

PERFORMING ARTS HAVE IMPACT

Case for an Increase to the Canada Arts Presentation Fund

The Canada Arts Presentation Fund (CAPF) provides financial assistance to organizations that professionally present arts festivals or performing arts series (arts presenters). The objective of the Canada Arts Presentation Fund is to give Canadians access to a variety of professional artistic experiences in their communities.

CAPF History and Funding Levels

As per the Main Estimates, CAPF is receiving \$32M per year (including a \$3M reallocation from the Fathers of Confederation Buildings Trust, which was incorporated as a third component under CAPF starting in 2015-16). Here's how the program evolved since its inception:

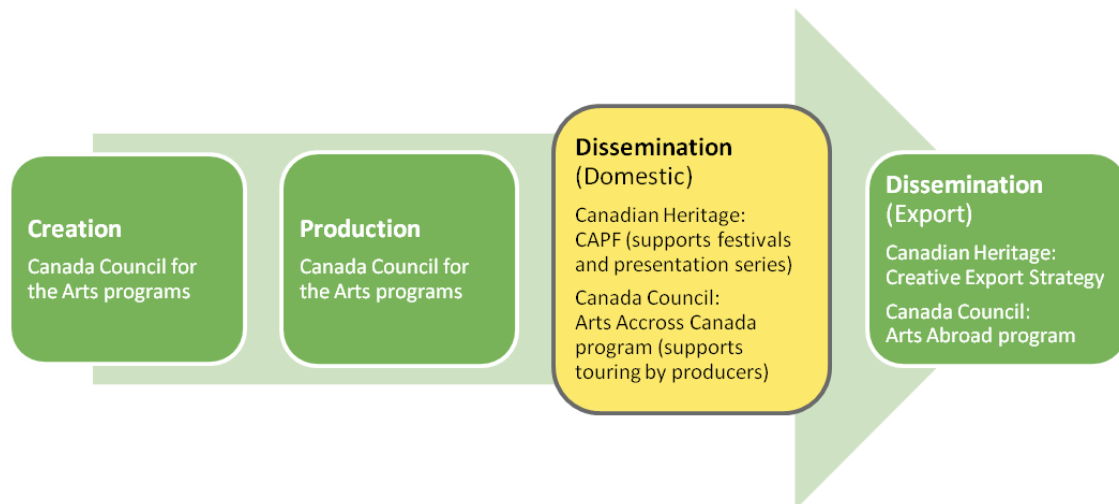
- The program was announced in 2001, as part of the *Tomorrow Starts Today* initiative. It replaced the Cultural Initiatives Program, which contributed to 184 national and international arts festivals and events across the country by investing \$5.3 million in funding in 2000-2001.
- The program was first fully incepted in 2003-2004, at \$25.7M.
- Over the years, funding eroded due to increasing program delivery costs. Between 2003 and 2007, 19% of grant and contribution money was reallocated to human resources and administrative expenses necessary to deliver the program. Over the years, the total erosion was -17% in current \$.
- In 2007, the government provided a \$7.4M top-up, but for festivals only. Multi-disciplinary presenters (series presenters) have never benefited from any increase and are currently severely under-funded.
- In 2014, the program was made permanent at \$29M.
- As of 2017-2018, the CAPF administers an additional \$0.5M as part of the Creative Export Strategy (see below).
- Today, the CAPF supports approximately 600 professional arts festivals and performing arts series, as well as other activities related to art presentation, in more than 250 cities or communities across Canada. Combined attendance at CAPF-funded events exceeds 20 million.

In constant dollars, funding for CAPF is currently 13.4% below its inception level, in 2003-2004,ⁱ yet the demand keeps growing steadily.

The CAPF is now heavily oversubscribed. It can no longer support the growth of current clients, whose funding is at best stalling or at worse declining. The program can no longer admit new clients, and long-standing program clients have been suffering important funding cuts in order to allow new clients to be admitted in the program. Yet, there is still a lot of room to grow new clients, including in priority clienteles for the Department of Canadian Heritage: Indigenous presenters, official-language minority presenters, rural and remote presenters. The program currently has 600 clients; there are up to 3,100 potentially-eligible presenting organizations in Canada.ⁱⁱ

Recommendation and rationale for increase – as developed and endorsed by the Canadian Arts Coalition

With recent investments by the federal government, creation, production and export are now well supported by the federal government. But there remains one particular weak link that hinders the whole [creative value chain](#).



Domestic dissemination is a crucial part of the performing arts value chain:

- It is the point at which the value created upstream by the creators and producers is finally monetized through ticket sales and royalties.
- Production expenses are amortized with each additional touring performance in the domestic market – it enables economies of scale in a sector that otherwise has little room for labour productivity growth.ⁱⁱⁱ
- The domestic market is also a launch pad and a precondition for success on export markets – it enhances export readiness.

For these reasons, the Canadian Arts Coalition is recommending to:

Increase the Canada Arts Presentation Fund for performing arts presenters and festivals by \$30 million per year, phased in over three years.

Specific Considerations

Multi-disciplinary presenters (who present series of live performance over the entire year) have never benefited from any increase since the program was created. Taking into account administrative erosion and inflation, they are receiving 29% less funding than when the program was created.

Without additional credits to support new clients or special initiatives, CAPF program managers must regularly reduce funding levels of existing clients, even when those are assessed positively against program objectives. These unexpected cuts can cause significant hardship in an industry where performances need to be booked several months, if not years, in advance.

Presenters now must serve a much more diverse and fragmented population than ever before.^{iv} Among other things, aging puts an additional stress upon presenters, who must now ensure that their services are accessible to aging Canadians^v and to Canadians with disabilities. Moreover, presenters have a role to play in the reconciliation with Indigenous Peoples, by supporting and presenting Indigenous artists.^{vi} In order to diversify their audiences, to represent the Canadian diversity on stage, to showcase Indigenous artists, and to meet the needs of all Canadians, additional funding is required.

The report *Diversity and Arts Attendance by Canadians in 2010* found that theatre performances and pop concerts have lower attendance rates by visible minority and immigrant Canadians, whereas cultural festivals have higher attendance by visible minority and immigrant Canadians.^{vii} This may be an indication that the 2007 investment in festivals was beneficial in terms of attracting a more diverse audience, and that similar benefits could accrue if additional funding was provided to series presenters. In the same vein, studies commissioned by Canadian Heritage and the Ontario Arts Council confirm that the arts can play a “key role ... in both social bridging (i.e., bringing together people of different cultural backgrounds into a shared experience) and social bonding (i.e., programs that connect people within a given social or cultural group or community).”^{viii}

L'accès aux arts d'expression française joue un rôle essentiel pour l'épanouissement et l'identité des communautés de langue officielle en situation minoritaire^{ix}. En outre, « la capacité des minorités de langue officielle de s'identifier à leur culture est renforcée quand celle-ci sort de la sphère de la vie privée et acquiert une visibilité publique. »^x D'ailleurs, 73 % des francophones en situation minoritaire disent que toute la collectivité profite autant, sinon plus, de la présentation des spectacles que ceux qui y assistent — ce qui est supérieur à la moyenne canadienne (65 %)^{xi}. En ce sens, le Fonds du Canada pour la présentation des arts a le potentiel de contribuer directement à l'épanouissement des communautés francophones en situation minoritaires. Or, relativement peu de diffuseurs de spectacles francophones des provinces atlantiques, de l'ouest et du nord canadien bénéficient actuellement d'un soutien du FCPA.

In addition to serving a more diverse audience, there is an increased expectation that presenters should offer community-engaged arts activities and other forms of non-traditional artistic

experiences (site-specific performances, cultural mediation, etc.).^{xii} While these experiences contribute to broadening access to the arts, derive significant benefits in terms of health^{xiii} and sense of belonging,^{xiv} and ultimately partake in social innovation through the arts, they require significant resources, and they do not generate box-office revenues. The CAPF can be a catalyst for the delivery of these forms of arts experiences and enable presenters to leverage other local resources from municipalities, public health authorities, community foundations, and the business community.

As mentioned above, arts presentation is a crucial part of the performing arts value chain and can create synergies with other federal investments, such as the Creative Export Strategy and the Investing in Canada Plan.

- Canadian artists need their productions to tour domestically before entering international markets. A work on tour improves with each performance; ultimately domestic tours prepare Canadian artists to compete in a global market, with the assistance of the Cultural Export Strategy. As the Minister of Canadian Heritage highlighted in her Creative Canada speech: “a strong domestic market is *vital*. It’s a launch pad for homegrown talent and a precondition for global success.”^{xv}
- In addition to contributing to export readiness by providing domestic touring opportunities to Canadian creators, the Canadian presenting sector contributes to establishing reciprocal touring circuits with foreign markets. This is the reason why the CAPF was identified as a key contributor to the Creative Export Strategy. The additional funding from the Creative Export Strategy, in the amount of \$0.5M per year, allows the CAPF to make strategic investments for international presenters to participate in Canadian festivals and performing arts events in order to expose them to Canada’s artists. The funding also supports the reciprocal participation of Canadian arts presenters at international events.
- The CAPF is the most suited federal program to support community-driven and other public programming into cultural hubs and cultural districts built with the assistance of the Canada Cultural Space Fund.^{xvi}

The Live Performance Sector in Numbers

The live performance industry represents:

- 14,100 organizations and businesses (including 3,100 presenting organizations) in 2017.^{xvii}
- 65,000 jobs in 2016;^{xviii}
- A \$2.7 billion contribution to the Canadian GDP in 2016.^{xix}
- \$220 million in direct spending by international visitors in Canada in 2016 (1.1% of total tourism spending – more than for organized sports).^{xx}

Prepared by: Frédéric Julien
Director of Research and Development
CAPACOA
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ⁱ The program was fully incepted by fiscal year 2003-2004, at which point it received parliamentary appropriation of \$25.7 million. This would be \$33.5 million in current 2018 dollars (using the monthly, not seasonally adjusted Consumer Price Index for April 2003 [102.4] and April 2018 [133.3]). The current parliamentary appropriation of the program is \$29 million (excluding \$3 million from the Fathers of Confederation Trust, which was incorporated in CAPF in 2015).

ⁱⁱ In 2012, CAPACOA's Interim Report of Findings on *The Value of Presenting*, provided a count of 1,400 presenting organizations based on lists provided by industry associations. However, Statistics Canada figures are much higher. Statistics Canada's Canadian Business Counts tables report 3,146 businesses in 2017, for the three NAICS categories for presenting organizations (Live theatres and other performing arts presenters with facilities [711311], Performing arts promoters (presenters) without facilities [711321], Festivals without facilities [711322]). Some of these organizations may not satisfy the eligibility criteria of the CAPF. But for each ineligible organization in these NAICS categories, there can be found other eligible applicants embedded in larger organizations that belong to other NAICS categories (for example, that's the case of the majority of 115 Francophone minority cultural centres out of Quebec).

ⁱⁱⁱ This phenomenon (i.e., the rise of salaries in jobs that have experienced no increase of labor productivity) is known as the Baumol cost disease. In their 1966 landmark study, *Performing Arts, The Economic Dilemma: a study of problems common to theater, opera, music, and dance*, William Baumol and William Bowen pointed out that the same number of musicians is needed to play a Beethoven string quartet today as was needed in the 19th century; the productivity of classical music performance has not increased. On the other hand, the real wages of musicians (as in all other professions) have increased greatly since the 19th century.

^{iv} CAPACOA, [The Value of Presenting: A Study of Performing Arts Presentation in Canada](#), 2013.

^v "[Aging the Creative Way](#)," blog post published by CAPACOA on June 2, 2016, based on action research conducted in collaboration with Arts Health Network Canada.

^{vi} In 2016-2017, CAPACOA, the Indigenous Performing Arts Alliance and Ontario Presents have embarked on the Indigenous Performance Professional Development Initiative (IPDDI) in response to an identified need to develop pathways to successful relationship building between Indigenous artists and communities, and non-Indigenous performing arts presenters. The [final report](#) of the pilot program was released on March 28, 2017.

In addition, presentation of Indigenous artists responds to a crucial need for Indigenous Peoples: "Aboriginal and Francophone respondents also reported higher levels of interest in the cultural customs of their ancestors."

WolfBrown, [Ontario Arts Engagement Study](#), commissioned by the Ontario Arts Council, 2011, p. 76.

^{vii} Hill Strategies Research, [Diversity and Arts Attendance by Canadians in 2010](#), 2014.

^{viii} WolfBrown, [Ontario Arts Engagement Study](#), p. 78.

Moreover, 83% of Canadians "like to see the works of art and live performances or read literature that come out of different traditions than [their] own" according to:

Solutions Research Group, [Diversity in Canada](#), commissioned by Canadian Heritage, 2005.

^{ix} « ... la plupart des répondants (93 %) des communautés de [langue officielle en situation minoritaire] croient "qu'il est important pour eux qu'une identité culturelle et artistique de nature dynamique, et de leur langue, soit transmise à la prochaine génération" et qu'il est important pour leur identité linguistique minoritaire d'avoir accès à une communauté culturelle et artistique dans leur langue qui soit dynamique. »

Centre de recherche Décima, Les Arts au Canada : Accessibilité et disponibilité 2004, étude préparée pour Patrimoine canadien, 2004.

« Les répondants autochtones et francophones déclarent également avoir un degré élevé d'intérêt pour les coutumes culturelles de leurs ancêtres (37 % et 32 % sont fortement d'accord, respectivement). » La moyenne ontarienne est de 25%.

WolfBrown, [Étude sur l'engagement dans les arts en Ontario](#), 2011, p. 76

« Les deux tiers des francophones (64 %) affirment aussi que cela leur manquerait beaucoup s'ils n'avaient pas accès à des représentations des arts de la scène. » ce pourcentage était supérieur à la moyenne au Canada anglais (59 %) et au Québec (53 %).

Strategic Moves et CAPACOA, [La diffusion des arts vivants dans la francophonie canadienne](#); L'importance de la diffusion, 2012, p. 10.

^x Commissariat aux langues officielles, [Le rôle des organismes fédéraux de financement de la recherche du Canada dans la promotion des langues officielles](#), 2008.

^{xi} À l'inverse, Aucun répondant francophone n'estime que personne n'en bénéficie.

Strategic Moves, [La diffusion des arts vivants dans la francophonie canadienne](#), p. 11.

^{xii} The Standing Committee on Canadian Heritage recommended the "that the Department of Canadian Heritage encourage the integration of citizen and community-driven artistic activities into the policies, planning and programmes of cultural hubs" in

Standing Committee on Canadian Heritage, [A vision for cultural hubs and districts in Canada](#), 2018.

^{xiii} People who attend theatre, pop music concerts or cultural festivals are up to 32% more likely to report very good or excellent health, even accounting for other factors.

Hill Strategies, [The Arts and Individual Well-Being in Canada](#), 2013.

^{xiv} Sense of belonging in one's city or town is significantly correlated with Canadians' perceptions arts and culture in their city as well as with live music attendance. In addition, community-engaged arts and site-specific presentations are deemed to be particularly effective to strengthen the sense of belonging in the local community.

Community Foundations of Canada and CAPACOA, [Vital Signs: Arts and Belonging](#), 2017.

^{xv} "[Launch of Creative Canada](#)", Speech by the Honourable Mélanie Joly, Minister of Canadian Heritage, September 28, 2017.

^{xvi} Standing Committee on Canadian Heritage, [A vision for cultural hubs and districts in Canada](#), 2018, chapter 1.2.1 "Canada Arts Presentation Fund and the Canada Cultural Fund".

^{xvii} Statistics Canada. Table 33-10-0037-01 Canadian Business Counts, with employees, December 2017; and Statistics Canada. Table 33-10-0038-01 Canadian Business Counts, without employees, December 2017. NAICS industry categories included in this specific count are consistent with the mapping for the live performance domain in the [Classification Guide for the Canadian Framework for Culture Statistics 2011](#).

^{xviii} Statistics Canada, [Provincial and Territorial Culture Indicators, 2016](#), 2018.

These figures are estimated using a product perspective. They include all performing arts and presenting goods and/or services across the economy regardless of the producing industry. The Culture indicators also provides figures estimated using the industry perspective, which considers all inputs and outputs in culture industries, including culture and non-culture products.

^{xix} Ibid.

^{xx} Statistics Canada, National Tourism Indicators survey no. [1910](#) and [Culture Satellite Account](#), 2018