



CANADIAN ASSOCIATION
FOR THE PERFORMING ARTS
ASSOCIATION CANADIENNE
DES ORGANISMES ARTISTIQUES

Rekindling the spark between artists and audiences

Submission presented by CAPACOA (Canadian Association for Performing Arts / Association Canadienne des Organismes Artistiques) in advance of the 2023 Federal Budget.

October 7, 2022

Updated February 10, 2023, to include the latest economic indicators and audience research

Contact person:

Sue Urquhart, Executive Director

sue.urquhart@capacoa.ca

200-17 York Street

Ottawa, Ontario K1N 5S7

Summary of recommendations

Priority recommendation

Base programming support

1. That the government make permanent the two-year supplementary investments in the *Canada Arts Presentation Fund* (CAPF) and the *Building Communities through Arts and Heritage* (BCAH) program, first announced in the 2019 budget and extended in the 2021 budget.
2. That the government invest an additional \$30 million per year in these two programs (\$21 million for CAPF and \$9 million for BCAH) to support the adaptation and growth of the live performance sector in the post-pandemic era.

A digital infrastructure to connect audiences to live performances

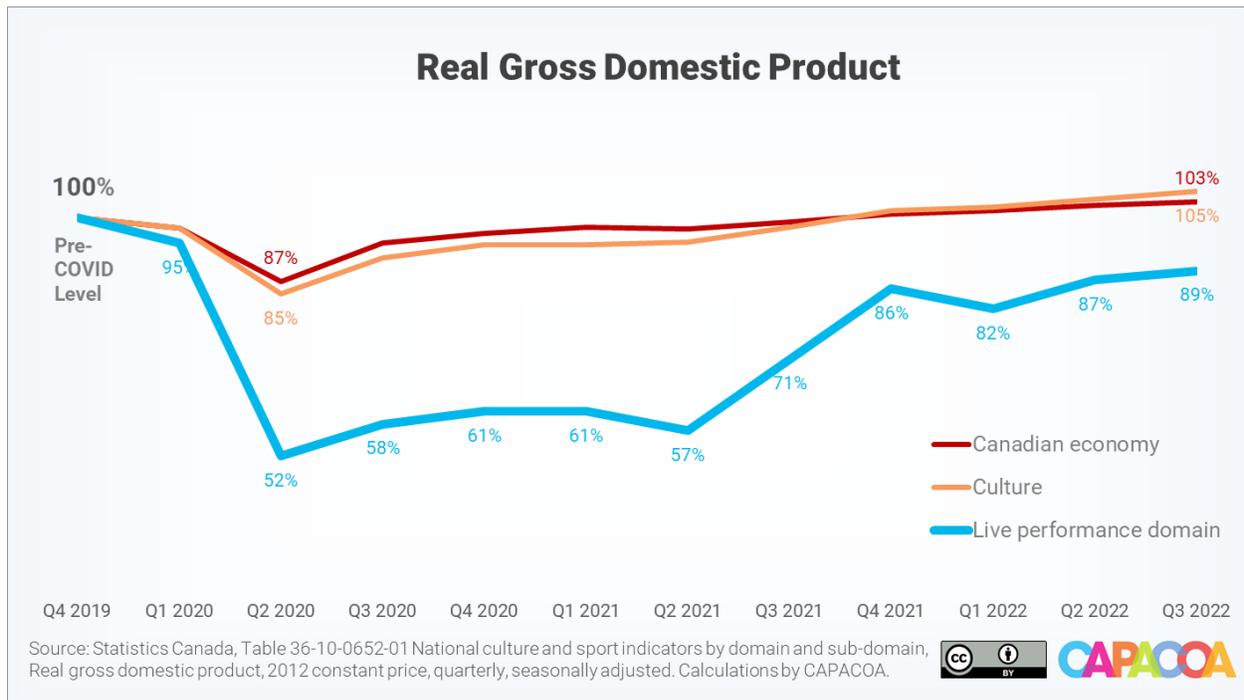
3. That the government invest \$10 million over five years to accelerate the development of an open data infrastructure for the live performance sector.

Other recommendations

4. That the government modernize the employment insurance program to ensure self-employed workers in the arts sector can receive income support when they need it.

Economic and social context

The live performance sector¹ was among the hardest hit by the COVID-19 pandemic. It is also among sectors that are experiencing a particularly long and slow recovery according to Statistics Canada’s National Culture Indicators².



In a previous version of this submission, we reported that the real Gross Domestic Product of the live performance sector was 8.8% away from a full recovery in the second quarter of 2022. This data point was revised by Statistics Canada last month. It turns out it was in fact 12.6% away. With the 2.1% increase between the second and the third quarter of 2022, **the live performance domain is now 10.7% away from a full recovery**. We anticipate very modest GDP growth for the sector in the 2023 calendar year. Between inflation and a forecasted economic slowdown in the second and third quarter of 2023, Canadian households will continue to have limited disposable income to buy tickets to a show or attend a festival. It’s hard to predict what 2024 holds for performing arts organizations, but there is clearly no “return to normal” in sight.

¹ The live performance domain includes the performing arts and live concerts, as well as multidisciplinary events such as celebrations and festivals. The domain also includes facilities dedicated to live performance such as theatres or concert halls. The live performance domain is contained within [NAICS 711 “Performing arts, spectator sports and related industries”](#). Formal definitions and mapping to NAICS are available in the [Conceptual Framework for Culture Statistics 2011](#).

² Statistics Canada, Table 36-10-0652-01 National culture and sport indicators by domain and sub-domain, real GDP (constant 2012 price), quarterly. Calculations by CAPACOA.

Performing arts organizations continue to experience major challenges with attracting existing or new customers back to live events.³

As of December 2022, 72% of Canadian culture goers had returned to in-person performances, but another 23% were still hesitant and 5% said they would never return.⁴ The ARTS Survey also observed a desire among Canadians to attend more in 2023, but an intent to spend less than they did in 2022,⁵ which is to be expected after a year of soaring inflation.

To make things more nerve-racking, consumer and industry surveys underline a rising prevalence of last-minute sales trends⁶, of increased volatility (venues are either full or empty, there is no longer a middle ground)⁷, and of reduced demand for lesser-known artists and artistic works.⁸ These behavioural changes are a direct consequence of the pandemic. There are also generational and algorithmic factors to take into account.⁹

The live performance sector needs ongoing and expanded support from the federal government to adapt to these recent changes in consumer behaviours, in order to fully recover from the impact of the COVID-19 pandemic and to get back to a level of vitality where it contributes at its full potential to the Canadian economy and to the wellbeing of Canadians.

³ Arts, entertainment and recreation businesses are considerably more likely than other industries to report obstacles in attracting new or returning customers (27.3% compared to 16.7%). Statistics Canada, Canadian Survey on Business Conditions, third quarter 2022. [Data analysis by CAPACOA](#).

⁴ Nanos Research, [Arts Response Tracking Survey, December 2022 edition](#), commissioned by Business/Arts and the National Arts Centre. Retrieved February 10, 2023, from: <http://www.businessandarts.org/resources/arts-response-tracking-study/>

⁵ 25% of culture goers intend to attend more, 18% intend to attend less; 18% intend to spend more, 24% intend to spend less. Nanos Research, [Arts Response Tracking Survey, December 2022 edition](#).

⁶ Nanos Research, [Arts Response Tracking Survey, October 2022 edition](#).

⁷ Based on aggregated box office data collected by the Government of New Brunswick.

Benjamin Broucke, *Performing Arts in Canada: Where are the audiences?*, webinar hosted by Orchestras Canada on November 16, 2023. Retrieved February 10, 2023, from <https://oc.ca/en/resource/performing-arts-in-canada-where-are-the-audiences/>.

⁸ Alan Brown, *Performing Arts in Canada: What Are Audiences Telling Us?*, webinar hosted by Orchestras Canada on November 25, 2022. Retrieved February 10, 2023, from: <https://oc.ca/en/resource/performing-arts-in-canada-what-are-audiences-telling-us/>.

⁹ Ibid.

Detailed recommendations

Base programming support:

1. **Make permanent the supplementary investments from the 2019 budget in the Canada Arts Presentation Fund (CAPF) and in the Building Communities through Arts and Heritage program (BCAH);
AND**
2. **Invest an additional \$30 million over three years in these two programs (\$21 million for CAPF and \$9 million for BCAAH) to support the adaptation and growth of the live performance sector in the post-pandemic era.**

Program	2019-2020 Base Funding	2019 Supplementary Funding	2023 Recommended Increases	Funding level after increases
Canada Arts Presentation Fund	\$32.5 M	\$8.0 M	\$21.0 M	\$61.5 M
Building Communities through Arts and Heritage	\$17.7 M	\$7.0 M	\$9.0 M	\$33.7 M
<i>Total</i>	<i>\$50.2 M</i>	<i>\$15 M</i>	<i>\$30 M</i>	<i>\$95.2 M</i>

Total requested amounts: \$15 million per year + \$30 million per year, ongoing.
We are proposing that the increases be gradually rolled out over a three-year period.

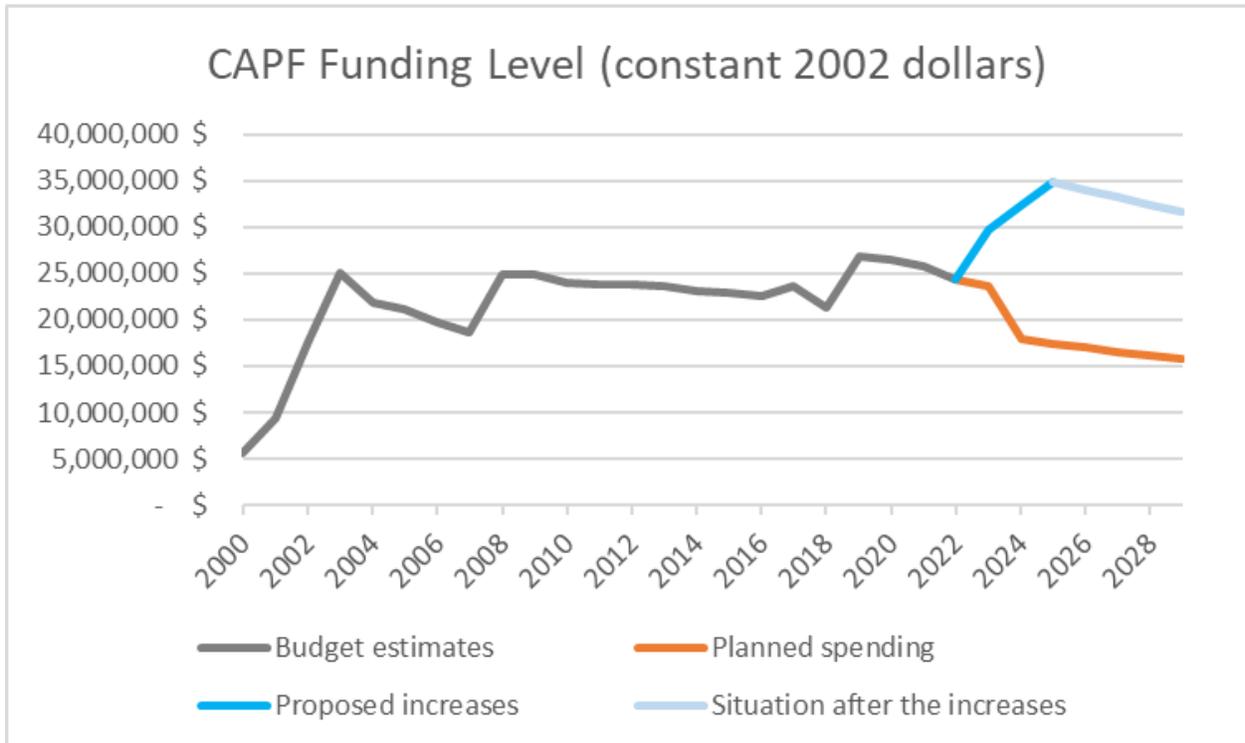
These two programs have not received the same attention from the federal government as other funding sources, such as the Canada Council for the Arts. As demonstrated below, their funding envelopes have not kept up with inflation and program clients are consequently supported at a much smaller percentage of their budget today than they initially were when these two programs were rolled out.¹⁰ The supplementary investments from the 2019 federal budget were intended to compensate for inflation, but they also enabled equity-deserving organizations to finally get their fair share of funding after waiting long at the door. In addition, through the delivery of emergency and recovery funding, these programs saw an additional influx of new clients, many from underserved communities.¹¹ Some of these new clients will expect – legitimately so – ongoing support. Without additional funding, this will not be possible.

¹⁰ The CAPF can fund up to 25% of eligible project costs. However, according to data provided by Canadian Heritage, the average CAPF grant or contribution only represented 5.72% of total project costs in 2021-2022 (even including the supplementary funding).

¹¹ According to data provided by Canadian Heritage, the number of projects (not clients) funded by the CAPF grew from 692 in 2018-2019 to 781 in 2021-2022.

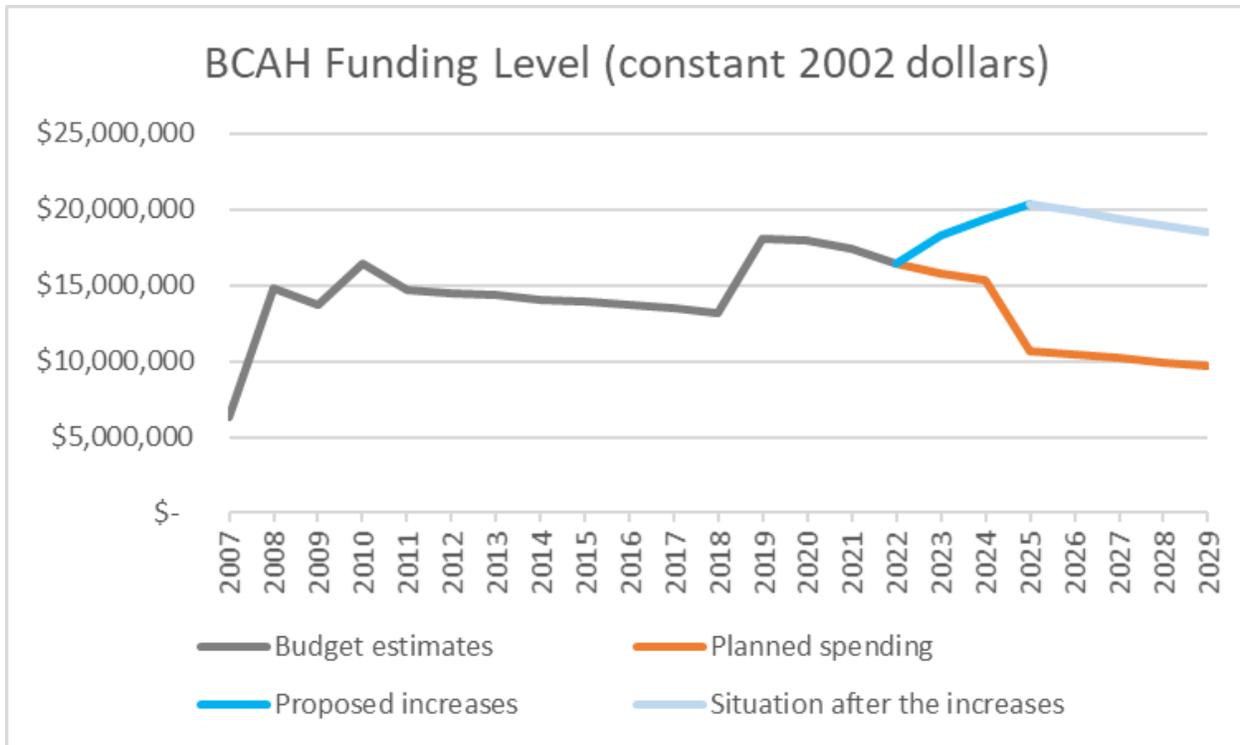
Funding levels over time (budget estimates, planned spending, and proposed increases)¹²

The two tables below show each program’s funding level over time, including the 2019 supplementary funding. The amounts are in constant 2002 dollars to take into account the effect of inflation.



- By March 2024, in constant dollars (i.e., taking inflation into account), the program's funding level will be 9% lower than in 2003, when the program was first fully rolled out.
- The #FutureOfLIVE recommended increases would bring the CAPF’s base funding 38% above its inception level.

¹² Sources: Canada, Secretary Board, Main and Supplementary Estimates; Canada, Finance Canada, Federal budgets; Canadian Conference of the Arts, Analyses of the Federal Budget; Statistics Canada, Table 18-10-0005-01, Consumer Price Index, annual average, not seasonally adjusted.



- By March 2024, in constant dollars (i.e., taking inflation into account), BCAH's funding level will be only 6% lower than in 2008, when the program was first fully rolled out.
- The #FutureOfLIVE recommended increases would bring BCAH's base funding 37% above its inception level.

The rationale for increasing these programs isn't purely economical. It is also circumstantial and strategic. As mentioned above, the live performance sector needs further support to adapt to changing consumer behaviours in the post-pandemic era and to rebuild a strong domestic market for Canadian artists. With this enhanced and predictable funding, the domestic touring and presenting sector will be able to plan longer and more cost- and carbon-effective tours. Moreover, ongoing enhanced support to series presenters supported by the CAPF will increase the number of year-round performing arts offerings for local consumers and tourists alike, which will support the federal government's Tourism Growth Strategy.¹³

¹³ CAPACOA, *The Performing Arts and the Visitor Economy*, Submission presented as part of the Federal Tourism Growth Strategy consultation, July 2022. Available at: <https://capacoa.ca/en/research/tourism/>.

A digital infrastructure to connect audiences to live performances:

3. Invest \$10 million over five years to accelerate the development of an open data infrastructure for the live performance sector.

Audiences' hesitancy to return to live performance can be explained by many factors: epidemiological, economic (especially with the rising cost of living), behavioural, and... algorithmic.¹⁴

All cultural consumption is mediated at some point by a digital device, and is therefore subject to some form of algorithmic recommendation. Algorithmic recommendation takes several inputs into account, starting with data describing the offer. This is where a major opportunity lies for the performing arts sector.

Research conducted in France, in Canada, and in the United Kingdom¹⁵ converges towards the same finding and recommendation: descriptive metadata, made available as five-star open data, could enhance the digital discoverability of live performance offerings. Stakeholders of the live performance sector have already undertaken several activities in response to these recommendations: harmonized data models and open data applications are being developed. But sustained and predictable resources are needed to scale vertically (building a capacity to collect more event metadata, in real time), to scale horizontally (providing feeds of event metadata to other sectors, such as tourism), and to accelerate adoption by more performing arts stakeholders (emulating the service model of the Canadian Heritage Information Network).¹⁶

Cost: \$10 million over five years

¹⁴ Julien, F. (2022, Sept. 16). *Factors having an influence on post-pandemic arts attendance*, [Panel presentation]. Contemporary Issues Facing the Arts and Culture Sector Today, online, University of New Brunswick. Speaking notes available at: https://docs.google.com/document/d/1lBq5COMrCazJvym0DLxIKkvUJVUpzldMcKNj_FdQDzg/edit?usp=sharing

¹⁵ Ahselord, R., Piper, L., Proctor, B. Reinikainen, E., Richards, A (2019), *Could Open Data Help Arts and Culture Listings? A Discovery Report*, Nesta and The Satori Lab. Further sources are cited in: Estermann, B. and Julien, F. (2019), *A Linked Digital Future for the Performing Arts: Leveraging Synergies Along the Value Chain*, CAPACOA in cooperation with the Bern University of Applied Science.

¹⁶ The Canadian Heritage Information Network (CHIN), a Special Operating Agency within the Department of Canadian Heritage, assists Canadian museums in documenting, managing, and sharing information about their collections, which in turn ensures that this information is accessible now and in the future. More information at: <https://www.canada.ca/en/heritage-information-network.html>.

Labour support:

4. Modernizing the employment insurance program to ensure self-employed workers in the arts sector can receive basic support when they need it.

CAPACOA wishes to echo this recommendation from the Standing Committee on Canadian Heritage report on the recovery from COVID-19.¹⁷ Providing some form of income safety to stage technicians and lighting and sound designers would offset the uncertainty associated with self-employed work in the performing arts and would enable the sector to attract and retain the skilled workforce that it needs to put shows on stages.

CAPACOA also acknowledges and endorses the recommendations of the Festivals and Major Events, the Canada Live Music Association, Orchestras Canada and the Association for Opera in Canada.

About CAPACOA

The Canadian Association for the Performing Arts / l'Association canadienne des organismes artistiques (CAPACOA) is a national arts service organization for the performing arts touring and presenting community. CAPACOA represents 120 professional for-profit and not-for-profit presenters, festivals, presenter networks, artistic companies, agents, managers and other stakeholders working across the presenting and touring sector in Canada. Collectively, our network members represent nearly 2000 professional and volunteer organizations, associations and companies. CAPACOA's mission is to cultivate a vibrant, healthy and equitable performing arts ecosystem, from artists to audiences.

¹⁷ Canada, House of Commons, [Standing Committee on Canadian Heritage, Arts, Culture, Heritage, and Sport Sector Recovery from the Impact of COVID-19](#), 44th Parliament, 1st Session, June 2022 (Chair: Hon. Hedy Fry).