

ENCORE

REVISITING THE ECONOMIC IMPACT OF THE ARTS AND CREATIVE INDUSTRIES IN WINNIPEG

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Prepared for:

Winnipeg Arts Council

*Text appearing in blue is content that has been
updated for the 2014 version of the study.*

ENCORE Revisiting the Economic Impact of the Arts and Creative Industries in Winnipeg MARCH 2014

S U M M A R Y

Five years have passed since *Ticket to the Future, Phase 1*, was released as the first comprehensive study of the economic impact of the Winnipeg arts and creative industries in decades. With recent data and material from Statistics Canada and Economic Development Winnipeg, it is the moment to produce the **Encore**, and update the story.

The most relevant point for the Winnipeg Arts Council is the clear evidence that the City of Winnipeg's annual allocation to the Winnipeg Arts Council has not kept pace with the growth of the city's population; the amount allocated per capita has declined between 2007 and 2014. The effect of inflation will further erode the purchasing power of the City's investment in the arts if this trend continues.

City residents and businesses remain passionate about arts and culture: from attendance records at the Fringe Festival, the Winnipeg Art Gallery and the Winnipeg Folk Festival, to impressive volunteer and donor rates, to new partnerships between arts organizations and local businesses, the evidence strongly points to the fact that Winnipeggers care deeply about the arts, and eagerly take advantage of opportunities to experience arts and culture.

This study measures the surprising economic impact of the arts and creative industries in the city of Winnipeg, building off of an earlier study undertaken in 2009. After examining recent information pertaining to employment and economic activity in the arts and creative industries, cultural attendance, volunteerism in arts and cultural organizations, cultural tourism, and municipal funding for arts and culture, we conclude that:

- ▶ Winnipeg's arts and creative industries remain a **major employer** and a **significant contributor to the city's economic output, and appear to be growing in step with the local economy.**
- ▶ City residents continue to exhibit a **strong demand for arts and cultural activities**, and take **full advantage** of every opportunity to interface with arts and culture.
- ▶ **Through its capacity to leverage additional funding from a multitude of public and private sources, municipal investment plays a key role in supporting Winnipeg's arts and creative industries. However, per-capita funding allocated by the city to the WAC has declined continuously since 2007.**
- ▶ Local non-profit arts organizations supply a **large number** and **wide variety** of arts and cultural programs.
- ▶ Arts and cultural activities remain popular among tourists visiting the city, who continue to **inject a considerable volume of funds into the local economy.**

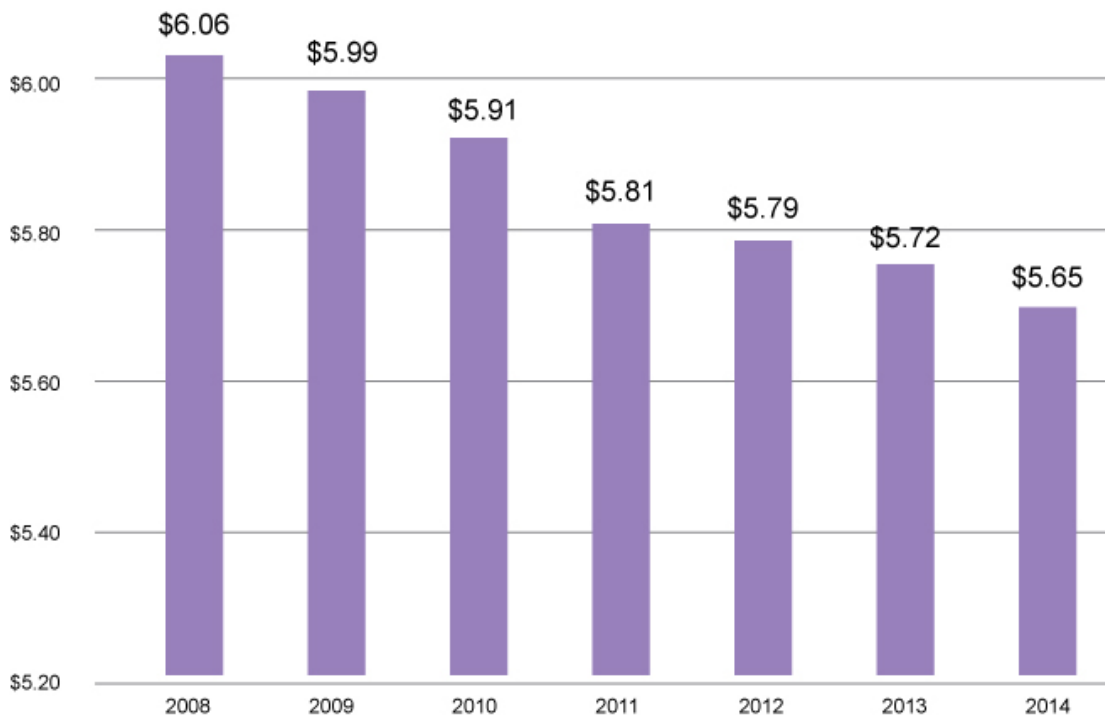
Considering that the arts and creative industries have a significant impact on the local economy and the quality of life of local residents, **it remains true, as local business leaders told us during the original economic impact study, that the city needs to factor in how to use the arts as a strategic resource.**

► **The arts and cultural industries continue to account for a significant proportion of employment and economic output in the city of Winnipeg.** The key finding from the update of the economic impact study is that Winnipeg’s arts and creative industries are growing at a slightly greater pace than the city’s economy as a whole:

- Between 2009 and 2012, the real output of the arts and creative industries increased approximately 9.4% (\$0.949 billion to \$1.038 billion), while Winnipeg’s GDP expanded by approximately 8.9% (\$25.619 billion to \$27.887 billion), such that the arts and cultural sector continues to account for about 3.7% of the city’s total output.
- Between 2009 and 2012, employment in the arts and creative industries increased about 6.4% (25,000 to 26,600), while total employment in the city of Winnipeg grew approximately 5.4% (395,900 to 417,400), causing the industries’ share of total employment to rise very slightly from 6.3% to 6.4%.

► **Municipal funding allocated to arts and culture per city resident continues to decline.**

The original economic impact study observed that municipal funding in Winnipeg had plateaued since 2008, and pointed out that as its population increases, a fixed amount of municipal expenditure would be spread over a growing number of residents, causing the city’s per capita arts funding ratio to decrease over time. As shown in the figure below, this is precisely what has happened. In spite of the 2012 increase of \$50,000 to WAC’s annual base funding allocation, the amount provided per resident of Winnipeg has declined continuously since the original report. Assuming the situation does not change in the current year, we predict that in 2014, the amount allocated to arts and culture per city resident will fall to \$5.65, constituting an 10% decline in funding per capita since 2008. It should be further noted that these figures do not account for the impact of price inflation, which would be expected to further erode the value of the funding allocation over time.



Message from the Winnipeg Arts Council

Five years have passed since Ticket to the Future, Phase 1, was released as the first comprehensive study of the economic impact of the Winnipeg arts and creative industries in decades. With recent data and material from Statistics Canada and Economic Development Winnipeg, it is the moment to produce the Encore, and update the story. The Winnipeg Arts Council is very grateful to Prairie Research Associates for again compiling the information in an accessible and thorough document and to Economic Development Winnipeg for generously providing statistics. The structure of the report remains the same as the 2009 version, however, new data has been inserted and where available, calculations have been updated.

The most relevant point for the Winnipeg Arts Council is the clear evidence that the City of Winnipeg's annual allocation to the Winnipeg Arts Council has not kept pace with the growth of the city's population; the amount allocated per capita has declined between 2007 and 2014. The effect of inflation will further erode the purchasing power of the City's investment in the arts if this trend continues.

City residents and businesses remain passionate about arts and culture: from attendance records at the Fringe Festival, the Winnipeg Art Gallery and the Winnipeg Folk Festival, to impressive volunteer and donor rates, to new partnerships between arts organizations and local businesses, the evidence strongly points to the fact that Winnipeggers care deeply about the arts, and eagerly take advantage of opportunities to experience arts and culture.

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APPENDIX A – Definition of the arts and creative industries

Winnipeg's arts and creative industries – the facts

This report examines the most recent evidence available about the economic impact of the arts and creative industries in Winnipeg, building on the results of a previous study carried out in 2009, entitled *Ticket to the Future, Phase 1*. In addition to summarizing the findings from that earlier study, PRA Inc. (Prairie Research Associates) collected new information about employment and economic activity in the arts and creative industries, cultural attendance, volunteerism in arts and cultural organizations, cultural tourism, and municipal funding for arts and culture, discussing important trends we identified in the data.

These are some our key findings:

- ▶ **6.4%** of the city's labour force is employed in Winnipeg's arts and creative industries. **This is 26,600 people, easily sufficient to pack the seats at the MTS Centre and nearly enough to fill Investors Group Field—every working day of the year.** Of these 26,600, nearly **5,400** people are employed by non-profit arts and cultural organizations in the city. **Employment in the arts and creative industries increased by a healthy 6.4% between 2009 and 2012, keeping pace with growth in employment in the city more generally.** SEE PAGE 7 →
- ▶ **4¢ of every dollar** of Winnipeg's economic output comes from the arts and creative industries, which **produces over \$1 billion of output each year.** **Expanding by 9.4% between 2009 and 2012, the output of the arts and creative industries appear to be growing roughly in step with the local economy.** SEE PAGE 7 →
- ▶ **\$66 million** in expenditures is made by non-profit arts and cultural organizations each year. **Three-quarters** of this goes into wages, salaries, and honoraria. SEE PAGE 9 →
- ▶ **2.6 million** local admissions are recorded for **6,300** arts- and culture-related events planned and implemented by non-profit arts and cultural organizations in Winnipeg each year, on top of **500,000** visits by arts enthusiasts from outside the city. **One-third of local admissions are free.** SEE PAGE 10 →
- ▶ **1.9 million seats** are filled each year by twelve local arts and cultural organizations SEE PAGE 10 →
- ▶ **1.6 million hours** of volunteer time are contributed to non-profit arts and cultural organizations by **39,000** Winnipeggers each year. SEE PAGE 10 →
- ▶ **600,000 tourists** spend nearly **\$77 million** in Winnipeg each year while enjoying local arts and cultural attractions. SEE PAGE 12 →
- ▶ **93.8%** of all expenditures by local non-profit arts and cultural organizations are **spent right here in the city of Winnipeg.** SEE PAGE 9 →
- ▶ **84.1%** of local non-profit arts and cultural organizations provide programming tailored to young audiences. SEE PAGE 11 →
- ▶ **43.3%** of all revenues collected by local non-profit arts and cultural organizations are **earned revenues** including admissions, box office sales, subscriptions, workshops, and classes. SEE PAGE 9 →

- ▶ **Every dollar of municipal funding attracts another \$18.23** in support to local non-profit arts and cultural organizations from the federal and provincial governments and from private sources. SEE PAGE 15 →

- ▶ Many of Winnipeg's key business leaders told us that the **arts and creative industries significantly enhance the quality of life for the city's residents, and serve to attract skilled workers and keep them here.** SEE PAGE 15 →

- ▶ **In per-capita terms, municipal funding allocated to the Winnipeg Arts Council (WAC) has Winnipeg decreased continuously since 2007; assuming no change in this calendar year, the amount allocated per city resident will have declined 11% between 2007 and 2014.** SEE PAGE 16 →

Introduction

The purpose of this study is to update *Ticket to the Future: Phase 1*, an analysis undertaken in 2009 on behalf of the Winnipeg Arts Council with the aim of measuring the economic impact of Winnipeg's arts and creative industries.

The original report began with the following words:

*Winnipeggers joke that Winnipeg is cold in the winter and has mosquitoes in the summer. But then self-deprecation gives way to pride as we speak of our culture - the ballet, the symphony, Folklorama, Burton Cummings, Neil Young, the Weakerthans, Adam Beach, Guy Maddin, Carol Shields, and David Bergen. Arts and culture have always been at the heart of Winnipeg, as First Nations, Métis, and diverse immigrant populations gathered to express and share their unique tastes for music, art, dance, and theatre, a tradition that continues to this day. **Arts and culture are powerful drivers of the quality of life in Winnipeg and Manitoba.***

As you read this, you may well ask what has changed to merit an update to the original report. Winnipeg is evidently still very cold in the winter and still has mosquitos in the summer, and Winnipeggers remain extremely proud of their city's reputation as a centre of arts and culture. In fact, quite a lot has changed:

- ▶ **In 2010, the federal government designated Winnipeg as one of Canada's Cultural Capitals for the year 2010, coinciding with the 140th anniversary of the Province of Manitoba.** Above and beyond the prestige associated with this title, the city received funding to undertake a series of cultural events, including art and architecture exhibits and symposiums, mobile storytelling and cello festival, a public art project, and a river-barge arts festival held near The Forks, which included performances by many Winnipeg performers.¹
- ▶ **Winnipeg's artists, its artistic communities, and its cultural institutions are increasingly recognized across Canada—and beyond.** Winnipeg has a growing reputation as the "cultural cradle of Canada" across the nation, throughout North America and even overseas.²
- ▶ **The opening of the Canadian Museum for Human Rights (CMHR) is just over the horizon.** Still several years off when the original economic impact study was released, the grand opening of the first national museum outside of Ottawa in September 2014 will further enhance Winnipeg's reputation as a centre of arts and culture. It may also generate new opportunities to establish the city as a key cultural tourism destination. The very fact that Winnipeg has been chosen as the site for this unique project further speaks to the city's reputation for its support of and excellence in arts and culture.
- ▶ **The Winnipeg Arts Council released *Ticket to the Future, Phase 2*—a comprehensive Cultural Action Plan for Winnipeg.**³ Building on the results of PRA's 2009 economic impact study, the WAC subsequently developed a detailed blueprint to support municipal planning and policy as it relates to arts and culture. *Ticket to the Future, Phase 2* included a wide range of recommendations aimed at capitalizing on and further developing Winnipeg's cultural assets; these included, among many others, expanding the role of the Council, and significantly increasing the level of per capita funding provided for arts and cultural programming so as to compensate for the effects of inflation and population growth.

Although the WAC subsequently received a \$50,000 increase to its annual base funding allocation, *Ticket to the Future, Phase 2*, has not yet been approved by city council.

- ▶ **Like the city itself, arts and culture never stay still.** This report outlines a number of exciting recent developments, such as the introduction of Culture Days and the Cultural Access Pass (CAP) for new Canadian immigrants, which have provided Winnipeggers with an ever-increasing number of opportunity to experience arts and culture. Also noteworthy is the emergence of the artsVest program, delivered locally by the WAC, which aims to contribute to the sustainability of the city's arts and cultural organizations by facilitating the establishment of partnerships with local businesses.

It is also critical to identify some of the many things that have not changed since the publication of *Ticket to the Future, Phase 1* that have implications for the future of Winnipeg's arts and creative industries and for the city in general:

- ▶ **The arts and cultural industries continue to account for significant proportion of employment and economic output in the city of Winnipeg.** The key finding from the update of the economic impact study is that Winnipeg's arts and creative industries are growing at approximately the same pace as the city's economy as a whole:
 - Between 2009 and 2012, the real output of the arts and creative industries increased approximately 9.4% (\$0.949 billion to \$1.038 billion), while Winnipeg's GDP expanded by approximately 8.9% (\$25.619 billion to \$27.887 billion), such that the arts and cultural sector continues to account for about 3.7% of the city's total output.
 - Between 2009 and 2012, employment in the arts and creative industries increased about 6.4% (25,000 to 26,600), while total employment in the city of Winnipeg grew approximately 5.4% (395,900 to 417,400), causing the industries' share of total employment to rise very slightly from 6.3% to 6.4%.
- ▶ **City residents remain passionate about arts and culture.** From shattered attendance records at the Winnipeg Art Gallery (WAG) and the Fringe Festival, to impressive volunteer and donor rates, to new partnerships between arts and cultural organizations and local business facilitated through the artsVest program, the evidence suggests that Winnipeggers still care deeply about the arts, and eagerly take advantage of new opportunities to experience arts and culture.
- ▶ **Cultural tourists infuse a substantial amount of money into the local economy.** Although changes in tourism data collection make comparison with the 2009 study impossible, the information available shows that arts, cultural, and heritage activities remain very popular among visitors to the city of Winnipeg; furthermore, we estimate that in 2011, tourists engaging in these activities spent approximately \$77 million while here. Since tourist expenditures 'multiply' as this circulates through the economy, this \$77 million likely leverages a larger volume of economic activity.
- ▶ **Municipal funding allocated to arts and culture per city resident continues to decline.** The original economic impact study observed that municipal funding in Winnipeg had plateaued since 2008, and pointed out that as its population increases, a fixed amount of municipal expenditure would be spread over a growing number of residents, causing the city's per capita arts funding ratio to decrease over time. As shown in the figure below, this is precisely what has happened. In spite of the 2012 increase to the WAC's annual base funding allocation, the amount provided per resident of Winnipeg has declined continuously

since the original report; assuming the situation does not change in the current year, we predict that in 2014, the amount allocated to arts and culture per city resident will fall to \$5.65, constituting an 10% decline in funding per capita since 2008. It should be further noted that these figures do not account for the impact of price inflation, which would be expected to further erode the value of the funding allocation over time.

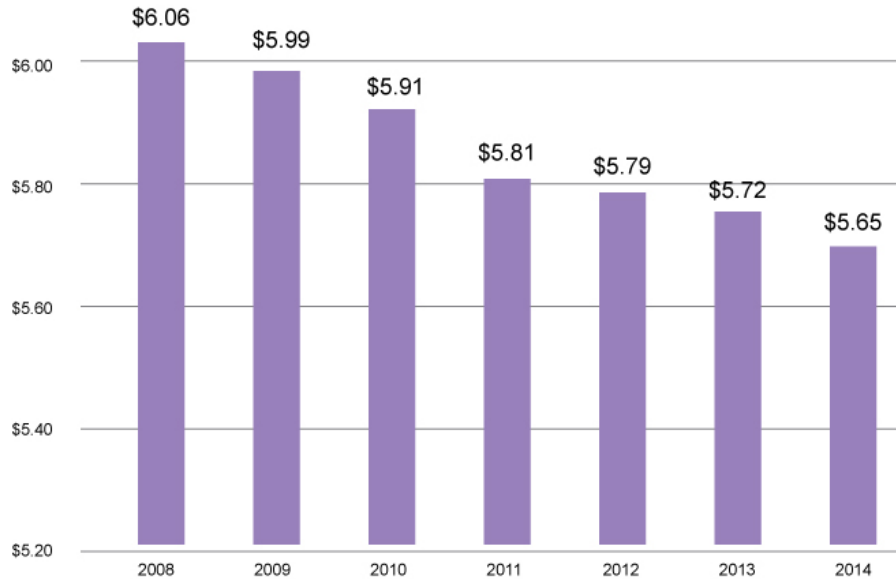


Figure 1: Per-capita municipal funding allocated to the Winnipeg Arts Council (WAC), 2008-2014

A high-level view of the economic impact of the arts and creative industries

Winnipeg's arts and creative industries consist of hundreds of non-profit and for-profit enterprises. Many organizations and businesses headquartered in Winnipeg reach to other centres and rural areas, providing a general enhancement in the quality of life for the entire province. Annual attendance, capital spending, wages, and tax expenditures all comprise critical elements of the arts and creative industries' impact in Winnipeg and Manitoba. With 80% of all activity, **Winnipeg is the undisputed centre of arts and culture in the province, and indeed of a broader catchment area of Saskatchewan, Northern Ontario, and North Dakota.**

Businesses and non-profit organizations in the arts and creative industries pay wages, salaries, and honoraria to employees and independent artists, a large proportion of which is then re-spent in the local economy. In addition, these organizations support local businesses by purchasing goods and services produced in the city. Moreover, arts and cultural events in Winnipeg attract tourists not only from within Manitoba, but from all over Canada and from other countries. While participating in cultural activities or visiting arts venues, these tourists stay in local accommodations, eat at local restaurants, and shop at local businesses, thereby injecting money into the local economy.

Valuing Culture

A recent study by the Conference Board of Canada on the economic footprint of the creative economy concluded that:

- ▶ In 2007, the cultural sector itself constituted 3.8% of Canada's GDP, or \$46 billion of economic activity
- ▶ The cultural sector's contribution increases to \$85 billion – 7.4% of Canada's GDP – if its impact on other parts of the economy is considered
- ▶ 1.1 million jobs are associated with the economic activity originating from Canada's cultural sector

The sidebar describes a [landmark](#) study by the Conference Board, which looked at the economic impact of art- and culture-related industries for all of Canada.⁴ **The results show that the arts and creative industries make a significant contribution to our national economy.** But what impact do the arts and creative industries make in the city of Winnipeg?

This report shows that Winnipeg's arts and creative industries are a major employer and a significant contributor to the city's economic output. It highlights surprising cultural attendance and [volunteerism](#) statistics, suggesting a strong underlying demand by city residents for opportunities to interface with arts and culture, and finds that local non-profit arts organizations respond to this passion for arts and culture by supplying a large number and variety of arts and cultural

programs. Finally, the report demonstrates that tourists commonly partake in arts and cultural activities while visiting the city, and argues that cultural tourism injects a considerable volume of funds into the local economy.

Some important definitions

This section explains some key terms and concepts used in the rest of the report.

What are the arts and creative industries?

The arts and creative industries are made up of **arts and cultural organizations**, which we define as **non-profit entities engaged in artistic activities**, and **creative industries**, which include **private firms whose business relates to arts and culture**. Put another way, the creative industries may be defined as “local industries which have their origin in individual creativity, skill, and talent and which create wealth through the commercialization of their intellectual property.”⁵ This report employs a definition of the arts and creative industries based on the North American Industry Classification System (NAICS).⁶ For a comprehensive list of the industrial sectors included in the arts and creative industries, please see Appendix A.

‘Playing our aces’: On the use of economic impact analysis in this study

The objectives of and methods used for this study differ from those employed in conventional economic impact studies. Traditionally, impact analyses employ economic tools known as **input-output models**, which describe what and how much of each type of ‘ingredient’ industries need to generate goods and/or services, and what happens to outputs after they are produced.⁷ The results of economic impact studies are typically captured in **economic multipliers**, which describe how an economy reacts to increases in spending on or demand for the output of a particular industry.

While useful in some circumstances, **conventional economic impact analyses have severe limitations and rest on unrealistic assumptions**.⁸ More importantly, however, **conventional economic impact studies fail to convey the true value of arts and culture, which have a profound impact on Winnipeg’s economy and quality of life—an impact so significant and complex that economic multipliers do not do it justice**.

While conceptualizing impact in relatively narrow terms, and although subject to the limitations just noted, these studies can still be valuable for evaluating the significance of Winnipeg’s arts and creative industries from a particular perspective. While we are unaware of any analyses undertaken since the release of *Ticket to the Future: Phase 1* that assesses the combined economic impact of all the firms and organizations operating in these industries, several studies have examined the impact of specific events or segments of the city’s arts and cultural sector. For example:

- ▶ The Winnipeg Folk Festival is estimated to generate, respectively, \$29.4 million in gross economic activity and \$14.7 million in net economic activity in Manitoba, as well as to create 281 jobs in the province.⁹ Similarly, the Festival du Voyageur generates, respectively, \$12.9 million in gross economic activity and \$6.7 million in net economic activity in Manitoba.¹⁰
- ▶ A recent economic impact analysis of Manitoba’s music industry determined that in 2011 the industry
 - generated, respectively, total GDP impact and household income impact of \$71.3 million and \$35.7 million;
 - created 4,363 FTEs, or 468 jobs for every \$10 million in industry revenue, and;
 - contributed \$3.03 in tax revenue for every dollar in support provided by the province of Manitoba.¹¹

- ▶ A similar study of Manitoba's media production industry determined that between 2008-09 and 2012-13, the industry
 - increased provincial GDP by an average of \$71.4 million, equivalent to \$0.66 for every dollar of media production in Manitoba;
 - created an average of 1,267 FTEs per year, equivalent to 11.7 FTEs for every dollar of media production in Manitoba, and;
 - contributed \$0.84 in tax revenue (\$71.8 million in total) to the municipal and provincial governments for every dollar of financial support received from the Province of Manitoba.¹²

This study should be considered an economic impact study in the generally understood sense, rather than in the narrow technical sense. **Rather than employing economic impact analysis in the conventional sense, this study is intended to more faithfully convey the direct economic and social impact of Winnipeg's arts and creative industries on the people who live and work here.** As outlined below, the current study has a lot to say about Winnipeg's arts and creative industries.

- ▶ The arts and creative industries are a **major employer** in the city of Winnipeg; furthermore, the data suggests that these industries are growing more or less in step with the local economy in general.
- ▶ **A significant symbiotic and mutually reinforcing relationship exists between the fine arts and the commercial creative industries.** Direct public sector investment in arts creates the opportunity for artists to flourish, which in turn creates a talent pool from which the advertising, music, writing and publishing, and film and television industries draw.
- ▶ **Strong attendance and volunteerism** figures show Winnipeggers care passionately about arts and culture and support local non-profit arts and cultural organizations.
- ▶ Activities related to arts and creative industries account for a **large proportion of what tourists spend their time doing when they visit Winnipeg** — this translates into **additional cash injected into the local economy.** Tourist dollars represent an import to the Winnipeg economy and are like selling a bus made in Winnipeg to Minneapolis.
- ▶ Many of Winnipeg's key business leaders told us that the **arts and creative industries significantly enhance the quality of life for the city's residents, and serve to attract skilled workers and keep them here.**
- ▶ While there are many places for governments to spend taxpayers' money, **few other investments are capable of enhancing the quality of life for Winnipeggers in the way that arts and culture do.**

An overview of Winnipeg's arts and creative industries

The available data illustrate that the arts and creative industries represent a significant proportion of economic activity in the city of Winnipeg.

- ▶ Employment in the arts and creative industries is approximately **26,600**, about **6.4% of total employment in the Winnipeg Census Metropolitan Area in 2012**.¹³
- ▶ In **2012, 8.2% of all business establishments** in the city of Winnipeg were **involved in activities related to arts and culture**.¹⁴
- ▶ The GDP of Winnipeg's arts and creative industries is approximately **\$1,038 million, or about 3.7% of the city's total output**.¹⁵

Of course, **\$1,038 million** is a large number - but what does it mean? To put things in perspective, in the **second quarter of 2013**, the average Multiple Listing Service (MLS) house price in the city of Winnipeg was **\$263,374**. **Therefore, with the annual output of the city's arts and creative industry, you could buy 3,939 Winnipeg homes each year**.¹⁶

The above estimate of the arts and creative industries' share of Winnipeg's total economic output is consistent with the Conference Board of Canada's estimate for the cultural sector in Canada as a whole (3.8%). In that study, the Board estimated that the cultural sector influenced a part of the national economy nearly twice its own size (7.4%). To the extent that this result is consistent across Canada, we **estimate that the arts and creative industries affect approximately \$2.0 billion of GDP in the city of Winnipeg**.¹⁷

It is important to recognize that Winnipeg's non-profit arts community shares a **vital symbiotic relationship with the city's for-profit creative industries**.¹⁸ For example, by working in the creative industries, artists are able to support themselves financially while being engaged in their own artistic endeavours. At the same time, firms in the **creative industries gain a critical edge in a competitive marketplace** by being able to draw on the unique talents and expertise these artists can offer them.

The relationship between a city's artists and non-profit arts and cultural organizations, and the creative industries is plainly acknowledged by Vancouver's Creative City Task Force, which argues that "it is important to recognize that the [creative] industries are populated by creative individuals – many [of whom] are artists trained in our post-secondary arts education institutions and often working across sectors and disciplines," and further concludes that "**without a strong arts sector, there can be no creative industries**."¹⁹ Similarly, Winnipeg's business leaders told us that not only are the city's creative assets important to the arts and creative industries, but that **they benefit the local economy through entrepreneurship, commercialization, and new technology**.

Key statistics for Winnipeg's arts and creative industries:

- ▶ **6.4%** of Winnipeg's total workforce is employed in the arts and creative industries
- ▶ **Over one in twelve** business establishments in Winnipeg are included in the arts and creative industries
- ▶ Nearly **4¢** out of every dollar of output produced in the city comes from arts and culture

How does employment in the arts and creative industries compare with other industrial sectors?

As shown in Table 1, employment in Winnipeg's arts and creative industries rivals employment in many other sectors of the economy.

Industry	Winnipeg employees
Trade	63,600
Health care and social assistance	63,600
Manufacturing	40,700
Educational services	32,100
Accommodation and food services	28,100
Construction	27,600
Public administration	26,700
Winnipeg's arts and creative industries	26,600
Finance, insurance, real estate, and leasing	26,300
Transportation and warehousing	25,100
Professional, scientific, and technical services	22,600
Other services	19,200

Source: *Economic Development Winnipeg Inc.*, based on Statistics Canada data²⁰

Table 1 shows that:

- ▶ While not as big as the city's impressive trade and health care sectors (63,600 each), the level of **employment in Winnipeg's arts and creative industries (26,600) is considerable**, exceeding finance, insurance, real estate, and leasing (26,300), transportation and warehousing (25,100), and professional, scientific, and technical services (22,600), and rivalling public administration (26,700).

A look at Winnipeg's non-profit arts and culture sector

As part of the 2009 economic impact assessment, PRA collected and analyzed a large volume of financial and statistical data from 115 local non-profit arts and cultural organizations. In this section, we briefly review some of the key findings from that analysis.

The organizations contributing data for this part of the assessment are involved in a wide range of creative activities, from dance and theatre, to photography and cinema, to music and writing, and everything in between. It is important to emphasize that these organizations represent only part of Winnipeg's arts and culture sector, since they do not include the city's creative industries.

Employment in Winnipeg's non-profit arts sector

On an annual basis, the non-profit arts and cultural organizations that participated in the study **employ 5,385 people**—slightly more than one-fifth (20.2%) of total employment in Winnipeg's arts and creative industries. This is the equivalent of 2,752 full-time workers.²¹

Almost two-thirds of workers (61.3%) within Winnipeg's non-profit arts organizations are either independent artists or casual or contract workers, while about another quarter of employees (23.6%) are part-time and seasonal workers. The remainder is made up of full-time workers (8.0%), and workers who fall into multiple employment categories (7.2%) (e.g., independent artists who work part-time for an organization).

Spending in Winnipeg's non-profit arts and culture sector

Local non-profit arts and cultural organizations participating in the study **spend approximately \$66.0 million each year**. 93.8% of all expenditures by these non-profit organizations are **spent right here in the city of Winnipeg**.

Wages, salaries, artists' fees, and honoraria constitute more than three-quarters (77.0%) of spending by arts and cultural organizations in the city of Winnipeg. Other significant expenses include advertising, promotion, and printing (5.9%); rent, utilities, and maintenance (4.3%); and supplies and production costs (3.7%).²²

Sources of revenue for the non-profit arts and culture sector

Local arts and cultural organizations participating in the study collect **\$67.1 million on an annual basis**. Annual revenues slightly exceed expenditures, showing that Winnipeg non-profit arts and cultural organizations are demonstrating responsible fiscal management by maintaining modest reserves, enabling them to be better prepared for unexpected expenses.

By far **the largest source of revenue for these organizations is earned revenue (43.3%)**, including admissions, box office sales, subscriptions, workshops, and classes. The next largest source of revenue is the provincial government (20.8%), followed closely by the private sector (17.7%), through donations (individual and corporate), sponsorships, foundation grants/donations, and fundraising events. The next largest source of revenue is the federal government (11.9%), followed by the municipal government (5.2%).

Cultural attendance in Winnipeg

An important measure of the popularity of the arts and creative industries in Winnipeg is the number of people attending arts and cultural activities. Moreover, in some sense, cultural attendance reflects a city's demand for arts and cultural experiences. In the same way that a packed stadium or arena demonstrates strong support on the part of city residents for local sports franchises, filled theatres and sold tickets show that Winnipeggers value arts and culture.

The local non-profit arts and cultural organizations that participated in the economic impact study reported annual cultural attendance of nearly **3.1 million, of which 2.6 million (82.9%) was local**. This is a large number - but what does it mean? To place this figure in perspective, in 2013 the population of the Winnipeg Census Metropolitan Area is estimated at **789,300**; therefore, on average, **each city resident attends about 3.3 arts and cultural events each year**.²³

Some evidence suggests that **demand by Winnipeggers for arts and culture has only grown since publication of the original economic impact study**. For example, the recent *100 Masters* exhibition drew more than 40,000 visitors to the Winnipeg Art Gallery (WAG), making it the most successful in the gallery's history.²⁴ Similarly, in 2013 the Winnipeg Fringe Festival achieved an all-time high of 101,488 ticketed performances, selling out 187 shows,²⁵ while attendance at the 2011 and 2013 Winnipeg Folk Festivals, at 59,553 and 57,034, respectively, constituted the highest and second-highest on record.²⁶

Another recent study indicates that **in 2010, nearly all Manitobans participated in one or more arts, culture, or heritage activities**; furthermore, **the proportion of Manitobans engaged in many of these activities increased significantly between 1992 and 2010**.²⁷

How many people learn and study with non-profit arts and cultural organizations?

Local arts and cultural organizations participating in the study reported that they offer **323,541 class/workshop hours to 166,480 students** on an annual basis.

To put these figures in perspective, the city's largest public school division is the Winnipeg School Division No.1, which provides education to **33,370** students from Nursery to Grade 12.²⁸

While there are obvious limits to this comparison - the average high school student receives hundreds of hours of instruction each year - it does serve to illustrate that **arts and culture education is reaching a wide audience**.

Key statistics for Winnipeg's non-profit arts and cultural organizations:

- ▶ 323,541 class/workshop hours of arts and cultural education for 166,480 students
- ▶ 39,356 Winnipeggers volunteer 1.6 million hours annually
- ▶ Each year, there are 6,272 arts and cultural events in Winnipeg - 17 choices for each day of the year
- ▶ One-third of admissions to arts and cultural events are free

How accessible is culture in the city of Winnipeg?

What kinds of opportunities do city residents have to experience art and culture? Each year, there are more than **6,272 arts and cultural events in the city of Winnipeg** - this is more than **17 events for each day of the year**. Festivals alone provide Winnipeggers with 200 activity-packed days to choose from each year.²⁹

One important new contribution to greater accessibility of arts and culture in Winnipeg since the release of the original economic impact study comes in the form of annual Culture Days. Introduced in 2009, Culture Days is a three-day national celebration held each September whose explicit aim is to “[raise] the **awareness, accessibility, participation and engagement** of Canadians in the arts and cultural life of their communities.”³⁰ It is therefore noteworthy that during the 2012 Culture Days, Winnipeg had the highest number of registered exhibits of any participating Canadian city, including Toronto, Ottawa, and Vancouver.³¹

But this is only part of the story - accessibility is not only about the number of choices available, but also whether people are in a position to take advantage of these opportunities. By making arts and cultural experiences **affordable**, one ensures that everyone can benefit from them, irrespective of their level of income. With this said, almost **one-third of local admissions** to events run by non-profit arts and cultural organizations in Winnipeg (32.6%) **are free**. Put another way, each year these organizations offer **one free admission for every man, woman, and child in the city of Winnipeg (847,792)**.³²

Affordability of arts and culture in Winnipeg was recently enhanced through the May 2012 introduction to Manitoba of the **Cultural Access Pass (CAP) program**,³³ which provides a full year of complimentary admission for new Canadian immigrants to **1,200 participation attractions across the country**,³⁴ including the Winnipeg Art Gallery, the Manitoba Museum, Canada’s Royal Winnipeg Ballet, and the soon to be opened Canadian Museum for Human Rights, among several others.³⁵

Another dimension of accessibility is relevance - that is, people benefit most from arts and cultural experiences they can identify with. To ensure that arts and culture are relevant to the largest number of people possible, it is important to develop programming that invites Aboriginal, youth, and culturally diverse audiences to participate.

Have non-profit arts and cultural organizations in Winnipeg developed programming to serve a diverse audience? **The answer is a resounding yes:**

- ▶ More than four-fifths (84.1%) of these organizations have programming specifically geared to **young audiences**; moreover, each year, they organize and implement 5,769 school and education programs.
- ▶ Well over half (59.8%) have developed programming for **Aboriginal peoples**.
- ▶ More than four-fifths (86.6%) have developed programming for **culturally diverse audiences**.

It is also important to recognize the efforts made by non-profit arts and cultural organizations to engage the community through audience development and outreach activities, many of which actively encourage youth participation in the arts. Notable examples include the Winnipeg Symphony Orchestra’s “Adventures in Music,” the Aboriginal Arts Training and Mentorship Program and productions at the Manitoba Theatre for Young People, and the Winnipeg Art Gallery’s “Through the Eyes of a Child” and “Young Weekends at the WAG” programs.

Cultural tourism

As noted above, the economic impact of arts and culture in Winnipeg is amplified by cultural tourism, which the Creative City Network of Canada defines as “experiencing a cultural activity while outside of [one’s] home community.”³⁶

This can be taken to include both visitors who engage in arts and cultural activities while visiting the city for another purpose (such as business or visiting family), as well as those who visit the city specifically to participate in these activities.

It is important to note that due to apparent changes in the way tourist activity data is collected since the 2009 economic impact study, the findings in this section of the study are not directly comparable with the results presented in Ticket to the Future, Phase 1.

Do tourists participate in arts and cultural activities while visiting Winnipeg?

Yes, quite frequently. Table 2 shows the number of times tourists engaged in various activities while visiting the city in 2011.

Table 2: Activities conducted by tourists who engaged in one or more trip activities while visiting the City of Winnipeg, 2011		
Trip activities (multiple response)	Person-visits (thousands)	% of all trip activities
Outdoor sports/activities*	328	19.1%
National, provincial or nature park	200	11.7%
Attend a sports event as a spectator	179	10.4%
Miscellaneous activities	157	9.2%
Zoo or aquarium / botanical garden	114	6.7%
Casino	75	4.4%
Theme or amusement park	33	1.9%
Total non-cultural	1,086	63.3%
Attend a play or concert performance	173	12.9%
Visit a museum or art gallery	104	6.1%
Visit a historic site	151	8.8%
Attend a festival or fair	154	9.0%
Total cultural	583	36.7%
Visitors participating in one more activities	2,327	-
Total trip activities	1,715	100.0%
<i>Note: As respondents could choose more than one answer, totals may sum to more than 100%.</i>		
<i>Source: Economic Development Winnipeg Inc.</i>		
<i>* 'Outdoor sports/activities' include camping, boating/canoeing/kayaking, fishing, golfing, downhill skiing or snowboarding.</i>		

Table 2 shows that:

- ▶ Of the 1.7 million trip activities engaged in by tourists in 2011, **nearly 583,000 involved arts and cultural activities**, such as **attending a play or concert**, visiting a museum or art gallery, visiting a historic site, or attending a festival or fair.
- ▶ Together, **cultural activities account for more than one-third (34.9%) of all activities undertaken by tourists visiting the city of Winnipeg**; in particular, attendance at plays or concerts represents the second most popular tourist activity, ahead of national, provincial or nature parks, sporting events, and all other activities.³⁷

How much do cultural tourists spend in the city of Winnipeg?

Estimating spending by tourists who engage in cultural activities while visiting the city helps to convey a sense of the size of the arts and culture sector in Winnipeg.

Table 3 below shows how much tourists spent on various goods and services while visiting Winnipeg in 2011:

Table 3: Expenditures by tourists in Winnipeg, 2011		
Category of expenditures	Expenditures (\$,000s)	%
Food and beverage, restaurants and bars	148,935	23.0
Accommodation	126,138	19.5
Clothing	115,663	17.9
Vehicle operation	93,548	14.5
Food and beverage, stores	58,915	9.1
Recreation and entertainment	47,232	7.3
Other costs	37,135	5.7
Vehicle rental	10,859	1.7
Local transportation	8,944	1.4
Total	647,370	100.0

Note: As respondents could choose more than one answer, totals may sum to more than 100%.
Source: Economic Development Winnipeg Inc.

Table 3 shows that:

- ▶ In 2011, tourists to Winnipeg spent more than \$647 million.
- ▶ Spending on food and beverages (restaurants, bars and stores), accommodation, retail (clothing), and vehicle operation made up over two-thirds of this amount (32.1%, 19.5%, and 17.9%, respectively, for a total of 69.5%).

If tourists participating in cultural activities spend the same way as other tourists, we estimate that **visitors to the city who invested time enjoying Winnipeg's arts and cultural attractions spent more than \$77 million in 2011.**³⁸ Like other tourists, cultural tourists stay in hotels, buy food and drinks, and purchase goods and services from local retailers, **all of which infuses money into the local economy.**

Moreover, because the **money tourists spend visiting Winnipeg 'multiplies' as it circulates through the economy**, this **\$77 million likely leverages a larger volume of economic activity.**³⁹

Giving back: investing in arts and culture in Winnipeg

So far, this report has focused primarily on the contribution of the arts and creative industry to Winnipeg's economic vitality and quality of life; in this section, however, we describe the ways in which the community has given back to the arts and cultural sector. This is important because a willingness by Winnipeggers to contribute, time, energy and money to assist local arts organizations demonstrates that they are passionate about arts and culture. Analogously, willingness to provide generous, sustained financial support to these organizations by federal, provincial and municipal governments reflects awareness that investments in arts and culture yield substantial dividends in terms of the economic and social benefits outlined in this report and in other recent research in this area.

Arts, culture, and volunteerism

Volunteerism serves as an important indicator of the vitality of a city's arts and cultural organizations. Not only does volunteerism enable these organizations to better manage their finances, but, as just noted, it also shows how a city's residents feel about arts and culture.

The non-profit organizations participating in the study reported having **39,356 people volunteer nearly 1.6 million hours** on an annual basis. This works out to an average of almost **41 hours per person**. Looked at another way, the level of commitment made by Winnipeggers to the city's arts and cultural industries through volunteerism is **equivalent to adding another 767 full-time positions, or well over one-quarter (27.9%) of current employment by non-profit arts and cultural organizations.**^{40, 41, 42}

Recent studies on non-profit institutions and volunteering provide some additional significant insights into the relationship between non-profit arts and cultural organizations and volunteerism. For example:

- ▶ Nationally, **764,000 Canadians (approximately 2.7% of the population 15 or older) volunteered with arts and cultural organizations** in 2010; this represents **5.8% of all Canadians volunteering for not-for-profit organizations**.
- ▶ Manitobans are slightly more likely to volunteer for arts and cultural organizations than the national average.
- ▶ **Canadians contributed 97 million hours of their time to arts and cultural organizations** in 2010, **equivalent to 4.7% of all volunteer hours** for not-for-profit organizations, as well as to **51,000 full-time, full-year jobs**. Given the average hourly wage in the Canadian arts, entertainment and recreation industries, **this contribution can be valued at approximately \$1.6 billion**.
- ▶ On average, Canadians who volunteered to arts and cultural organizations **contributed 127 hours of their time. This is more than three full work-weeks. It is also more than for any other type of not-for-profit organization**, including law, advocacy and politics (121 hours), sports and recreation (120 hours), religion (117 hours), and social services (116 hours).
- ▶ When the value of volunteer work is included in calculations of economic output, the **GDP of non-profit organizations linked to culture and recreation increases substantially.**⁴³

Commitment by local businesses to Winnipeg's arts and cultural sector

As a component of the original economic impact assessment, PRA spoke to 11 executives from local businesses and economic development organizations to discuss the relationship between business, arts and culture, and the quality of life in the city of Winnipeg.⁴⁴ These individuals argued that many business leaders are passionate about developing and maintaining vibrant and healthy arts and cultural institutions, adding that the business community has a long tradition of contributing to local arts and culture.

One recent manifestation of businesses' support for the arts and creative industries is the artsVest program, which was launched in Winnipeg in September 26, 2011.⁴⁵ Originally conceived by Business for the Arts,⁴⁶ and delivered locally by the WAC, the program aims to contribute to the sustainability of smaller arts organizations by offering them the training and tools needed to approach and secure sponsorship from city businesses; any funds collected in this manner are then matched dollar-for-dollar by the program.⁴⁷ Between April 1, 2011 and March 31, 2013, 131 businesses partnered with 41 cultural organizations, generating \$914,000 for the arts and cultural sector.⁴⁸

Investments made by local business in arts and culture do not necessarily have a direct impact on the 'bottom line,' but this is not always business' primary motivation in making these contributions. Rather, many business leaders want to improve the quality of life in Winnipeg for their workers and customers, and they believe that promoting arts and culture can have this effect. That said, the individuals with whom we spoke observed also observed that **quality of life is increasingly influential in determining where people live and work**, and asserted that, **to the extent that arts and culture improve a city's quality of life, they can have a significant impact on these decisions.**

Business representatives believe that everybody, themselves included, has a responsibility to contribute to the development of vibrant arts and creative industries. Many local businesses are strong supporters of arts and culture, but they also believe that if organizations and corporations are willing to contribute their money towards arts and culture, the municipal government should be able to do so too. The executives with whom we spoke further argued that given the impact of arts and culture on local residents' quality of life and on Winnipeg's ability to attract and retain a world-class labour force, **it was not only the city's responsibility but also in its own self-interest to provide an appropriate level of financial support for Winnipeg's arts and creative industries.**

What is the economic value of public investment in the arts and creative industries?

Government invests in a wide range of public goods and services. **Some projects constitute critical infrastructure that benefits everyone, but which no business would undertake.** This is because it would be difficult to recoup the costs associated with project development. For example, many people can benefit from using a road without paying for the service. In cases like these, government investment is necessary to make sure the road is built.

While it may be hard to make sure that only people who benefit from the road pay for it, it is not difficult to determine what those benefits might be. It might, for example, be possible to measure how much faster drivers get to their destinations as a result of the new road. **Other public investments are equally important, even though their benefits may be more difficult to**

measure. Investments in education, basic research, and arts and the creative industries fall into these categories.

The importance of municipal funding for arts and culture in Winnipeg

The municipal government plays a particularly critical role in funding arts and cultural organizations and activities as this support facilitates the leveraging of *additional* funds from the private sector and other levels of government. By investing in arts and culture, municipal governments provide assurance to other prospective funders by demonstrating leadership in supporting artistic and cultural ventures. **Municipal support constitutes an essential down payment that encourages other funding.** As evidence, in *Ticket to the Future: Phase 1*, we noted that **each dollar of municipal funding for the arts in Winnipeg encourages the contribution of an additional \$18.23 in funding from other sources.**⁴⁹

The original economic impact study observed that municipal funding in Winnipeg had plateaued since 2007, and pointed out that as its population increases, **a fixed amount of municipal expenditure would be spread over a growing number of residents, causing the city's per capita arts funding ratio to decrease over time.** As shown in Table 4, dividing the WAC's annual allocation by the population of Winnipeg shows that after peaking in 2007 at \$6.34 per capita, the amount provided per city resident has declined steadily up to the present, in spite of a \$50,000 increase in the WAC's base allocation beginning in 2012.⁵⁰ On the basis of the city of Winnipeg's demographic projections, and assuming no further change in the amount allocated to the WAC by the city in the current calendar year, we estimate that in 2014, municipal funding will decline to \$5.65 per capita; in total, funding per capita will have declined approximately 11% between 2007 and 2014.

Year	WAC municipal allocation	Population, City of Winnipeg	Dollars per capita
2007	\$4,174,551	658,500	\$6.34
2008	\$4,032,552	664,900	\$6.06
2009	\$4,032,552	673,200	\$5.99
2010	\$4,032,552	682,800	\$5.91
2011	\$4,032,552	694,100	\$5.81
2012	\$4,082,552	704,800	\$5.79
2013	\$4,082,552	*714,100	\$5.72
2014	\$4,082,552	*722,400	\$5.65

Note: Asterisks denote forecasted population figures.
Source: Annual allocations are provided by the Winnipeg Arts Council; for demographic figures, please see:
 City of Winnipeg. (2013, May 9). Population of Winnipeg. Retrieved from <http://winnipeg.ca/cao/pdfs/population.pdf>

Conclusion

This study measures the surprising economic impact of the arts and creative industries in the city of Winnipeg, building off of an earlier study undertaken in 2009. After examining recent information pertaining to employment and economic activity in the arts and creative industries, cultural attendance, volunteerism in arts and cultural organizations, cultural tourism, and municipal funding for arts and culture, we conclude that:

- ▶ Winnipeg's arts and creative industries remain a **major employer** and a **significant contributor to the city's economic output, and appear to be growing in step with the local economy.**
- ▶ City residents continue to exhibit a **strong demand for arts and cultural activities**, and take **full advantage** of every opportunity to interface with arts and culture.
- ▶ **Through its capacity to leverage additional funding from a multitude of public and private sources, municipal investment plays a key role in supporting Winnipeg's arts and creative industries. However, per-capita funding allocated by the city to the WAC has declined continuously since 2007.**
- ▶ Local non-profit arts organizations supply a **large number** and **wide variety** of arts and cultural programs.
- ▶ Arts and cultural activities remain popular among tourists visiting the city, who continue to **inject a considerable volume of funds into the local economy.**

Considering that the arts and creative industries have a significant impact on the local economy and the quality of life of local residents, **it remains true, as local business leaders told us during the original economic impact study, that the city needs to factor in how to use the arts as a strategic resource, to assess what Winnipeggers want for their city, today and in the future, and to think about how it can call on the arts and creative industries to achieve these goals.**

APPENDIX A – Definition of the arts and creative industries

NAICS code	Sector name
323	Printing and related support activities
4511	Sporting goods, hobby and musical instrument stores
4513	Book stores and news dealers
511	Publishing industries (except Internet)
512	Motion picture and sound recording industries
515	Broadcasting (except Internet)
519	Other information services
5413	Architectural, engineering and related services
5414	Specialized design services
5415	Computer systems design and related services
5418	Advertising, public relations, and related services
711	Performing arts, spectator sports and related industries
712	Heritage institutions
8132	Grant-making and giving services
8139	Business, professional, labour and other membership organizations
<p>For detailed descriptions of each of these industrial sectors, please see: Statistics Canada. (2012, January 6). North American Industry Classification System (NAICS) 2012 - Canada. Retrieved from http://www.statcan.gc.ca/subjects-sujets/standard-norme/naics-scian/2012/index-indexe-eng.htm</p>	

Endnotes

- ¹ Kives, B. (2009, August 28). City the 2010 Cultural Capital. *Winnipeg Free Press*. Retrieved August 31, 2009 from <http://www.winnipegfreepress.com/breakingnews/city-the-2010-cultural-capital-55324282.html>.
- ² For discussions of Winnipeg's reputation as a centre of arts and culture—both nationally and overseas— please see:
 Gonick, N. (2011, June 22). Winnipeg artists invade Paris. *CBC Manitoba SCENE: Your Source for Local Arts & Entertainment*. Retrieved from <http://www.cbc.ca/manitoba/scene/other/2011/06/22/winnipeg-artists-invade-paris/>
 Mayer, M. (2011, April 27). New York, Paris, Berlin...Winnipeg? *Macleans.ca*. Retrieved from <http://www2.macleans.ca/2011/04/27/new-york-paris-berlin-winnipeg/>
- ³ Winnipeg Arts Council, & DIALOG. (2011, June 14). Ticket to the Future: Phase 2 - A Cultural Action Plan for Winnipeg. Retrieved from http://winnipegarts.ca/images/uploads/files/Pages/Reports_Plans_and_By-Laws/TTTTF2_for_Web.pdf
- ⁴ Conference Board of Canada. (2008). *Valuing culture: Measuring and understanding Canada's creative economy*. Retrieved April 13, 2009, from http://sso.conferenceboard.ca/e-Library/temp/BoardWise2ELJLPJHBEDHBABDDFPMIHEF200941312516/08-152_CanadasCreativeEconomy.pdf.
- ⁵ Please see pg. 12:
 City of Vancouver Creative City Task Force. (2008, January). *Culture plan for Vancouver: 2008-2018*. Retrieved August 15, 2009, from http://vancouver.ca/creativecity/pdf/CulturePlan2008_%202018.pdf.
- ⁶ This study draws upon the definition of the arts and creative industries used by the Arts & Cultural Industries Association of Manitoba in earlier work pertaining to employment in the 'arts and cultural industries'. Based on the definition, we consider the 'arts and cultural industries' to be synonymous with the 'arts and creative industries'.
- ⁷ Australian Film Commission, & Australian Government. (2008). *The economic contribution of a film project: A guide to issues and practice in the use of multipliers*. Retrieved June 23, 2009, from <http://www.afc.gov.au/gtp/pdfs/multipliers.pdf>.
- ⁸ For a technical discussion of these issues, the reader is referred to Appendix C in the original economic impact study, which also includes a brief survey of prior studies assessing the economic impact of arts and culture.
- ⁹ Winnipeg Folk Festival. (2013). Economic Impact. *Website of the Winnipeg Folk Festival*. Retrieved December 27, 2013, from <http://www.stagingthefuture.ca/about-us/economic-impact>
- ¹⁰ Festival du Voyageur Inc. (2011, June 29). Results of the Economic Impact Assessment of the 2011 Festival du Voyageur. Retrieved from <http://festivalvoyageur.mb.ca/wp-content/uploads/2013/07/PRESS-RELEASE-2011-Results.pdf>
- ¹¹ Nordicity Group Ltd. (2012). *SoundCheck: An Economic Impact Analysis of Manitoba's Music Industry* (Final Report). Manitoba Music. Retrieved from <http://www.nordicity.com/media/201336dpgpmdhxfe.pdf>
- ¹² Nordicity Group Ltd. (2013). *Snapshot 2013 - The Manitoba Media Production Industry Economic Impact Study* (Final Report). On Screen Manitoba. Retrieved from <http://onscreenmanitoba.com/wp-content/uploads/2013/09/OSM-Snapshot-2013-Full-Study1.pdf>
- ¹³ According to data from Statistics Canada provided by Economic Development Winnipeg Inc., employment in the arts and creative industries in Winnipeg in 2012 was approximately 26,600. For a full list of industrial sectors included in the definition, please see Appendix A.
 Employment in the Winnipeg Census Metropolitan Area in 2012 was 417,400. Please see pg. 14:
 Economic Development Winnipeg Inc. (2013, November 14). *Winnipeg Economic Outlook 2013*. Presented at the Manitoba Association of Business Economists - Economic Outlook Conference. Retrieved from <https://www.cabe.ca/jmv3/index.php/documents?task=document.viewdoc&id=817>
- ¹⁴ According to Statistics Canada data supplied by Economic Development Winnipeg Inc., in 2012 there were 42,812 business establishments in the Winnipeg Census Metropolitan Area, of which 3,494 constituted the city's arts and

creative industries. The definition used to identify establishments in the arts and creative industries is analogous to the one used to estimate sectoral employment, as outlined in Appendix A.

¹⁵ According to data from Statistics Canada provided by Economic Development Winnipeg Inc., in Q4 2012 average weekly earnings in the province of Manitoba were approximately \$829 or \$43,108 annually. Please see pg. 8:

Economic Development Winnipeg Inc. (2013, May 6). Winnipeg's Quarterly Economic Highlights, Q4 2012. Retrieved from http://www.economicdevelopmentwinnipeg.com/uploads/document_file/2012_winnipeg_quarterly_economic_highlights_4th_quarter.pdf

At the time of the original study, average weekly earnings in Manitoba were approximately \$769 or \$39,988 annually. Since these values appear to be expressed in nominal terms, the difference between them is, in part, attributable to inflation over time; and proper comparison between the values requires the more recent figure to be “deflated” to compensate for this. Using the Bank of Canada's Inflation Calculator, we determine that weekly earnings of \$43,108 in 2012 would be equivalent to \$40,739 in 2009. Please see:

Bank of Canada. (2014, January 1). Inflation Calculator. *Website of the Bank of Canada*. Retrieved January 11, 2014, from <http://www.bankofcanada.ca/rates/related/inflation-calculator/>

Research by Hill Strategies Research Inc. shows that in 2006, the gap in earnings between artists and the average for the labour force in Winnipeg was 39%. Assuming the gap remained unchanged between 2006 and 2012, average real (i.e., inflation-adjusted) earnings for artists in Manitoba in 2012 would be \$24,851. Based on Statistics Canada's 2006 Census, Hill Strategies Research Inc. further estimated that there were 2,905 artists in the city of Winnipeg in 2006. It should be acknowledged that this figure might not account for all artists in the city, as many engage in several professions to support their artistic pursuits and may be classified under one of these. We assume that the number of artists in Winnipeg 2012 is the same as in 2006, due to the observation that the number of city artists remained essentially constant between 2001 and 2006. Please see 25:

Hill Strategies Research Inc. (2009). *Artists in Large Canadian Cities Based on the 2006 Census*. Canada Council for the Arts, Department of Canadian Heritage, and Ontario Arts Council. Retrieved from <http://www.arts.on.ca/AssetFactory.aspx?did=6176>

GDP is estimated by calculating labour income for the arts and creative industry, which consists of 2,905 artists earning \$24,851 annually, and 23,695 other workers earning \$40,739 annually. Total earnings for artists in 2012 are therefore estimated at \$72,192,155, while earnings for non-artists are estimated at \$965,310,605.

By these estimates, labour force earnings in the arts and creative industries account for about \$1,037,502,760 (\$1.038 billion). It should be noted that this is in fact an underestimate of the industry's GDP because it does not account for other types of income stemming from activity in the industry, such as corporate profits. According to estimates presented by Economic Development Winnipeg Inc., in 2012 Winnipeg's GDP was approximately \$27.9 billion. Please see slide 14:

Economic Development Winnipeg Inc. (2013, November 14). *Winnipeg Economic Outlook 2013*. Presented at the Manitoba Association of Business Economists - Economic Outlook Conference. Retrieved from <https://www.cabe.ca/jmv3/index.php/documents?task=document.viewdoc&id=817>

Therefore, the arts and creative industries account for about 3.7% of the city's GDP. This figure remains consistent with Statistics Canada's earlier estimate that the arts and creative industries accounted for 3.6% of Manitoba's GDP in 2003. Please see pg. 61:

Culture Statistics Program. (2007). *Economic Contribution of the Culture Sector to Canada's Provinces*. Culture, Tourism and the Centre for Education Statistics Research papers. Research Paper, Ottawa, ON: Statistics Canada. Retrieved July 18, 2009, from <http://www.statcan.gc.ca/pub/81-595-m/81-595-m2006037-eng.pdf>.

¹⁶ Please see pg. 1:

Economic Development Winnipeg Inc. (2013, November 7). Winnipeg's Quarterly Economic Highlights, Q2 2013. Retrieved from http://www.economicdevelopmentwinnipeg.com/uploads/document_file/2013_winnipeg_quarterly_economic_highlights_2nd_quarter.pdf

¹⁷ Assuming a constant ratio of total GDP affected by the arts and creative industries to the output of the industries themselves across Canada, **\$1.038 billion** (the estimated GDP of Winnipeg's arts and creative industries) multiplied by 7.4% (the Conference Board estimate of Canadian GDP affected by the arts and creative industries), divided by 3.8% (the Conference Board's estimate of the output of these industries) = **\$2.02 billion**. This result should be interpreted with caution, as some regional variability in the arts and creative industry share of total economic activity would be expected. Nonetheless, it is worthwhile acknowledging the Conference Board's argument that the economic footprint of the arts and creative industries likely extends far beyond the sector itself.

Conference Board of Canada. (2008). *Valuing culture: Measuring and understanding Canada's creative economy*. Retrieved April 13, 2009, from http://sso.conferenceboard.ca/e-Library/temp/BoardWise2ELJLPJHBEDHBABBDPFIHEF200941312516/08-152_CanadasCreativeEconomy.pdf.

¹⁸ While not included in the study, the economic significance of faculties at Winnipeg-based tertiary educational institutions linked to the arts and creative industries should not be overlooked. Not only do these institutions provide additional employment for local residents, they enable students to develop the human capital required to participate in the arts and creative industries. Moreover, as is true in other industries, research undertaken at these institutions tends to spill over into the private sector, resulting in the development of new products, services, and production techniques that increase the competitiveness of local firms. However, these linkages are not unique to the arts and creative industries, and similar relationships exist between tertiary educational institutions and many other industrial sectors as well. Consequently, employment and output linked to economic activity in these institutions is not included in the economic footprint of Winnipeg's arts and creative industries.

¹⁹ Please see pg. 12:

City of Vancouver Creative City Task Force. (2008, January). *Culture plan for Vancouver: 2008-2018*. Retrieved August 15, 2009, from http://vancouver.ca/creativecity/pdf/CulturePlan2008_%202018.pdf.

²⁰ Employment in sectors other than the arts and creative industries is reported in:

Economic Development Winnipeg Inc. (2013, June 5). *Employment by Industry, Winnipeg CMA*. Retrieved from http://www.economicdevelopmentwinnipeg.com/uploads/document_file/employment_by_industry_winnipeg.pdf

²¹ To obtain this estimate, it was assumed that seasonal workers were 0.25 FTE, whereas part-time, contract employees, independent artists, other employees, and workers falling under multiple employment classes were 0.5 FTE. These parameters are rather conservative. In an earlier study of the economic impact of the arts in Manitoba, the Manitoba Bureau of Statistics (MBS) assumed that the average work year in the arts community was 40 weeks rather than 52 (0.7692 FTE). If it is assumed that all employees in the arts community (aside from full-time and seasonal employees) work 40 weeks a year, then Winnipeg's arts and creative industries generate the equivalent of 3,918 full-time positions. Please see:

Manitoba Bureau of Statistics. (1994). *Economic impact of the arts in Manitoba*.

²² Miscellaneous expenditures also account for a large proportion of organizational spending (5.8%), although much of this consists of spending in other cost categories, which had been aggregated and therefore could not be justifiably placed in any of these.

²³ City of Winnipeg. (2013, May 9). *Population of Winnipeg*. Retrieved from <http://winnipeg.ca/cao/pdfs/population.pdf>

²⁴ Lazowski, A. (2013, August 7). 100 Masters extends stay at Winnipeg Art Gallery. *CBC Manitoba SCENE: Your Source for Local Arts & Entertainment*. Retrieved from <http://www.cbc.ca/manitoba/scene/other/2013/08/07/100-masters-extend-stay-at-winnipeg-art-gallery/>

²⁵ Lazowski, A. (2013, July 29). Fringe Festival breaks attendance records. *CBC Manitoba SCENE: Your Source for Local Arts & Entertainment*. Retrieved from <http://www.cbc.ca/manitoba/scene/theatre/2013/07/29/fringe-festival-breaks-attendance-records/>

²⁶ Ratuski, A. (2013, July 15). Winnipeg Folk Festival attendance breaks a few records. *CBC Manitoba SCENE: Your Source for Local Arts & Entertainment*. Retrieved from <http://www.cbc.ca/manitoba/scene/folk-fest/2013/07/15/winnipeg-folk-festival-attendance-breaks-a-few-records/>

27 Please see pp. 3-4:

Hill Strategies Research Inc. (2012, March 20). Manitobans' Arts, Culture and Heritage Activities in 2010. Retrieved from http://www.hillstrategies.com/sites/default/files/Cultural_activities_Manitoba2010.pdf

28 Winnipeg School Division. (2013, September 30). Your Guide to WSD, 2013-2014. Retrieved from <https://www.winnipegssd.ca/NEWS/Documents/YourGuide201314.pdf>

29 Please see pg. 8:

Economic Development Winnipeg Inc. (2013, July 19). Winnipeg Creative Industries (2013 Profile). Retrieved from

http://www.economicdevelopmentwinnipeg.com/uploads/files/00788_EDW_CI_Sector_Profile_LR.pdf

30 Culture Days. (2014, January 1). About Culture Days. *Culture Days Website*. Retrieved January 13, 2014, from <http://culturedays.ca/en/about-culture-days>

31 Please see pg. 6:

Culture Days. (2013, May 16). Culture Days, 2012 Report: Canada's Participation in Year Three. Retrieved from http://culturedays.ca/assets/Tipsandtools/CD2013_2012Report.pdf

It should be noted that cities in Alberta and Quebec are not included in these figures, as these provinces have complementary programs.

32 During the 2012 Culture Days, 280 free activities were held in the province of Manitoba; by 2013, this had increased to 333 activities. Please see:

Culture Days. (2014, January 1). Culture Days: Manitoba. *Culture Days Website*. Retrieved January 13, 2014, from <http://mb.culturedays.ca/en>

33 Province of Manitoba. (2012, May 10). Thirty New Canadians Take Oath at Special Manitoba Day Citizenship Ceremony. *Website of the Province of Manitoba*. Retrieved January 13, 2014, from <http://news.gov.mb.ca/news/?item=14092>

34 Please see pg. 2:

Institute for Canadian Citizenship. (2013, November 6). ICC Annual Report, 2012-2013. Retrieved from http://www.icc-icc.ca/en/docs/AnnualReport/ICC%20AnnualReport%2012-13_Online.pdf

35 Institute for Canadian Citizenship. (2013, November 6). CAP Attractions: Manitoba. *Website of the Institute for Canadian Citizenship*. Retrieved January 7, 2014, from <http://www.icc-icc.ca/en/cap/attractionsMB.php>

36 Creative City Network of Canada. (n.d.). Cultural Tourism. *Website of the Creative City Network of Canada*. Retrieved January 10, 2014, from <http://www.creativecity.ca/research-hub/cultural-tourism.php>

37 It should be noted that an individual tourist may engage in several of these activities during any given visit. For example, he or she may go golfing, attend a cultural event, and visit a casino during the same trip.

38 In fact, some evidence suggests that cultural tourists may spend more than other classes of tourists, which would mean this estimate is lower than the actual value. Please see pg. 12:

Americans for the Arts. (2007, May 17). Arts & Economic Prosperity III: The economic impact of nonprofit arts and culture organizations and their audiences. Retrieved May 29, 2009, from http://www.americansforthearts.org/pdf/information_services/research/services/economic_impact/national_findings_summary_report.pdf

39 Data provided by Economic Development Winnipeg Inc. indicates that in 2011, overnight visitors to the city of Winnipeg participated in 422,967 cultural activities (i.e., attending a play, concert, festival or fair, or visiting a historic site or art gallery) while in the city. As data is not provided for same-day visitors, PRA estimated participation for these individuals by extrapolating from 2004 data used in the original economic impact assessment, imposing the assumption that changes in the proportion of tourists engaging in these activities would be equivalent for same-day and overnight visitors. Adding the original trip activity data for overnight visitors to the extrapolated data for same-day visitors, we estimate that tourists engaged in 582,709 cultural activities while staying in the city of Winnipeg in 2011.

The data further indicates that average trip length in 2011 was 1.2 days, and that average expenditure per person on each trip was \$142.94; therefore, average expenditures per day are approximately \$119.12. Accounting for inflation between 2007 and 2011, we conclude that visitors to Winnipeg spend about \$110.25 per day.

Finally, we calculate expenditures using the following formula:

$582,709 \text{ cultural activities} \times 1.2 \text{ days} \times \$110.25 \text{ per day} = \$77,092,401$ in spending by visitors while engaging in cultural activities in the city of Winnipeg.

It is important to note that due to apparent differences in how tourist activity information was gathered in the data available for this analysis and for the 2009 economic impact study, PRA could not apply the same methodology to estimate expenditures by culture tourists; consequently, the two estimates are not directly comparable. In particular, because the list of activities presented in the 2004 activity data appeared to be all-inclusive, it was possible to calculate the average time tourists required to complete each task while visiting the city (i.e., divide activities per day by average trip length). By contrast, the list of activities in the 2011 data appears to be partial (i.e., several activities in the earlier list are not present in the later list). As a result, it is not appropriate to use the same methodology for estimating the time visitors spend engaging in arts, culture, and heritage activities while in the city. One implication of the above is that the estimate presented in this report should be interpreted as spending by tourists who participate in arts, culture, and heritage activities, rather than spending by tourists as they are engaged in arts, culture, and heritage activities; since the former includes all other types of activities, it is likely to be larger than the latter.

40 A large number of arts and culture organizations reported volunteer numbers without reporting volunteer hours. For those organizations that did report volunteer hours, the average was calculated to be 25.1 hours per volunteer per year. Assuming a similar commitment from people who volunteered their time for organizations that did *not* report volunteer hours yields a total of 1,595,035 hours for all organizations in the sample.

41 Full-time equivalencies (FTEs) were calculated by dividing total volunteer hours by 2,080 (40 hours per week over 52 weeks).

42 A recent report by Hill Strategies Research Inc. about volunteers and donors in arts and cultural organizations in Canada states that about 29,000 Manitobans volunteered for such organizations in 2010; this is approximately one-quarter lower than the estimate in our report. It is important to note the author's warning that many of the figures contained in the report, while statistically reliable, have a high margin of error. Please see pg. 28:

Hill, K. (2013, March 15). Volunteers and donors in arts and culture organizations in Canada in 2010. *Statistical Insights on the Arts, 11*(3). Retrieved from http://www.hillstrategies.com/sites/default/files/Volunteers_donors2010.pdf

43 Please see:

Hill Strategies Research Inc. (2013, March 15). Volunteers and donors in arts and culture organizations in Canada in 2010. *Statistical Insights on the Arts, 11*(3). Retrieved from http://www.hillstrategies.com/sites/default/files/Volunteers_donors2010.pdf

Vezina, M., & Crompton, S. (2012). *Volunteering in Canada*. Statistics Canada. Retrieved from <http://www.statcan.gc.ca/pub/11-008-x/2012001/article/11638-eng.pdf>

The reader is also referred to pp. 29-33:

Statistics Canada. (2008). *Satellite account of non-profit institutions and volunteering: 1997 to 2005*. Retrieved April 25, 2009, from <http://www.statcan.gc.ca/pub/13-015-x/13-015-x2008000-eng.pdf>.

44 An overview of the key points raised by the participants is provided in Appendix A in the original report.

45 SCENE Staff. (2011, September 26). New arts funding program will help organizations develop relationships with local businesses. *CBC Manitoba SCENE: Your Source for Local Arts & Entertainment*. Retrieved from <http://www.cbc.ca/manitoba/scene/other/2011/09/26/artsvest/>

46 Founded in 1974, Business for the Arts is a national organization that aims to strengthen relationships between the private sector and the arts. Please see:

Business for the Arts. (2014, January 1). BftA: History. *Website of Business for the Arts*. Retrieved January 10, 2014, from <http://www.businessforthearts.org/about-us/history/>

⁴⁷ Business for the Arts. (2014, January 1). artsVest™ — How it works. *Website of Business for the Arts*. Retrieved January 10, 2014, from <http://www.artsvest.com/about/how-artsvest-works/>

⁴⁸ Business for the Arts. (2013, August 13). artsVest Winnipeg Backgrounder. Retrieved from <http://www.businessforthearts.org/wp-content/uploads/2013/08/artsVest-Winnipeg-Backgrounder.pdf>

⁴⁹ This is determined by calculating the ratio of non-municipal to municipal arts funding.

⁵⁰ Please see pg. 3:

Winnipeg Arts Council. (2013, June 4). Winnipeg Arts Council Annual Report, 2012. Retrieved from http://winnipegarts.ca/images/uploads/files/Pages/Reports_Plans_and_By-Laws/WAC_AR_2012_web_version.pdf