TICKET TO THE FUTURE
Phase 1
THE ECONOMIC IMPACT OF THE ARTS AND CREATIVE INDUSTRIES IN WINNIPEG

November 16, 2009

Prepared for:
Winnipeg Arts Council
Message from the Winnipeg Arts Council

This study represents the first step in the creation of a new cultural planning strategy for the City of Winnipeg. A significant legacy project of Winnipeg’s year as the Cultural Capital of Canada, the completed strategy, Ticket to the Future, will be released in November 2010.

Phase One is a landmark document. This is a complete inventory of Winnipeg’s wealth of cultural assets. This report reveals that the arts and creative industries have a significant impact on Winnipeg’s economy. It also defines an arts network that is well-established and sophisticated, with remarkable depth, diversity and integrity in its achievements.

With this inventory complete, Phase Two will be modelled after the tremendous success of Into the 21st Century: Arts and Culture in Winnipeg, Report of the City of Winnipeg Cultural Policy Review Panel (commonly referred to as The Buchwald Report). In the ten years following its 1997 release, nearly every one of The Buchwald Report’s recommendations have been completed, including the elimination of the Amusement Tax, the incorporation of an arm’s-length Winnipeg Arts Council, and an increase in the city’s investment in arts and culture.

Sustainable development and flourishing culture are interdependent. As did The Buchwald Report, Ticket to the Future will take us to the next stage by positioning us to factor the incredible advantage of our cultural wealth into our city’s next ten years of planning and development.

Behind this report is the vision that it will be used by the City, the Province, by our business community, and by the arts and creative industries to maximize our investment and re-investment in arts and culture, to make a deliberate and thoughtful strategy key in planning for our Ticket to the Future.
# TABLE OF CONTENTS

Winnipeg’s arts and creative industries – the facts................................................................................. i

Introduction .................................................................................................................................................. 1

Some important definitions .......................................................................................................................... 3
  - What are the arts and creative industries?.......................................................................................... 3
  - ‘Playing our aces’: On the use of economic impact analysis in this study...................................... 4

An overview of Winnipeg’s arts and creative industries ........................................................................... 5

How does employment in the arts and creative industries compare with other industrial sectors? 6

A look at Winnipeg’s non-profit arts and culture sector ........................................................................... 7
  - A profile of non-profit arts and cultural organizations participating in the study ......................... 7
  - Employment in Winnipeg’s non-profit arts sector .......................................................................... 8
  - Spending in Winnipeg’s non-profit arts and culture sector ............................................................. 9
  - Sources of revenue for the non-profit arts and culture sector ......................................................... 10

What is the economic value of public investment in the arts and creative industries? ....................... 11
  - The importance of municipal funding for arts and culture in Winnipeg ........................................ 11

Cultural attendance in Winnipeg ........................................................................................................... 13
  - How do arts and culture compare to other activities? ..................................................................... 13
  - How many people learn and study with non-profit arts and cultural organizations? ................. 14
  - Arts, culture, and volunteerism ......................................................................................................... 14
  - How accessible is culture in the city of Winnipeg? ....................................................................... 15

Cultural tourism ......................................................................................................................................... 16
  - Do tourists participate in arts and cultural activities while visiting Winnipeg? ............................. 16
  - How much do cultural tourists spend in the city of Winnipeg? ..................................................... 17

Conclusion................................................................................................................................................ 18

APPENDIX A Winnipeg business leaders speak about the arts ............................................................ 19

APPENDIX B Definition of the arts and creative industries ................................................................. 24

APPENDIX C Recent studies of the economic impact of the arts and creative industries .......... 26

APPENDIX D List of participating non-profit arts and cultural organizations ..................................... 31

Endnotes .................................................................................................................................................... 33
LIST OF TABLES

Table 1: Winnipeg’s largest employers .................................................................6
Table 2: Activities conducted by tourists in Winnipeg, 2004 ...............................16
Table 3: Expenditures by tourists in Winnipeg, 2007 ............................................17

LIST OF FIGURES

Figure 1: Non-profit arts and culture organizations included in the study .............7
Figure 2: Employment in Winnipeg non-profit arts and cultural organizations ........8
Figure 3: Spending in Winnipeg’s non-profit arts and cultural organizations ..........9
Figure 4: Revenue collected by arts and cultural organizations ..........................10
Figure 5: Attendance at professional sports events vs. professional arts and cultural events in the city of Winnipeg .................................................................13

“We really need to be in tune with our strengths right now. I see the arts community as one of our key strengths.”

Helen Halliday
General Manager, Delta Hotels
Winnipeg’s arts and creative industries – the facts

This report examines the economic impact of the arts and creative industries in Winnipeg. PRA Inc (Prairie Research Associates) collected information about employment and economic activity in the arts and creative industries as well as cultural tourism. We also looked at activity and financial data from 115 local non-profit arts and cultural organizations. To determine how business is linked to the arts and creative industries, we spoke to executives from local businesses and economic development organizations. Finally, we contacted arts councils in other large Canadian cities to find out how funding for arts and culture varies across the country, and how it has changed over time.

These are some of our key findings:

- **6.3%** of the city’s labour force is employed in Winnipeg’s arts and creative industries. This is 25,000 people, almost enough to fill Canad Inns Stadium – every working day of the year. Of these 25,000, nearly **5,400** people are employed by non-profit arts and cultural organizations in the city.  
  
- **4¢ of every dollar** of Winnipeg’s economic output comes from the arts and creative industries, which produces almost $1 billion of output each year.

- **$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.

- **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.

- **1.9 million seats** are filled each year by twelve local arts and cultural organizations – this is more than double the attendance for professional sports franchises in the city combined.
1.6 million hours of volunteer time are contributed to non-profit arts and cultural organizations by 39,000 Winnipeggers each year.

1.1 million tourists spend nearly $87 million in Winnipeg each year while enjoying local arts and cultural attractions.

93.8% of all expenditures by local non-profit arts and cultural organizations are spent right here in the city of Winnipeg.

84.1% of local non-profit arts and cultural organizations provide programming tailored to young audiences.

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.

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.

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.
Introduction

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 Weakatherans, 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.**

Winnipeg's artists, its artistic communities, and its cultural institutions are recognized across Canada. We can be proud that the Royal Winnipeg Ballet is Canada's first and oldest continuous-running ballet troupe and Winnipeg's Contemporary Dancers is Canada's first and oldest contemporary dance company. Winnipeg is also one of only three cities across the country to have both professional ballet and contemporary dance training programs receiving funding under Heritage Canada’s National Arts Training Contribution Program (NATCP), namely the Royal Winnipeg Ballet School and the School of Contemporary Dancers.\(^1\,^2\)

Moreover, the federal government has recently designated Winnipeg as Canada’s Cultural Capital for the year 2010, coinciding with the 140\(^\text{th}\) anniversary of the province of Manitoba. Above and beyond the prestige associated with this title, the city will receive funding to undertake a series of cultural events, including art and architecture exhibits and symposiums, mobile storytelling, a cello festival, a public art project, and a river-barge arts festival to be held near The Forks, which will include performances by many Winnipeg performers.\(^3\)

Winnipeg's reputation as a centre of arts and culture will be further enhanced with the completion of the Canadian Museum for Human Rights, the first national museum outside of Ottawa. 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.

**Quality of life: An economic driver**

Arts and culture are completely integrated within the economic fabric of the city. Not only are the arts and creative industries a major local employer, but diverse arts sectors such as film, music, and computer graphics interact with and support investments in other sectors, such as high technology, the service sector, and the myriad of small and large businesses operating in the city.

> “Winnipeg is much more than basic water, sewer and road services. […] At the end of the day, nobody lives here because of the roads. We live in the city because of the quality of life, and arts and culture makes a big contribution to that.”

Richard Frost
Chief Executive Officer
Winnipeg Foundation
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 recent study by the Conference Board, which looked at the economic impact of art- and culture-related industries for all of Canada. 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.” This report employs a definition of the arts and creative industries based on the North American Industry Classification System (NAICS). For a comprehensive list of the industrial sectors included in the arts and creative industries, please see Appendix B.

“I came back here 18 years ago for a few reasons, one of which is an accessible arts community. For most major cities, they have bigger arts communities, but proportionately speaking, no they don’t. Moreover, here it’s accessible, it’s inexpensive… I mean, we have an opera, my goodness! To have this kind of cultural base in our community is wonderful.”

Ken Cooper
Managing Director
Winnipeg Angel Organization
‘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. 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. A survey of prior studies assessing the economic impact of arts and culture is provided in Appendix C.

While useful in some circumstances, conventional economic impact analyses have severe limitations and rest on unrealistic assumptions. More importantly, however, conventional economic impact studies fail to convey the true value of arts and culture.

This study should be considered an economic impact study in the generally understood sense, rather than in the narrow technical sense. Arts and culture 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. Therefore, 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.
- 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 25,000, about 6.3% of total employment in the Winnipeg Census Metropolitan Area in June 2009.\(^{10}\)
- In 2006, 9.1% of all business establishments in the city of Winnipeg were involved in activities related to arts and culture.\(^{11}\)
- The GDP of Winnipeg’s arts and creative industries is approximately $948.6 million, or about 3.7% of the city’s total output.\(^{12}\)

Of course, $948.6 million is a large number - but what does it mean? To put things in perspective, in the first quarter of 2009, the average Multiple Listing Service (MLS) house price in the city of Winnipeg was $285,287. Therefore, with the annual output of the city’s arts and creative industry, you could buy 3,325 Winnipeg homes each year.\(^{13}\)

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 $1.8 billion of GDP in the city of Winnipeg.\(^{14}\)

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.\(^{15}\) 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.”\(^{16}\)

Key statistics for Winnipeg’s arts and creative industries:

- 6.3% of Winnipeg’s total workforce is employed in the arts and creative industries
- Nearly one in ten 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.

Table 1: Winnipeg’s largest employers

<table>
<thead>
<tr>
<th>Industry</th>
<th>Winnipeg employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade</td>
<td>61,600</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>52,600</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>45,200</td>
</tr>
<tr>
<td>Educational services</td>
<td>31,200</td>
</tr>
<tr>
<td>Finance, insurance, real estate, and leasing</td>
<td>28,300</td>
</tr>
<tr>
<td>Public administration</td>
<td>25,900</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>25,500</td>
</tr>
<tr>
<td><strong>Winnipeg’s arts and creative industries</strong></td>
<td><strong>25,000</strong></td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>24,500</td>
</tr>
<tr>
<td>Construction</td>
<td>23,100</td>
</tr>
<tr>
<td>Professional, scientific, and technical services</td>
<td>21,600</td>
</tr>
<tr>
<td>Other services</td>
<td>17,700</td>
</tr>
</tbody>
</table>

Source: Destination Winnipeg Inc., based on Statistics Canada data

Table 1 shows that:

- While not as big as the city’s impressive trade (61,600) and health care sectors (52,600), the level of employment in Winnipeg’s arts and creative industries (25,000) is considerable, exceeding transportation and warehousing (24,500) and construction (23,100), and rivalling public administration (25,900) and accommodation and food services (25,500).

“Arts and culture needs to think of themselves more as an industry. Collectively, they are an economic driver and engine in themselves.”

Stuart Duncan  
President, Destination Winnipeg Inc.
A look at Winnipeg's non-profit arts and culture sector

While it was not possible to gather detailed information from all of the firms and individuals involved in Winnipeg's arts and creative industries, PRA collected and analyzed a large volume of financial and statistical data from the city's non-profit arts and cultural organizations. This data includes primarily those organizations that have a relationship with the Winnipeg Arts Council, but is rich enough to give the reader a sense of the size and scope of non-profit arts and culture in the city.

A profile of non-profit arts and cultural organizations participating in the study

This section of the study drew its data from 115 Winnipeg non-profit arts organizations that have a relationship with the Winnipeg Arts Council. A more comprehensive study of the city's non-profit arts and cultural sector was not feasible, given the magnitude of activity taking place and the number of people and organizations involved. However, this very fact serves to illustrate the vitality of the city's arts community.

Figure 1 below illustrates that these organizations 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.

![Figure 1](image)

**Figure 1** – Non-profit arts and culture organizations included in the study

Figure 1 shows that:

- A little over half of the organizations included in the study (59) are involved in the performing arts.

- Arts and cultural festivals made up nearly one-fifth of the sample (20), followed by visual arts (12), arts and cultural facilities (11), and writing and publishing (8).
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. This is the equivalent of 2,752 full-time workers.

Figure 2 looks at the breakdown of employment in these organizations.

Figure 2 – Employment in Winnipeg non-profit arts and cultural organizations

Note: Totals may not sum to 100% due to rounding.

Figure 2 shows that:

- Employment in the non-profit arts and cultural organizations participating in the study accounts for slightly more than one-fifth (21.5%) of total employment in Winnipeg’s arts and creative industries.

- Almost two-thirds of workers (61.3%) within Winnipeg’s non-profit arts organizations are either independent artists or casual or contract workers.

- Part-time and seasonal workers together account for about another quarter of employment in these organizations (23.6%), while 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.

To get a sense of how these organizations spend, we asked participants to identify what items accounted for most of their costs.

The results are presented in Figure 3 below.

Figure 3 shows that:

- 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%).

Figure 3 – Spending in Winnipeg’s non-profit arts and cultural organizations

Note: Totals may not sum to 100% due to rounding.
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.

As with spending, we asked participants where their revenues came from.

The results are presented in Figure 4 below.

![Figure 4: Revenue collected by arts and cultural organizations](image)

**Figure 4** – Revenue collected by arts and cultural organizations

**Note:** Totals may not sum to 100% due to rounding.

Figure 4 shows that:

- 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.

- Together, these three sources account for more than four-fifths (81.8%) of the revenue brought in by these organizations on an annual basis.

- The next largest source of revenue is the federal government (11.9%), followed by the municipal government (5.2%).
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.

This is precisely what the Artistic Director of the Ottawa International Writers Festival had in mind when he argued that municipal funding is a “Good Housekeeping Seal of Approval that shows [the arts and creative industries] have the support of the government closest to the community.”

Additional insight came from conversations with Winnipeg business leaders. They argued that given the impact of arts and culture on local residents’ quality of life, 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. Many participants believed that if the local business community is willing to accept responsibility for funding local arts and culture, the city should do so as well.

Municipal funding has a large effect on support for Winnipeg arts and culture. Each dollar of municipal funding for the arts in Winnipeg encourages the contribution of an additional $18.23 in funding from other sources. Recognizing the central role of municipal funding in the economic health of the arts and creative industries, it is important to analyze how financial support for the arts has changed in the last few years, in Winnipeg and other Canadian cities.
Since 2005, the situation with respect to municipal arts funding has changed in many Canadian cities. These cities are increasingly aware of the importance of the arts and creative industries in developing and maintaining healthy and prosperous cities and economies, and some appear to be bolstering their support for arts and culture. Representatives from arts organizations in Toronto, Ottawa, Edmonton, and Calgary told us that their respective municipal governments have all increased municipal funding for arts and culture in recent years, suggesting a trend toward growing city support for the arts and creative industries.\textsuperscript{22,23,24,25}

Municipal funding in Winnipeg has remained constant since 2007. As its population increases, a fixed amount of municipal expenditure is being spread over a growing number of residents, causing the city’s per capita arts funding ratio to decrease over time. A simple calculation of the division of the WAC annual allocation by the population of Winnipeg shows that after peaking in 2007 at $6.34 per capita, a downward trend appears to have emerged with an amount of $5.98 per capita in 2009.

“If you funnel all your money into fixing roads and infrastructure, and ignore the arts, then you don’t have anything. You have nice roads that nobody wants to drive on because there’s no place to get to. You aren’t going to drive to a concert or festival because they don’t exist anymore. Government needs to be involved in order for these arts organizations to even survive, much less thrive.”

\textbf{Callum Beattie}
Account Director and Principal, Neuhaus Design
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, the population of the Winnipeg Census Metropolitan Area is estimated at 720,000; therefore, on average, each city resident attends about 3.6 arts and cultural events each year.26

How do arts and culture compare to other activities?

Another way to understand the popularity of arts and cultural activities in Winnipeg is to compare local cultural attendance to local sports attendance. Most Winnipeggers would agree that the prowess and accomplishments of our professional sports franchises are a point of great pride to many city residents (even in off-years).

Taking only twelve of the well-known local non-profit arts and cultural organizations participating in the study, combined annual attendance was calculated to be 1.9 million. By comparison, combined total attendance for the Winnipeg Goldeyes, Manitoba Moose, and Winnipeg Blue Bombers in 2008/9 was 929,456. Therefore, as illustrated in Figure 6, attendance for arts and cultural events and activities associated with these twelve organizations alone is more than twice the level of attendance for all professional sporting events in the city combined.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.

“I think it’s important to get the government to understand that at the lowest level, right from Kindergarten or Montessori, all the way up, arts and culture contribute to who we are as a society and as people [...] It’s important from the core that culture be nurtured whether it’s independent music, or the WSO, or little dancers on the stage.”

Lynn Sawatzky, Business Owner Beyond Flowers

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, it also shows how a city’s residents feel about arts and culture. A willingness by Winnipeggers to contribute their time and energy to assist local arts organizations demonstrates that they are passionate 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.

Looks 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.29, 30

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
A recent Statistics Canada report on non-profit institutions and volunteering provides some additional significant insights into the relationship between non-profit arts and cultural organizations and volunteerism. For example, the report points out:

- Nationally in 2000, non-profit organizations associated with cultural and recreational activities drew on $3.6 billion in volunteer work. This is more than any other area of activity, including social services ($2.9 billion) and religion ($2.3 billion).

- With volunteers making up 63.5% of the value of labour services used, non-profit organizations associated with culture and recreation relied more on volunteers than in nearly any other area of activity.

- 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.

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.

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 offered one free admission for every man, woman, and child in the city of Winnipeg (847,792).

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.”

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.

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 2004.

<table>
<thead>
<tr>
<th>Trip activities (multiple response)</th>
<th>Person-visits (thousands)</th>
<th>% of all trip activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Go shopping</td>
<td>1,640</td>
<td>26.2%</td>
</tr>
<tr>
<td>Visit family or friends</td>
<td>1,516</td>
<td>24.2%</td>
</tr>
<tr>
<td>Other*</td>
<td>1,004</td>
<td>16.1%</td>
</tr>
<tr>
<td>Go sightseeing</td>
<td>523</td>
<td>8.4%</td>
</tr>
<tr>
<td>Outdoor sports/activities</td>
<td>516</td>
<td>8.3%</td>
</tr>
<tr>
<td><strong>Total non-cultural</strong></td>
<td><strong>5,199</strong></td>
<td><strong>83.1%</strong></td>
</tr>
<tr>
<td>Attend a cultural event</td>
<td>455</td>
<td>7.3%</td>
</tr>
<tr>
<td>Visit a museum or art gallery</td>
<td>235</td>
<td>3.8%</td>
</tr>
<tr>
<td>Visit a historic site</td>
<td>238</td>
<td>3.8%</td>
</tr>
<tr>
<td>Attend a festival or fair</td>
<td>127</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>Total cultural</strong></td>
<td><strong>1,055</strong></td>
<td><strong>16.9%</strong></td>
</tr>
<tr>
<td><strong>Total visitors</strong></td>
<td><strong>2,742</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total trip activities</strong></td>
<td><strong>6,254</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

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

* ‘Other’ includes going to a bar or nightclub, visiting a national or provincial park, attending a sports event, going to a casino, and visiting a theme or amusement park.

Table 2 shows that:

- Of the 6.3 million trip activities engaged in by tourists in 2004, **nearly 1.1 million involved arts and cultural activities**, such as attending a cultural event, visiting a museum or art gallery, visiting a historic site, or attending a festival or fair.

- Together, **cultural activities account for almost 17% of all activities undertaken by tourists visiting the city of Winnipeg**, and represent the third most popular tourist activity, ahead of sightseeing, outdoor sports/activities, and all other activities.

*33
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 2007:

<table>
<thead>
<tr>
<th>Category of expenditures</th>
<th>Expenditures ($,000s)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage, restaurants/bars</td>
<td>121,440</td>
<td>23.6</td>
</tr>
<tr>
<td>Accommodation</td>
<td>100,220</td>
<td>19.5</td>
</tr>
<tr>
<td>Retail, clothing</td>
<td>91,578</td>
<td>17.8</td>
</tr>
<tr>
<td>Private vehicle operation</td>
<td>68,406</td>
<td>13.3</td>
</tr>
<tr>
<td>Food and beverage, stores</td>
<td>42,285</td>
<td>8.2</td>
</tr>
<tr>
<td>Recreation and entertainment</td>
<td>40,777</td>
<td>7.9</td>
</tr>
<tr>
<td>Retail, other</td>
<td>28,342</td>
<td>5.5</td>
</tr>
<tr>
<td>Vehicle rental</td>
<td>14,904</td>
<td>2.9</td>
</tr>
<tr>
<td>Local transportation</td>
<td>6,413</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>514,367</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

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

Table 3 shows that:

- In 2007, tourists to Winnipeg spent approximately $514 million.
- Spending on food and beverages, accommodation, and retail made up almost three-quarters of this amount (31.8%, 19.5%, and 23.3%, respectively).

If tourists participating in cultural activities spend the same way as other tourists, and if cultural activities take as much time as other activities, we estimate that **visitors to the city spent nearly $87 million in 2007 while enjoying arts and cultural attractions in Winnipeg.** 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 $87 million likely leverages a larger volume of economic activity.**
Conclusion

This study measures the surprising economic impact of the arts and creative industries in the city of Winnipeg. After undertaking a comprehensive analysis using data from local non-profit arts and cultural organizations and statistics on local employment and economic activity, as well as from a series of discussions with local business leaders, we conclude that:

- Winnipeg’s arts and creative industries are a major employer and a significant contributor to the city’s economic output.
- City residents possess 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.
- Local non-profit arts organizations supply a large number and wide variety of arts and cultural programs.
- While visiting the city, tourists commonly partake in arts and cultural activities and inject a considerable volume of funds into the local economy.

Acknowledging that the arts and creative industries have a significant impact on the local economy and the quality of life of local residents, local business leaders told us that the city needs to factor in how to use the arts as a strategic resource, encouraging the municipal government to think about what Winnipeggers want for their city, today and in the future, and how it can call on the arts and creative industries to achieve these goals.

“I want my city to be known internationally as a place where creativity flourishes, and where artistic creation is valued, and that it becomes an attraction for those looking to live in a place that nourishes that part of the human spirit, and for people who are attracted to visit such a place. There’s a multitude of ways that that could be made reality. Dams are important [however], they come and go … they have a lifespan. But nourishing the human spirit through the richness of culture is the highest calling, and not enough political energy is spent on nurturing it.”

Jim Carr
Chairman, President and Chief Executive Officer
Business Council of Manitoba
APPENDIX A

Winnipeg business leaders speak about the arts
To get a better sense of how local business is affected by the presence of vibrant arts communities and prospering creative industries in Winnipeg, we assembled 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. Here is a compilation of their responses:

What are the key features of the city of Winnipeg that affect the quality of life for the people who live here?

- Winnipeg has a “big-city, small-town” feel that people appreciate.
- The city benefits from strong diversity in both a cultural and an economic sense.
- Well-run, nationally recognized arts and cultural organizations.
- Winnipeg’s affordability means it is possible to have a standard of living here that isn’t possible elsewhere. One consequence of this, which may be contributing to the presence of vibrant arts and culture in Winnipeg, is that it enables local artists to maintain a reasonably comfortable standard of living while they work.

How do arts and creative industries support the quality of life in Winnipeg?

- During the winter, the main activities open to Winnipeggers are winter sports and arts and culture. For those people not involved in winter sports, arts and cultural activities are very important.

“Our staff continually amaze me [...] These people never come in on a Monday and say they couldn’t find anything to do on the weekend. They’re busier than anyone I know, and they aren’t sports people. We counted our inventory on Superbowl Sunday for years … without realizing it! So they’re listening to music and getting involved in other arts and cultural events and pursuits, and they’re never bored.”

Chris Hall
Senior Inventory Manager
McNally Robinson Booksellers

- The arts and creative industries enrich a city’s quality of life. People want to be entertained. They want options for arts and culture. Moreover, when you do that for the community, you also have the benefit of doing it for tourism.
- The arts and creative industries represent an important sector of the economy that provides income for thousands of people.
- Winnipeggers like to live in a city that is renowned for its culture.
Does Winnipeg’s arts and cultural ‘landscape’ affect your business? How so? More generally, how do Winnipeg’s arts and cultural industries impact local businesses?

- Not only are the city’s creative assets important to the arts and creative industries, but that creativity also flows over into business, through entrepreneurship, commercialization, and new technology. Winnipeg is a great place to come if you have a new idea.
- The arts and creative industries have a strong impact on local business.

“When I bring clients in, and we have people coming in from all over the world, we take them to local arts and cultural venues and event. We use the arts to create a connection with customers […] and it’s very powerful […] The personal connections we develop are very important to us.”

Ken Drysdale  
President & Chief Executive Officer  
Accutech Engineering Inc.

Why do Winnipeg businesses invest in arts and culture?

- 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.

“It’s good business to ensure that the community where you operate is healthy [and] the arts is definitely an indicator of a healthy community.”

Richard Irish  
VP Community Affairs & Area Marketing, Investors Group

- Many business leaders are themselves passionate about developing and maintaining vibrant and healthy arts and cultural institutions. The business community has a long tradition of contributing to local arts and culture.
How might an employee’s decision to stay in Winnipeg or to relocate here from elsewhere be influenced by the city’s arts and creative industries?

- Business leaders recognize that quality of life is increasingly determining where people live and work. To the extent that arts and culture improve a city’s quality of life, they can have a significant impact on these decisions.

“The decisions we make today aren’t for [...] us, they’re for the next generation. The next generation does value the arts and culture, and quality of life. It’s how they’re going to make decisions about where they’re going to live and work. Especially if they’re skilled, they can work anywhere.”

Dave Angus  
President and Chief Executive Officer  
Winnipeg Chamber of Commerce

Why should the municipal government be involved in encouraging the development of the arts and creative industries? How can it help achieve this goal?

- The economy has evolved in such a way that people are able to go wherever they want, and we can expect this trend to accelerate. Our world is shrinking really quickly. We need to find ways to keep ourselves special and attractive. Therefore, it is not only the responsibility of the city to participate in supporting the development of the arts and creative industries - it is in its self-interest as well.

- 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 development of inexpensive downtown housing would enable artists to live comfortably while they concentrate on their craft.

- Historically, the challenge for the city of Winnipeg has been to ‘brand’ itself. The traditional approach has been to distribute support over a wide range of programs and activities. What is needed is a fundamentally different approach, in which Winnipeg invests a lot of resources in a few key areas.

- The city should recognize the existence of opportunities for establishing partnerships with the private sector as a means of supporting arts and culture.

- The city should establish a strategy for arts development with expectations, outcomes, and measurements. They should be able to say, “This is where we are today, and this is where we want to be in the future.” If there’s no plan in place, they will continually spend money without having any visible results.
On behalf of the Winnipeg Arts Council, PRA would like to extend its gratitude to the following local business representatives for participating in the study:

- Dave Angus, President & Chief Executive Officer, Winnipeg Chamber of Commerce
- Callum Beattie, Account Director/Principal, Neuhaus Design
- Jim Carr, Chairman, President & Chief Executive Officer, Business Council of Manitoba
- Ken Cooper, Managing Director, Winnipeg Angel Organization
- Ken Drysdale, President & Chief Executive Officer, Accutech Engineering Inc.
- Stuart Duncan, President, Destination Winnipeg Inc.
- Richard Frost, Chief Executive Officer, Winnipeg Foundation
- Chris Hall, Senior Inventory Manager, McNally Robinson Booksellers
- Helen Halliday, General Manager, Delta Hotels
- Richard Irish, VP Community Affairs & Area Marketing, Investors Group
- Lynn Sawatzky, Business Owner, Beyond Flowers
APPENDIX B

Definition of the arts and creative industries
<table>
<thead>
<tr>
<th>NAICS code</th>
<th>Sector name</th>
</tr>
</thead>
<tbody>
<tr>
<td>323</td>
<td>Printing manufacturing</td>
</tr>
<tr>
<td>4511</td>
<td>Sporting goods, hobby &amp; musical instrument stores</td>
</tr>
<tr>
<td>4512</td>
<td>Book, periodical &amp; music stores</td>
</tr>
<tr>
<td>511</td>
<td>Publishing industries</td>
</tr>
<tr>
<td>512</td>
<td>Motion picture and video industries</td>
</tr>
<tr>
<td>515</td>
<td>Broadcasting (except Internet)</td>
</tr>
<tr>
<td>516</td>
<td>Internet publishing and broadcasting</td>
</tr>
<tr>
<td>519</td>
<td>Other information</td>
</tr>
<tr>
<td>5413</td>
<td>Architectural, engineering &amp; related services</td>
</tr>
<tr>
<td>5414</td>
<td>Specialized design services</td>
</tr>
<tr>
<td>5415</td>
<td>Computer systems design &amp; related services</td>
</tr>
<tr>
<td>5418</td>
<td>Advertising &amp; related services</td>
</tr>
<tr>
<td>711</td>
<td>Performing arts, spectator sports &amp; related industries</td>
</tr>
<tr>
<td>712</td>
<td>Heritage institutions</td>
</tr>
<tr>
<td>8132</td>
<td>Grant-making &amp; giving services</td>
</tr>
<tr>
<td>8139</td>
<td>Business, professional, labour, political &amp; similar organizations</td>
</tr>
</tbody>
</table>

For detailed descriptions of each of these industrial sectors, please see:

APPENDIX C

Recent studies of the economic impact of the arts and creative industries
### Previous studies of the economic impact of the arts and creative industries

<table>
<thead>
<tr>
<th>Study</th>
<th>Location</th>
<th>Multipliers**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bryan et al. (2000)</td>
<td>Wales</td>
<td>- An extra $1 million CAD of gross output generated in the performing arts sector results, via supplier and induced-income effects, in a final output impact of $1.61 million CAD (output or turnover multiplier)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- A $1 CAD increase in performing arts sector wage income, associated with the initial increase in demand, creates an estimated additional $0.45 CAD of wage income in other Welsh industries (income multiplier)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Every new job created in the performing arts sector, from a given increase in final demand, would support an additional estimated 0.49 of a job in other parts of the Welsh economy (employment multiplier)</td>
</tr>
<tr>
<td>Economic Development Research Group, Inc. (2007)</td>
<td>Philadelphia (67 cultural and historic organizations)</td>
<td>- These multipliers include direct, indirect &amp; induced effects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- The sales multipliers appear to be output-based</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- $676.4 million USD ($718.1 million CAD) in output (i.e., organizational and tourist spending) is associated with $1,110.0 million USD ($1,178.4 million CAD) in output in the city’s economy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- $367 million USD ($389.6 million CAD) in labour income is associated with $582.7 million USD ($618.6 million CAD) in labour income in the city’s economy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 9,490 jobs in the 67 cultural and historic organizations and ‘visitor-serving establishments’ are associated with 13,610 in the Philadelphia economy</td>
</tr>
<tr>
<td>Edmonton Economic Development Corporation (2006)</td>
<td>Greater Edmonton</td>
<td>- $196.1 million in organizational expenditures (126 arts and cultural organizations in the study) and tourist spending yields $123.7 million in gross domestic product, and $88.1 million in labour income</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 416 jobs in these arts and cultural organizations and 1,255 jobs associated with tourism (1,671 in total) support 2,844 jobs in Greater Edmonton</td>
</tr>
<tr>
<td>Conference Board of Canada (2008)</td>
<td>Canada</td>
<td>- For each $1 of real GDP produced by cultural sector industries, a $1.57 increase in GDP results from direct and indirect economic effects (Type I gross value-added multiplier)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- For each $1 of real GDP produced by cultural sector industries, a $1.84 increase in GDP results from direct, indirect, and induced economic effects (Type II gross value-added multiplier)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Study</th>
<th>Location</th>
<th>Organizational spending</th>
<th>Tourist spending</th>
<th>Total spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bryan et al. (2000)</td>
<td>Wales</td>
<td>Sales/ Expenditures</td>
<td>1.71</td>
<td>1.61</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Labour income</td>
<td>1.51</td>
<td>1.69</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jobs</td>
<td>1.51</td>
<td>1.39</td>
</tr>
<tr>
<td>Economic Development Research Group, Inc. (2007)</td>
<td>Philadelphia (67 cultural and historic organizations)</td>
<td>GDP</td>
<td>0.90</td>
<td>0.54</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wages &amp; salaries</td>
<td>0.74</td>
<td>0.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jobs</td>
<td>2.32</td>
<td>1.50</td>
</tr>
<tr>
<td>Edmonton Economic Development Corporation (2006)</td>
<td>Greater Edmonton</td>
<td>GDP</td>
<td>0.90</td>
<td>0.54</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wages &amp; salaries</td>
<td>0.74</td>
<td>0.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jobs</td>
<td>2.32</td>
<td>1.50</td>
</tr>
<tr>
<td>Conference Board of Canada (2008)</td>
<td>Canada</td>
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<td>0.90</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Wages &amp; salaries</td>
<td>0.74</td>
<td>0.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jobs</td>
<td>2.32</td>
<td>1.50</td>
</tr>
</tbody>
</table>
### Previous studies of the economic impact of the arts and creative industries

<table>
<thead>
<tr>
<th>Study</th>
<th>Location</th>
<th>Multipliers**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Film Training Manitoba &amp; Manitoba Motion Picture Industry Association (2004)</td>
<td>Manitoba</td>
<td>• Economic impacts associated with tourism not included in study</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Employed Type II labour income multipliers (value-added) of 2.00 and 2.50 to test whether the provincial government would be able to gain enough revenue from taxation to render the tax credit for Manitoba’s film industry revenue-neutral</td>
</tr>
<tr>
<td>G. S. Sandhu &amp; Associates (2006)</td>
<td>British Columbia</td>
<td>Type I multiplier</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross output</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Value-added (GDP market)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Labour income</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employment</td>
</tr>
<tr>
<td>kisquared (2005)</td>
<td>Manitoba</td>
<td>GDP market</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Labour income</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employment</td>
</tr>
<tr>
<td>Manitoba Bureau of Statistics (1994)</td>
<td>Manitoba</td>
<td>Economic impacts associated with tourism not included in study</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$141.0 million in expenditures by the music industry adds $125.1 million to Manitoba’s GDP, $100.1 million to labour income, and 3,727 person-years of employment, or 26.4 person-years per million dollars of spending</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Each $1 in gross expenditures by the arts groups participating in the study levers an additional $1.25 in gross expenditures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Each $1 in direct Manitoba expenditures levels an additional $0.13 in GDP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Economic impacts associated with tourism not included in study</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Each $1 in gross output by creative industries in PEI levers an additional $1.17 in gross output in the PEI economy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Each job in PEI’s creative industries supports an additional 0.39 jobs elsewhere in the economy (this figure comes from a 1997 study by Statistics Canada)</td>
</tr>
</tbody>
</table>
Previous studies of the economic impact of the arts and creative industries

** Conversions from UK pound sterling (GBR) and U.S. dollars (USD) to Canadian dollars (CAD) were undertaken using the Bank of Canada’s 10-year currency converter. On October 26, 2009, $1 CAD was equivalent to £0.5761 (GBR) and $0.9420 (USD).

Sources:


Several economists have discussed the limitations of economic impact analysis. More details on this type of analysis and its shortcomings are available from the following sources:


APPENDIX D

List of participating non-profit arts and cultural organizations
### Participating organizations

<table>
<thead>
<tr>
<th>Organization</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>aceart</td>
<td>Manitoba Theatre for Young People</td>
</tr>
<tr>
<td>Adhere and Deny</td>
<td>Manitoba Violincello Society</td>
</tr>
<tr>
<td>Agassiz Summer Chamber Music Festival</td>
<td>Manitoba Writers’ Guild</td>
</tr>
<tr>
<td>Alliance Chorale Manitoba</td>
<td>Mayworks Festival of Labour and the Arts</td>
</tr>
<tr>
<td>Alliance Francaise du Manitoba</td>
<td>Mentoring Artists for Women’s Art</td>
</tr>
<tr>
<td>Alpha Omega Alumnae</td>
<td>MUSAIC Chamber Orchestra</td>
</tr>
<tr>
<td>Art City</td>
<td>Nafro Dance Productions</td>
</tr>
<tr>
<td>Arts and Cultural Industries Association of Manitoba</td>
<td>National Screen Institute - Canada</td>
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<td>Concert for Hope and Peace</td>
<td>Rusalka Ukrainian Dance Ensemble</td>
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<td>Sarasvati (Femfest)</td>
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<td>Crossing Communities Art Project</td>
<td>School of Contemporary Dancers</td>
</tr>
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<td>Dragon and Lion Dance Institute of Canada</td>
<td>Send + Receive: A Festival of Sound</td>
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<td>Dry Cold Productions</td>
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<td>Maison des Artistes Visuels Francophones</td>
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<td>Winnipeg Music Festival</td>
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<td>Winnipeg Scottish Festival</td>
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<td>Women's Musical Club of Winnipeg</td>
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Endnotes

1 Thomson, F. Co-Director, The School of Contemporary Dancers. (personal communication, 2009, September 3). Federal funding under Heritage Canada’s National Arts Training Contribution Program (NATCP).


5 Please see pg. 12:


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’.


8 For a technical discussion of these issues, the reader is referred to the sources listed in Appendix C.

9 It is important to note that similar criticisms have also been applied to the use of economic impact analysis in other settings, such as in assessing the economic impact of sports events and facilities.

10 According to a definition utilized by the Arts & Cultural Industries Association of Manitoba, and using data from Statistics Canada provided by Destination Winnipeg Inc., employment in the arts and creative industries in Winnipeg in 2008 was approximately 25,000. For a full list of industrial sectors included in the definition, please see Appendix B.

According to data from Statistics Canada, employment in the Winnipeg Census Metropolitan Area in June 2009 was 395,900. Please see:


11 According to Statistics Canada data supplied by the Arts & Cultural Industries Association of Manitoba, in 2006 there were 38,422 business establishments in the Winnipeg Census Metropolitan Area, of which 3,480 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 B.

12 According to data from Statistics Canada provided by Destination Winnipeg Inc., average weekly earnings in the province of Manitoba are approximately $769 or $39,988 annually. Please see pg. 6:

Research by Hill Strategies Research Inc. shows that in 2001, the gap in earnings between artists and the average for the labour force in Manitoba was 33%. Assuming the gap remained unchanged between 2001 and 2009, average earnings for artists in Manitoba in 2009 would be $26,792. Based on Statistics Canada’s 2001 Census, Hill Strategies Research Inc. further estimated that there were 2,965 artists in the city of Winnipeg in 2001. 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. If it is assumed that the number of artists in Winnipeg increased at 3.4% annually between 2001 and 2009 (i.e., the same rate as for Winnipeg’s arts and creative industries between 2002 and 2006), then in 2009, there would be approximately 3,874 artists in the city. Please see:


GDP is estimated by calculating labour income for the arts and creative industry, which consists of 3,874 artists earning $26,792 annually, and 21,126 other workers earning $39,988 annually. Total earnings for artists in 2009 are therefore estimated at $103,792,208, while earnings for non-artists are estimated at $844,786,488.

By these estimates, labour force earnings in the arts and creative industries account for about $948,578,696 ($0.95 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 annual projections in the Conference Board of Canada’s Metropolitan Outlook Spring 2009 (as reported in Destination Winnipeg Inc.’s quarterly economic highlights for Q1 2009, referenced above), in June 2009 Winnipeg’s GDP was approximately $25.6 billion. Therefore, the arts and creative industries accounts for about 3.7% of the city’s GDP.

This figure is 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:


Please see pg. 5:


Assuming a constant ratio of total GDP affected by the arts and creative industries to the output of the industries themselves across Canada, $948.6 million (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) = $1.8 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.


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.

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


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:


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.


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


In 2008, the Winnipeg Goldeyes had season attendance of 284,398, or an average of 6,464 per game for around 44 home games. Please see:


For the 2008/09 season, the Manitoba Moose had season attendance of 310,761 for each of their 40 home games, plus an additional 116,095 for the 11 playoff games held in Winnipeg. Combining regular season and playoff attendance, the Manitoba Moose had total season attendance of 426,856, for an average of 8,370 per game over 51 home games. Please see:


For their 2008 season, the Winnipeg Blue Bombers had season attendance of 218,202, or an average of 24,245 per game (9 home games). Note that these figures do not count playoff games. Please see:

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.

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

Please see pp. 29-33:


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 visit family, attend a cultural event, and go shopping during the same trip. In 2007, a total of 2.7 million tourists visited the city of Winnipeg and collectively engaged in 6.3 million activities; therefore, on average, each tourist participated in 2.28 activities.

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:


It is assumed that average trip length remained roughly constant between 2004 and 2007, that visitors engaged in approximately the same number of activities per trip over time, and that the proportion of total tourist activities associated with culture remained the same. According to data from Destination Winnipeg Inc., in 2004, each visitor participated in about 2.28 activities while in the city, while data from 2007 shows that, on average, visitors to Winnipeg spend about 1.8 days here. Under these assumptions, visitors participate in approximately 1.27 activities per day, and therefore, each activity requires about 78.9% of a day to complete. There were 2,810,900 visitors to the city in 2007, and given the above assumptions, these visitors participated in 6,411,148 activities in total and 1,081,510 cultural activities. Given the number of tourists in 2007 and the average length of a trip to the city (1.8 days), it is estimated that visitors collectively spent 5,059,620 days in the city, and the data in Table 3 shows that they spent approximately $514,367,000 in that year, or about $101.66 per day.

\[ 0.789 \text{ days per activity} \times 1,081,510 \text{ cultural activities} \times \$101.66 \text{ per day} = \$86,769,617 \] in spending by visitors while engaging in cultural activities in the city of Winnipeg.