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## **“Culturally Significant”:**

# **The Value and Reliability of Canada’s Creative Sector in Challenging Economic Times**

### **Brief to the Standing Committee on Finance:**

Pre-budget consultations, August 2011

#### **Submitted to:**

Guyanne L. Desforges  
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***“To invest in arts and culture and to support the creative economy is to support the economy as a whole.”***

The Honourable James Moore, P.C., M.P.  
Minister of Canadian Heritage and Official Languages

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**The Canadian Arts Presenting Association/l'Association canadienne des organismes artistiques (CAPACOA)** represents over 140 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 more than 2000 professional and volunteer organizations, associations and companies. We are well positioned to inform the government about the contributions made by our members regarding the impact of live performing arts on Canadian citizens.

CAPACOA's programs and services support presenting and related activity at the local, regional and national level. The organization collaborates nationally and internationally to help advance the field and provides leadership, knowledge, communications and skills development on behalf of its members and within the arts presenting community.

CAPACOA has carefully considered the questions posed by the committee and has analyzed the most recent events impacting the global economy. CAPACOA has also read the briefs prepared by the Canadian Conference of the Arts and the Canadian Arts Coalition, both of which we endorse.

## **Executive Summary**

In this brief CAPACOA offers general consideration on the current economic environment and the resilience of the performing arts sector, provides specific information on the presenting field supporting recommendations by other stakeholders, and then proceeds to answer the questions asked by the committee

## **Current Environment**

As increased pressure from international credit agencies indicates, all countries must address their current deficits and debts. However, with a slow economic recovery and therefore greater likelihood of a new global recession, we believe that Canada's ambition to ultimately balance its budget may not be achievable through spending cuts alone.

Furthermore we believe the government must maintain its investments in sectors which have proven their ability to withstand economic downturns, the cultural sector being one of them.

This resilience was once again demonstrated in the most recent economic downturn. According to the most current and very reliable data of Observatoire de la culture et des communication du Québec, the demand for performing arts activities did not decrease over the period 2007-2010. In fact, the average ticket price increased by 13.5%.<sup>1</sup>

This could be explained by the fact that performing arts appear to remain an essential service for Canadian families, regardless of their income level. Statistics Canada's 2008 Survey of Household Spending revealed that a considerable percentage of lower-income households choose to spend some money on live performing arts. Households with incomes of \$25,000 or less are more likely to spend money on live performing arts (15%) than on museum admissions (12%) and live sports (4%).<sup>2</sup>

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<sup>1</sup> Québec, Observatoire de la culture et des communications, Statistiques des représentations payantes en arts de la scène selon la discipline des spectacles, Suppléments annuels de 2007 à 2010.

<sup>2</sup> Hill Strategies Research, *Patterns in Performing Arts Spending in Canada in 2008*. Statistical Insights on the Arts, Vol. 9 No. 2, 2011

## The Canada Arts Presentation Fund and the Presenting Sector

This leads us to echo one of Canadian Arts Coalition's recommendations:

- That the Government of Canada maintain its long-term commitment to strengthening the sustainability of the arts, culture and heritage sectors and to **ensuring access to arts and culture for all Canadians through programs delivered by the Department of Canadian Heritage.**

One such program that increases access to the performing arts is the Canada Arts Presentation Fund (CAPF). This \$30 million program, renewed in 2010 until 2015, is helping to achieve and sustain overall health in the complex ecology that is Canada's presenting and touring sector.

CAPF supports more than 600 festivals and performing arts series in **more than 224** communities across Canada.<sup>3</sup> CAPF clients, such as the Maclab Centre for the Performing Arts (AB), Festival du Voyageur (MB), Luminato Festival (ON), Théâtre Lionel-Groulx (QC) and the Mermaid Imperial Performing Arts Centre (NS) serve all segments of the Canadian population in both rural and urban settings. As a result, 2 in 3 Canadians were able to enjoy a live performance in 2007.<sup>4</sup>

A 2008 summative evaluation of the program noted that CAPF-funded organizations and events provided economic development spin-off opportunities within their local economy, inspired innovative partnerships and helped create a better quality of life through revitalized communities. This evaluation was corroborated by the findings in a report from the Creative City Network of Canada, which concluded that arts and culture could help rural communities "to revitalize, diversify their economic base, and enhance their quality of life".<sup>5</sup>

CAPACOA draws the Committee's attention to this specific program to highlight the correlation between Canadian's access to live performing arts and the overarching objectives of the Federal Government. The ongoing accomplishments of this program underscore for client, consumer and government stakeholders why it is imperative to commit now to ensuring a sustainable future for CAPF, and other Canadian Heritage programs fundamental to Canadian's high standard of living.

CAPF supports the activities of the presenter (who puts the artist on a stage in front of Canadian audiences), and it is the Canada Council for the Arts that facilitates the creation and dissemination of that work. There is keen interdependence between CAPF (and other departmental programs) and the Canada Council for the Arts, an intrinsic partnership that works to ensure that the creative chain – the cycle of creation-production-presentation-consumption – can thrive. CAPACOA cannot talk about a sustainable future for the presenting sector without recognizing the pivotal role that the Canada Council for the Arts plays in support of the broader ecology.

CAPACOA therefore supports the recommendation of the Canadian Arts Coalition, echoed by the Canadian Conference of the Arts, who both speak of the strategic role of the Canada Council for the Arts in supporting the cultural sector and the creative economy:

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<sup>3</sup> Program data for the fiscal year 2010-2011, as published on the website of Canadian Heritage, <http://www.pch.gc.ca/eng/1267553110077> (accessed August 11, 2011)

<sup>4</sup> "Most surveyed Canadians (86%) attended at least one type of arts or cultural event or activity in the past year, with the most popular events being live performances (69%), craft shows (58%) and festivals (53%)." *The Arts and Heritage in Canada: Access and Availability 2007*, Report prepared by Phoenix Strategic Perspectives for the Department of Canadian Heritage, 2007.

<sup>5</sup> Creative City Network of Canada, *Developing and Revitalizing Rural Communities through Arts and Culture*, 2009

- That the Government of Canada continue to support the cultural sector and sustain the creative economy through ongoing strategic investment in the Canada Council for the Arts.

CAPACOA also supports the recommendation of the Canadian Conference of the Arts, which acknowledges the essential role of touring and presenting in the creative chain:

- Invest \$40 million of new money into domestic touring and the development of foreign markets.

## Question 1 - How to achieve a sustained economic recovery in Canada?

The Government can achieve a sustained economic recovery by investing in sustainable resources such as the arts, culture and heritage sectors.

*[Regions]...that adopt culture as an industry have gained positive economic benefits for their communities. Cultural industries create job growth, turn ordinary cities into “destination cities,” create interconnections between arts and business, revitalize urban areas, attract skilled workers, and create spin-off businesses.<sup>6</sup>*

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Culture-based businesses and organizations:

1. provide direct economic benefits
2. create job growth in the cultural sector, expanding the sector as a whole
3. promote and enhance cultural development
4. help foster creative cities and communities
5. improve the ability of urban centres to attract skilled workers
6. help a community distinguish itself based on strong identities, cultures, arts and crafts, etc.
7. help a community gain a competitive advantage as a “destination city” for cultural tourism
8. spawn “spin-off” businesses, fortifying and diversifying the original initiatives’ strengths
9. can lead to subsequent economic regeneration through urban revitalization<sup>7</sup>

Culture as an engine for the economy has been well documented as an affordable, sustainable and ideal sector for sustained investment - not only in the face of economic recovery, but as part of long-term government strategies that seek to integrate a high quality of life into the Canadian experience.

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<sup>6</sup> Making the Case for Culture: Culture as an Economic Engine, creativecity.ca, 2005.

<sup>7</sup> Making the Case for Culture, *op cit*

## Question 2 - How to create quality sustainable jobs?

*More than 1,500 Chief Executive Officers from 60 countries and 33 industries worldwide, chief executives believe that—more than rigor, management discipline, integrity or even vision—successfully navigating an increasing complex world will require creativity.<sup>8</sup>*

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In the study quoted above, the *IBM 2010 Global CEO Study: Creativity Selected as Most Crucial Factor for Future Success*, the authors looked at key skills required by company executives to navigate economic downturns, changing technology and overall complexity management.

The ability to think creatively can be nurtured and taught from an early age through the arts. A focussed and well-supported cultural sector can help to engender dynamic corporations and sustainable jobs across industries, ensuring that – for example, through arts education – the leadership skills required to handle today’s global challenges are purposefully integrated into the Canadian education experience to help build the smart, nimble, innovative and savvy labour force of tomorrow.

*Participation in the arts helps young people develop self-confidence and achieve higher academic performance. The arts challenge youth to think critically and creatively beyond “the box.”<sup>9</sup>*

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## Question 3/4 - How to ensure relatively low rates of taxation and achieve a balanced budget?

*“Our government recognizes that arts and culture are important generators of economic growth, jobs and wealth in our communities,” Federal Finance Minister Jim Flaherty*

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The broader ecology of the cultural sector is complex. Like the Canadian Conference for the Arts, CAPACOA believes that the successful establishment of **copyright legislation** will enable more creators to receive fair compensation for the use of their intellectual property and will provide sustainable investments in support of creativity without creating an additional burden on the government. Copyright is central to the overall ability of artists and creators to produce work, and their wellbeing and security is exceptionally relevant to presenters and Canadian audiences, from coast to coast to coast.

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<sup>8</sup> *IBM 2010 Global CEO Study: Creativity Selected as Most Crucial Factor for Future Success*, May 2010

<sup>9</sup> *Educating and engaging Canada’s youth*, Canada Council for the Arts

## In Conclusion

Lastly we would like to address the committee's final question as to "how to attain high levels of job growth and business investment in order to ensure shared prosperity and a high standard of living for all":

Sustained investment in the arts contribute directly to job growth, as is well argued by the Canadian Conference of the Arts and the Canadian Arts Coalition, thereby also ensuring shared prosperity and high standard of living. Moreover, the arts also intrinsically contribute to high standard of living by providing individual benefits such as improving health, lowering stress<sup>10</sup> and fostering a sense of Canadian identity<sup>11</sup>, all three of which have been determined in a recent Canadian study to be the strongest predictors of higher life satisfaction.<sup>12</sup>

Robust policies for and investment strategies in the arts, in collaboration with the Canada Council for the Arts and the Department of Canadian Heritage, will demonstrate the cultural sector's value and reliability as an effective partner for the federal government. Together we can create the foundation upon which to balance the budget and work to ensure long-term financial health for Canada and for Canadians.

We thank the committee for your consideration and ask you to integrate CAPACOA's recommendations and suggestions into the 2012 federal budget as part of a vigorous, enduring fiscal strategy.

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<sup>10</sup> Koenraad Cuypers et al, "Patterns of receptive and creative cultural activities and their association with perceived health, anxiety, depression and satisfaction with life among adults: the HUNT study, Norway," *Journal of Epidemiology and Community Health*, British Medical Association, May 2011.

<sup>11</sup> Hill Strategies Research, *Social Effects of Culture: Exploratory Statistical Evidence*, Statistical Insights on the Arts, Vol. 6 No. 4, 2008 (data drawn from Statistics Canada's General Social Survey of 2005).

<sup>12</sup> Centre for the Study of Living Standards, *Does Money Matter? Determining the Happiness of Canadians*, 2010.