



Written Submission for the Government of Canada's Pre-Budget Consultations in
Advance of Budget 2025

Submitted: August 2, 2024

By: Canadian Arts Coalition

Recommendation

1. That the Government of Canada permanently allocate at least 1% of its overall spending towards arts, culture, and heritage. To achieve this for the 2025-26 fiscal year, the Government should increase its allocations by \$270 million, via:
 - a. An increase of \$140 million to the Canada Council for the Arts; and
 - b. An increase of \$130 million to the Department of Canadian Heritage.

Introduction

The [Canadian Arts Coalition](#) is a collaborative non-partisan advocacy movement of national associations, arts organizations and artists. It is led by a volunteer Steering Committee comprised of representatives of national, provincial, regional and territorial arts organizations and/or associations committed to equity in the arts and inclusive of Indigenous, racialized, Deaf and disabled arts workers.

The Canadian Arts Coalition is united in the belief that the future of our citizens, their towns and cities, and the nation itself depends on a rich, vibrant and diverse arts and heritage community and in support of this belief, the Coalition works to:

- Strengthen Canadian cultural policies based on the needs of the professional arts communities;
- Ensure investments in arts and culture at the federal level to support the vitality of the sector and the many peoples of Canada;
- Advocate to the general public by promoting sustainability of the arts sector.

A complete list of our membership can be found [here](#).

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Sectoral Context

The arts, culture, and heritage sectors in Canada are fundamental components of our country's economic and social life. Our sectors play an outsized role in our country's vitality and success, as demonstrated by the incredible resilience of arts institutions, workers, and supporters over the last four challenging years.

The data highlighting the essential role of the arts and culture, along with their profound socio-economic impact, is striking. A recent Culture Days 2023 survey of Canadians reinforces this insight. Over 80% of the 1,156 respondents believe that arts and culture enhance Canada's economy and quality of life, while also making Canada unique. These compelling results are bolstered by 82% of respondents who agree that arts and culture unite Canadians and foster meaningful community engagement. Consequently, 84% of respondents assert that this sector helps build strong communities and creates new opportunities. Additionally, 86% acknowledge that they promote cultural and social inclusion. Finally, nearly 9 out of 10 believe that arts and culture play a crucial role in educating children and fostering cultural awareness. These impressive statistics clearly demonstrate the significant value that Canadians believe that arts and culture provide to our society.

Furthermore, our sector's tangible impact on the success of Canada continues to grow. In the first quarter of 2024, the real gross domestic product (GDP) for the culture and sport sectors in Canada [rose](#) 0.6%, surpassing growth for the total economy (0.4%), to \$14.5 billion. Including inflation, the nominal GDP for our sector increased 1.2% over the same period.

Arts, culture, and heritage are central components of other segments of the Canadian economy. In the first quarter of 2024, the tourism shares of Canada's GDP [represented 1.59%](#). Similarly, the accommodation and food services sector [expanded](#) in the first quarter of 2024, by 1.2%. While this is not all attributable to arts, culture, and heritage activity, there is an undeniable link between arts, culture, and heritage performances, exhibitions, and activities and the ancillary benefits to local economies, notably in the downtown cores of urban centres. The Ontario Arts Council's recent, Ontario-specific, data suggests that arts and culture tourism represented approximately 30% of the money spent by tourists in 2019.

We are also starting to see growth in jobs in the culture sector. In the first quarter of 2024, the number of jobs in the cultural sector in Canada [grew by 0.3%](#): the first quarter of growth in a year and a half.

While these macroeconomic statistics clearly demonstrate the flourishing and impact of the arts, culture, and heritage sectors, the lived experience of arts workers, artists, and arts institutions does not reflect this rosy outlook.

A [recent survey](#) commissioned by the Cultural Human Resources Council, and conducted by Hill Strategies Research, suggests that one-half (51%) of responding artists have total personal incomes below \$40,000, with a mere 7% of respondents reaching the \$80 000 or more threshold. Financial stress was deemed to be very common (69%). In both cases, BIPOC artists are likelier to experience financial precarity than white artists (72% of BIPOC artists have incomes below \$40,000, and 85% of BIPOC artists express financial stress). Interestingly, artists point to [limited opportunities for grants](#) as the great challenge to their work (68%).

A similar reality is consistent amongst arts organisations. For many whose primary federal public funder is the Canada Council for the Arts, core funding allocated in recent years did not include adjustments for inflation, and this upcoming year will bring intense instability, as organisations apply for renewal or first-time participation in the [Engage and Sustain](#) program. These grants represent fundamental, core operating funds, which underpin the business plans and growth of arts organisations across Canada.

Frighteningly, the last renewal of grants, through the Explore and Create program, [saw an overall success rate of 16.6%](#). When combined with the federal government's requirement for cuts in every department and agency, this precedent has set a chill in the ecosystem, wherein existing grant allocations are already insufficient to maintain stability in the context of growing needs and opportunities.

The story of precarity in the arts is neither new, nor over the medium-term. As [Josh O'Kane of the Globe and Mail](#) recently wrote:

...(T)he already-fragile math that long underpinned the arts is now utterly broken. Organizations emerged from lockdowns to surging costs, dwindling audiences, hesitant philanthropists, distracted corporate sponsors and mostly stagnant government funding.

Our members, across regions, languages, backgrounds, and genres are clear. The crisis in our sector is now, and the Government of Canada must step in urgently to fill in the gap.

Beyond the statistics and data above, it is abundantly clear that arts, culture, and heritage workers and organisations have roles beyond economic value. We know clearly that our work is central to the Canadian idea, in building cohesion and shared values across our great country, and in telling the stories of Canadians, particularly those whose voices have long been underrepresented.

Because of the economic and social value of arts, culture, and heritage, we, the Canadian Arts Coalition, believe an investment in our sector is not only overdue but urgently needed.

1% of government spending

We estimate that the Government of Canada will spend approximately 0.94% of its expenditures on arts, culture, and heritage in 2024-2025. We derive this data through the following tables.

Table 1: Federal department/corporation/agency and its allotted funding in 2024-2025¹

Organisation	Allotment (\$) in <u>Estimates 2024-25</u>
CBC	1 383 237 411
Canadian Tourism Commission	115 967 712
Department of Canadian Heritage	1 862 357 369
Canada Council for the Arts	365 758 160
Canadian Museum of Nature	32 534 909
Canadian Museum of Immigration at Pier 21	10 024 370
Canadian Museum of History	83 116 568
Canadian Museum for Human Rights	28 589 790
National Gallery of Canada	50 020 493
National Film Board	71 954 082
National Museum of Science and Technology	38 404 738
National Arts Centre Corporation	57 005 441
Telefilm Canada	103 308 591
Total	4 202 279 634

Table 2: Arts, culture, and heritage spending as a percentage of GDP and federal expenditures

Annual measurement	Total \$	Arts spending as a percentage
Canada’s anticipated GDP	<u>2 998 000 000 000</u>	0.14%
Federal government spending	<u>449 200 000 000</u>	0.94%

By our calculations, an increase to 1% of the Government of Canada’s expenditures would involve an increased investment of approximately \$270 million to arts, culture and heritage serving programs and portfolios. We suggest that the 1% of government spending target, which corresponds to 0.15% of Canada’s anticipated GDP, is a necessary one, given the outsized

¹ This data represents our best calculation of money allotted for spending on the arts. They do not include, for the most part, contributions to employee benefits or similar spending.

economic and social role that our sectors play in the broad Canadian economy and society, as articulated above. This percentage is comparable to the [Australian government's annual allocation](#) of nearly \$7 billion to the arts and culture, representing around 1% of their total combined spending.

To be clear, we recommend that the Government of Canada commit to this 1% target in perpetuity. Given the evidence presented above, and the value that arts, culture, and heritage have on both the Canadian economy and society, we believe this target, tied to the Government of Canada's overall expenditures, is a necessary one. An additional investment of \$270 million in Budget 2025 would be a first step to achieve this goal.

Given the urgency in the arts sector noted above, we recommend that the Government of Canada allocate \$140 million to the Canada Council for the Arts in permanent funding. We believe this money will be best positioned to pre-empt the burgeoning crisis emanating from core grant decisions into 2025-2026. Therefore, we support that the bulk of the \$140 million be committed to growing and sustaining the core operating grants of the Council.

We believe the remaining \$130 million should be allocated to the Department of Canadian Heritage to programs across its portfolio. We note the need for further investment in programs that incentivize the private sector to fund arts, culture and heritage and which support music, museums and galleries, independent arts organisations, book publishers, festivals, theatres, and cultural infrastructure as opportunities for strategic cultural investment.

In summary, we recommend this investment to the House of Commons Standing Committee on Finance as a desperately needed, and long-required contribution to economic and cultural stability of Canada. We request to appear before the Committee during its deliberations on this matter in Fall 2024 and would be pleased to discuss this matter further.

For more information, please contact Steering Committee member:

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