9% of total expenses), personnel costs (37% of total expenses) and other expenses. Additional financial support is more likely for public venues (partly) owned or run by local governments. As public non-profit venues and clubs often have also other functions (such as educational or multidisciplinary activities) than only programming live music, such activities can take place more easily under the current restrictions than organizing concerts and club nights for a larger audience.

We like to emphasize on the fact that above numbers are averages, and do not give information about the situation of any individual music venue or club.

(UN)EMPLOYMENT

Until this year, the 2,600 venues provided paid jobs to over 28,000 people. Since March there is an extreme decline of the venues activities and therefore less work available. Especially sound and light technicians, security, bar and box office employees are impacted. Freelance workers are mostly not hired anymore and some lost all their jobs and income. Employees on the venues and clubs' own payroll are often still (partly) paid, in many European countries with help from financial support measures by governments, especially in the first months of the restrictions. But also for these type of workers (on venues own payroll) we know that many venues did not renew fixed-term contracts with workers and already

announced reorganisations where they dismiss permanent workers of their teams due to financial reasons.

We fear that the dismissal of personnel will further increase in the next months. With the loss of these people and their jobs, experience and knowledge also disappears from the music venues.

We do not know yet how many paid workers will be left at the end of 2020, but it seems clear that the pandemic leads to **unemployment of thousands of workers** in the live music venues and clubs represented by our network.

STRUCTURAL DAMAGE TO THE WHOLE (LIVE) MUSIC SECTOR

Since the live music venues and clubs are part of a larger ecosystem in the live music industry and cultural sector, the closing down of the music venues during the pandemic has also effects on the whole music chain on an artistic, social and economic level.

Freelancers and suppliers are not getting work or orders from music venues anymore and therefore see their business collapse. This can range

from a freelance sound technician to smaller and larger companies providing for example ticketing software or catering services. The effect on the performing artists and their teams is especially dramatic. The venues normally provide them a place to perform, connect with their audiences and generate income.

This income heavily decreased this year, as the numbers below confirm:

70% decline of the money that was spent on artists

In 2020, due to the pandemic restrictions, the 2,600 Live DMA venues will spend an estimated 369 million euro less on direct programme costs of which mostly artists fees, than was planned originally.

This is only 30% (a 70% decline) of the money that was spent on artists last year.

Calculation of estimations are based on the data (2016 and 2017) of 604 music venues part of Live DMA, collected during 2018 and 2019, and extrapolated to data of 2597 music venues part of Live DMA in 2017.

For more facts & figures on live music venues & clubs in Europe: [The Survey - Publication January 2020](#)

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Author

Arne Dee, Live DMA Survey Coordinator

Editor

Live DMA, 35 rue Crucy, 44000 Nantes, France

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European network
for live music associations
www.live-dma.eu
contact@live-dma.eu



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