



Canadian Dance Assembly

L'Assemblée canadienne de la danse

Presentation to the Standing Committee on Finance
Pre-budget hearings, 21 October 2009, Toronto, Ontario

**ARTS AND CULTURE:
Stimulating Canada's Economic Recovery**

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Submitted to:

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To the members of the Standing Committee on Finance,

Thank you for inviting me to speak to you today. My name is Shannon Litzenberger and I am a contemporary dance artist and the Executive Director of the Canadian Dance Assembly - the national association representing Canada's professional dance sector. We are a founding member of the Performing Arts Alliance and a member of the Canadian Arts Coalition and the Canadian Conference of the Arts.

In the 2009 Economic Action Plan, the arts and culture sector was identified as a 'key sector' along with forestry, agriculture, the auto sector and others – recognized as playing a significant role in stimulating the economy. The arts and culture sector contributes \$46 billion directly to Canada's GDP and generates approximately \$25 billion in taxes for all levels of government, more than 3 times higher than the \$7.9 billion that is invested at all levels¹.

Despite economic challenges faced by all sectors, the cultural sector remains a growth market with substantive potential for further expansion. As the face of Canada's population evolves, so too does the richness and diversity of our cultural expression. The cultural workforce has grown by over 30% in the last decade and now represents 7.1% of Canada's total employment. Cultural workers are typically self-employed, have relatively low earnings, are highly educated and exceptionally talented². Indeed, cultural workers are leading Canada into the new, creative, knowledge-based economy.

While the cultural sector plays a critical role in Canada's economic, social and creative vitality, the government of Canada also plays a critical role in assuring that artists and arts organizations can create, produce and disseminate their work for the benefit of all Canadians. On behalf of my colleagues in dance and in the performing arts, I'd like to congratulate the government for recognizing this role and putting into action several investment measures that have assisted a number of dance and arts organizations remain vital during the economic downturn.

¹ *Valuing Culture: Measuring and Understanding Canada's Creative Economy*. The Conference Board of Canada, in collaboration with Canadian Heritage, August 2008.

² *A Statistical Profile of Artists in Canada*. Hill Strategies Research Inc., February 2009.

There are three recommendations I wish to make today, that I believe will significantly improve the impact and effectiveness of overall federal investment in the arts. These recommendations are modest, given our economic climate and represent about 1/20th of 1% of federal spending, or less than \$5 per Canadian.

1. *Increasing investment to the Canada Council for the Arts to \$300 million over three years.*

The work of artists and arts organizations contribute immensely to the economic, social and creative vitality of communities in every riding. In 2008-09, the Canada Council invested \$158 million in over 4,400 artists and arts organizations whose work reached 689 communities across the country³.

The impact of the Council's work is unmatched. It fuels the market with excellent artistic product by supporting artists and arts organizations in the creation, production and dissemination of meaningful, engaging work. New investment will enable it to give attention to critical priorities including increasing artistic activity across regions, nurturing new generations of artists and arts organizations and responding to the explosion of new forms of practice that have emerged from an evolving Canadian social and multi-cultural identity over the past two decades. Furthermore, increased investment will ensure that as our economy recovers, the arts remain a public good, available not only to the rich, but to all Canadians regardless of socio-economic status.

2. *Connecting Canada's outstanding cultural product to local and global markets by investing \$25 million in a new Market Access and Development fund.*

Today, Canadians seek better access to exhibitions and productions from across the country, expecting to see them at home in their own galleries, museums, theatres and concert halls. With Canada's relatively small population base spread across vast territory, arts organizations require support to reach beyond their local markets, making their work accessible to markets from coast to coast to coast. The new Market Access and Development fund will ensure that Canadian communities of all backgrounds will have the opportunity to participate in and benefit from the broadest possible range of artistic experiences.

Equally, Canadian cultural product is in high demand around the globe – a testament to the exceptional talent of Canadian artists. For many dance and arts organizations from Vancouver to

³ *Canada Council for the Arts. 2008-2009 Annual Report.*

Moncton, international export is a vital component of a sound business strategy that ensures the investments made in the creation and production of Canadian works will leverage revenue returns through business development in foreign markets. Furthermore, our competitors in the international marketplace receive substantial support from their own governments to export abroad, making it challenging for Canadian companies to compete without similar support from its own government. Showcasing Canadian talent on the world stage provides added workweeks for artists and production staff, and leverages revenue returns through performance fees that are substantively higher in foreign markets than they are domestically. The creation of a new Market Access and Development fund is a compelling opportunity to enhance the ability of Canadian artists and arts organizations to respond effectively to the national and global marketplace, maximizing its potential social and economic impact.

3. Increasing the tax credit to 39% on gifts between \$200 and \$10,000 to stimulate the flow of charitable gifts from middle-income Canadians.

In the performing arts sector the economic slowdown has resulted in lost revenues from diminished corporate investments and endowments. Increasing the incentives for individual Canadians to support the charity of their choice by raising the tax credit on charitable donations will help off-set some of the losses that arts organizations incurred during the current economic slowdown, and will demonstrate the Government's support for and confidence in the charitable sector. A full 53% of Canadians report that they would give more to charitable causes if a better tax credit were in place.⁴

The Government of Canada has already taken steps towards supporting a continuum of arts and cultural activities that includes the creation and production of art, public access to Canada's artistic product, organizational health and sustainability, the development and preservation of physical infrastructure and arts training. **Together with existing investments, targeting arts spending in these three recommended areas will maximize the social and economic impact of public contributions to the arts and culture sector, for the benefit of all Canadians.** Canadian artists and arts organizations are playing an important role in Canadian society, in particular, contributing significantly to Canada's economic recovery. And we are eager to do more, in partnership with the Government of Canada.

⁴ Hall, M., et al. (2006). Caring Canadians, Involved Canadians: Highlights from the Canada Survey of Giving, Volunteering and Participating. Ottawa: Statistics Canada.

CREATING PROSPERITY: Real Economic Impactⁱ

- The arts and culture industries are a significant sector in the Canadian economy, accounting for over 600,000 jobs and a direct contribution of \$46 billion to Canada's GDP. For every \$1 of real value-added GDP produced by Canada's culture industries, roughly \$1.84 is added to the overall real GDP.
- \$100 million invested in 970 arts organizations through the Canada Council for the Arts generates \$1 billion in total revenue – a nine to one return on investment.
- Exports of cultural goods and services are estimated at \$5 billion, though cultural exports are greatly eclipsed by imports, leaving a net trade deficit in the culture sector.
- The arts and culture sector generated approximately \$25 billion in taxes for all levels of government in 2007, more than 3 times higher than the \$7.9 billion that was spent on culture by all levels of government.
- Arts and culture organizations receive more of their revenues from earned income (50%) and less from government (27%) than is the case in the nonprofit sector as a whole which reports an average of 35% of revenues coming from earned sources and 49% from government.
- The arts and culture sector is a growth market, with substantive potential for further expansion. In 2007, the cultural work force represented 7.1 per cent of Canada's total employment. That workforce grew by 31 percent over the past decade, according to Statistics Canada, compared to a 20 percent growth in the total number of employed workers.

With a strengthened government partnership, there is room for growth...

- With average earnings of \$23,500, artists are in the lowest quarter of average earnings of all occupation groups, earning 26% less than the average Canadian worker. Over 40% of artists hold a university degree. Average artist earnings have decreased between 2001 and 2006.
- A typical artisan, craftsperson, dancer, musician, singer, other performer, painter, sculptor or other visual artist in Canada earns only about \$10,000 a year.
- 54% of non-profit arts and culture organizations report annual revenues of \$30,000 or less. Only 7% have annual revenues of \$500 000 or more.
- Only 56% of arts and culture employees work full time. Only 31% hold permanent positions, compared to 65% in the nonprofit sector as a whole. Almost two thirds (65%) of arts and culture organizations are run entirely by volunteers. Twenty percent of arts and culture organization have between one and four staff members and 3% have 25 or more.
- The federal government invests \$3.4 billion in arts and culture (0.7% of total government spending). **Despite increased spending, as a share of GDP, government spending on culture today is below 1999 levels by roughly 0.3%.**

ⁱ Additional Referred Sources:

1. *Finances of Performing Arts Organizations in Canada in 2006-2007*. Hill Strategies Research Inc. With data and financial support from Business for the Arts, November 2008.
2. *Valuing Culture: Measuring and Understanding Canada's Creative Economy*. The Conference Board of Canada, in collaboration with Canadian Heritage, August 2008.
3. *A Statistical Profile of Artists in Canada*. Hill Strategies Research Inc., February 2009.
4. *Canada Council for the Arts*. Research Division, 2009.
5. *Arts and Culture Organizations in Canada*. National Survey of Nonprofit and Voluntary Organizations, Imagine Canada. Funded by the Government of Canada through the Voluntary Sector Initiative, 2006.