



Pre-Budget 2024 Submission

To the Standing Committee on Finance

August 4th, 2023

Canadian Arts Coalition

RECOMMENDATION

To ensure a resilient, equitable future for the Canadian arts & culture ecosystem, its workers, buildings, and communities, **provide \$350 million in permanent investment to Canadian Heritage's Arts Branch, Heritage programs and the Canada Council for the Arts.**

This includes:

Arts Branch, Canadian Heritage

- \$5 million to the Canadian Arts Training Fund (CATF) to provide equitable support to professional skills training
- \$29 million to the Canadian Arts Presentation Fund (CAPF) to meet the adaptation and growth of the live performance sector
- \$16 million to the Building Communities Through Arts and Heritage (BCAH) program to welcome communities to local live events
- \$54 million to the Canada Cultural Spaces Fund (CCSF) to reverse the deterioration of Canada's creation and presentation infrastructure, to make them sustainable, safe, accessible, and modernized for artists, arts workers and audiences.
- \$59 million to the Endowment Incentives component of the Canada Cultural Investment Fund (CCIF) to incentivize and match private giving to maximize private donations and financial resilience for performing arts, visual arts and museums.

Heritage Group, Canadian Heritage

- \$47 million to the Museums Assistance Program (MAP)

Canada Council for the Arts

- \$140 million to permanently increase the Canada Council for the Arts' granting budget to \$500 million annually to increase funding equity, transparency and innovation.

About the Canadian Arts Coalition

The [Canadian Arts Coalition](#) is a collaborative, non-partisan movement informed by arts service organizations and their membership which represents hundreds of independent artists, non-profit and charitable arts organizations of all sizes, regions and art forms. We are united in the belief that the future of our citizens, their towns and cities, and the nation itself depends on a rich, vibrant, and diverse arts and heritage community.

We have focused this year's pre-budget recommendation to provide the highest return on investment to the Canadian cultural workforce and the many Canadians whom it serves, by providing \$350 million in permanent funding to the Canadian arts ecosystem through Canadian Heritage and the Canada Council for the Arts.

Additional Policy Considerations

In addition, we encourage the Government to follow through on its commitments in the following areas, as they will have significant, long-lasting impact on creators and the industry:

- Continue to include in the Mandate for Canadian Heritage, “amend the *Copyright Act* to further protect artists, creators and copyright holders, including to allow resale rights for artists” as reflected in the Mandate Letter from 2021.
- Continue the modernization of Employment Insurance for self-employed and gig workers, with particular attention paid to the unique dynamics of Canadian arts and culture
- Delay the design and implementation of the proposed Alternative Minimum Tax (AMT) until government determines the impact of the AMT changes on charitable revenues by conducting an independent economic and financial analysis. We expect this, in its current form, will adversely affect high-income donations. Now is not the time to disincentivize private giving and instead, the Government must find ways to enhance charitable giving to support financial resiliency.
- Ensure that transparency and accountability is maintained in respect to equity and anti-racism goals of all federal arts and culture funding programs, including within Canadian Heritage and the Canada Council for the Arts, aligned with the PCO's [Call to Action on Anti-Racism, Equity, and Inclusion in the Federal Public Service](#).

Return on Investment – the Canadian Arts & Culture Sector

Our arts and culture sector influences and shapes major facets of Canadian society – community wellbeing and social return, employment and training, access to cultural venues, and direct and indirect economic benefits.

Consider the following:

There are more workers in the arts, culture, and heritage than in wholesale trade, farms, hospitals, and real estate¹ There are 914,000 workers in cultural occupations in Canada. Workers in cultural occupations represent 4.4% of all Canadian workers (20.6 million people). Examined differently, this means that 1 in every 23 workers in Canada has a cultural occupation.

Culture accounted for 2.3% (\$54.8 of total economy GDP in 2021), down from 2.7% in 2020 and 2.8% in 2019. However, the cultural sector GDP has increased overall, up from \$53.8 in 2019.² This amount, while growing due to interactive media, visual and applied arts, still reflects the significant contributions of all facets of the sector, but does not take into account the nuance of additional challenges facing its sub-sectors, such as non-profit performing arts.

In 2021, the overall labour force rebounded to pre-pandemic levels, but not for self-employed artists, which remained 12% lower in 2021 than in 2019. Further, to add to the precarity, in a 2020 report from the Yellowhead Institution, some Indigenous artists indicated that their “careers were starting to take off after the increased visibility following the reconciliation year, but now they are afraid they could lose the audiences they were building and potentially even their careers”.³

The capacity of creativity, arts and culture has been shown to influence peoples’ sense of **identity and belonging, builds social capital, and nourishes the knowledge that gives us autonomy and critical thinking.**⁴ Over **99.5% of Canadians participate in culture in some way**⁵ based on 2016 census data and, based on pandemic data, immigrants and youth under 25 years of age are more likely than others to agree that the arts and culture have been important for their wellbeing during the pandemic.⁶

¹ Hill Strategies. [There are more workers in the arts, culture, and heritage than in hospitals, wholesale trade, farms, and real estate.](#) June 2023 based on Census 2021 data. Canada. *Canadians in cultural occupations is over two-and-a-half times larger than real estate (304,100), two-and-a-half times larger than farms (339,200), wholesale trade (610,300) and in hospitals (781,200).*

² Canada Council for the Arts. [Provincial and Territorial Cultural Indicators 2021.](#) June 2023. Canada.

³ Hill Strategies. [Artists in the Pandemic: Recent and Long-Term Labour Force Trends.](#) Feb 2022.

⁴ Bonet and Calvano. [Measuring the Social Dimension of Culture.](#) May 2023. Spain.

⁵ Hill Strategies. [Arts, Culture and Heritage Participation in Canada’s Provinces and Largest Census Metropolitan Areas in 2016.](#) March 20 2019.

⁶ Hill Strategies. [Demographic differences in perceptions of the benefits of the arts and culture for personal wellbeing during the pandemic.](#) June 2022.

Challenges and Risks

However, even given the significant contributions of the arts demonstrated above, our industry requires support from the Government of Canada to build a resilient, equitable and stable future along with private partners, earned revenue, and support from other levels of government.

In a time of stagnant public funding, reeling from post-pandemic realities and the slow climb to rebuild, there are significant risks and pressures. Such pressures could be reversed, and a more significant return on investment realized, should organizations be supported by federal investment to build back diverse audiences, increase equitable investment in creative workers, and incentivize private giving.

In our sector consultation from July 2023, over 89 arts and culture leaders, many of whom represent hundreds of members through their respective industry associations, cited the major challenges for individual creators as:

- income precarity,
- unpredictable grants,
- lack of employment opportunities,
- lack of competitive wages and benefits,
- lack of federal government funding
- barriers resulting from inequitable access to funding and resources faced by Indigenous, Black, People of Colour, Deaf and disabled artists, arts workers and arts organizations

This pressure on the creative workforce is exacerbated by the increased costs with decreased revenue (including slow audience return), felt by arts organizations that contract and employ creators and cultural workers.

Responses around unstable federal funding was the most frequent challenge recognized through our sector consultation. This tied into the issue of staff shortages which has resulted in burnout among remaining staff due to a lack of a knowledge base with new hires, and rising costs of inflation paired with decreased, post-pandemic revenue. Such concerns are even more challenging for those facing barriers resulting from inequitable access to resources and funding, and the overall pool of investment must increase to account for this.

Further, in a recent Spring 2023 study, it was discovered that about one in five indoor culture-goers (22%) say they plan on attending an indoor event at least once a month in the next year, while just under one fifth say the same for outdoor performances (19%).⁷ This gap in audience return signifies that our sector must work to stabilize, rebuild stronger, re-engage existing audiences and build new ones, and that organizations who primarily host cultural events are still on an uphill climb from the effects of the last three years.

⁷ Nanos, Business/Arts, National Arts Centre. [National Survey](#). May 2023. Canada.

Given the pressures on the workforce, precarity of revenue and return of audiences, against the sector's significant return on investment to the Canadian workforce, GDP and community engagement, we worry that the Canadian arts sector is not being considered enough as a federal priority for investment during this critical moment in time.

Investing in the Ecosystem that supports Canadian Arts & Culture

Performing arts and non-profit visual arts organizations, many of which had to shut down large gatherings and pause their employment opportunities for many self-employed artists throughout the pandemic, are still reeling from the aftereffects and, in some cases, **20+ years of stagnant or temporary federal investment** into their relevant Canadian Heritage (PCH) programs, and a changing, equitable funding ecosystem across PCH and the Canada Council for the Arts.

Our recommendation of \$350 million to key programs and agencies reflects the gap and need within the Canadian arts and culture ecosystem to deliver key strategic support to the performing and visual arts sectors through policy and programs that benefit Canadians in communities small and large. Many Canadian Heritage programs have been flat lined since first introduced in 2001 and, with increased client representation to underrepresented groups and artists within the Canada Council during the pandemic years, both agencies must catch up to the support required for a fully equitable funding ecosystem for underrepresented groups, all sizes of organizations (small to large), and across all regions in Canada.

We recommend that temporary investments are made permanent, and that the investment levels catch up to the growth and oversubscription of these programs, while also ensuring these programs remain equitable for new and existing recipients. This would include underrepresented and equity-seeking groups, regional fairness across the country, and the balance between supporting small, medium and large arts organizations – all of which train, employ, and provide significant opportunities for cultural workers.

An all-in approach to investment into Canadian Heritage and the Canada Council for the Arts will result in:

- A more stable and financially diverse arts sector
- Living wages for artists so they remain in the sector
- Community engagement and increased social cohesion
- Higher employment rates in the sector
- Enhanced equity to available resources in the sector
- More cultural tourism experiences which will help put Canada on the map as a tourist destination internationally
- Spinoff benefits to transit, restaurants and retail from cultural tourism experiences

Conclusion

Given that the Canadian arts & culture sector represents 2.3% of Canada's total GDP, and 4.4% of Canadian workers, \$350 million to Canadian Heritage and Canada Council programs to support arts organizations and independent artists is a meaningful and worthwhile investment, given the significant return.

We ask that federal Government officials invest in Canadian arts and culture at this critical point in 2024. This would not only reverse a serious oversubscription of many of these programs since the early-2000s, but also incentivize financial resilience and equity for a sector of Canadian society that was disproportionately and adversely affected during these last three years, and also remain accountable to the equity and anti-racism goals of the Government of Canada through funding programs and agencies.

The Canadian Arts Coalition would welcome the opportunity to present at committee and is available to answer questions by contacting us at:

CONTACT

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