



ARTS IMPACT ALBERTA 2014:

Ripple Effects
from the Arts
Sector

TABLE OF CONTENTS

Message from the Chair	2
Executive Summary	3
Introduction	5
Public Engagement in the Arts	16
Volunteerism in the Alberta's Arts Organizations	18
Economic Impact of the Arts in Alberta	22
Employment in AFA Operational Grant Recipient Organizations	28

MESSAGE FROM THE CHAIR

As Chair of the Board of Directors of the Alberta Foundation for the Arts (AFA), I am proud to present *Arts Impact Alberta 2014*, a follow up to the 2012 report *Arts Impact Alberta: Ripple Effects from the Arts Sector*. This report provides a snapshot of the positive impacts of AFA operating-funded organizations on Alberta's communities and quality of life.

Arts Impact Alberta 2014 captures the stability and economic growth in Alberta's nonprofit arts sector. Public engagement with the arts is robust, and volunteers continue to support the sector with significant commitment, skill, and passion. The arts are a small but significant sector of the Alberta economy, creating jobs and developing skills, allowing Albertans to express their cultural identity through performance, exhibition, presenting, participating, and attending arts events in Alberta's communities.

For more than 20 years, the Alberta Foundation for the Arts has been the Government of Alberta's principal source of public funding for the arts in Alberta. Thousands of individual artists have been supported at critical stages of their development. Many of these artists have garnered acclaim in professional careers both within the province and around the world. The AFA supports hundreds of professional and community arts organizations ranging from the flagship symphonies, operas, theatres and dance companies in large urban centres to hundreds of arts organizations in smaller communities across the province.

AFA funding reaches across almost all ministerial areas of responsibility from education and health to the environment and justice. It supports children, adults and seniors. It reaches the disabled and the infirm. It encourages and nurtures the participation of Albertans of all ethnic, economic and cultural backgrounds.

AFA funding contributes to a multiplier effect in the economy, it fosters desirable communities and workplaces and it supports social cohesion. It bridges the quality of life and the spark of innovation. Given that Alberta had the highest net gain in interprovincial migration in 2013 (43,100 people), these positive impacts on our communities are essential to making Alberta a better place to live.

Arts investment is a robust public good and this report, *Arts Impact Alberta 2014: Ripple Effects from the Arts Sector*, advances the important discussion of how and why.

Joan Udell, Chair

Alberta Foundation for the Arts
Board of Directors

EXECUTIVE SUMMARY

The Alberta Foundation for the Arts (AFA) sees an Alberta where a vibrant arts community inspires creativity and innovation and is part of the fabric of how we live and work. The foundation exists to fund, encourage, and support the development of arts as a primary contributor to quality of life in Alberta.

Each year, approximately 450 nonprofit arts organizations in Alberta receive operating funding from the AFA to support arts programming in their communities. Recognizing the vital contributions of nonprofit arts organizations to the quality of life for Albertans, the AFA provides funding to organizations in more than half of Alberta's cities, towns, and villages. During the seven year period captured in this report, 670 organizations in 180 communities received operational funding from the AFA. *Arts Impact Alberta 2014* is a step in documenting the collective role these nonprofit arts organizations play in the cultural life of Alberta. As the province's primary arts funding agency, the AFA is in the privileged position of stewarding data on behalf of Alberta's nonprofit arts sector. The report uses data submitted to the AFA by nonprofit arts organizations, places it in a larger social and economic context, and continues to tell the story of this sector for Albertans over the seven year period from 2006-07 to 2012-13.

The significance of the nonprofit arts sector in the arts ecology in Alberta was affirmed by the following findings:

- Albertans are extremely engaged with the arts. Attendance at arts events and participation in the arts is the norm for Albertans.
- A strong nonprofit arts sector is essential in providing opportunities for public engagement with the arts.
- The nonprofit arts sector benefits immensely from a huge volunteer workforce, but it also creates opportunities for those volunteers in terms of skill building, quality of life and social connections.
- Volunteerism in the arts creates long-term economic benefits for individuals and communities.
- The nonprofit arts sector generates significant economic activity, and it is a resilient growth area of Alberta's economy, creating jobs and benefits in other sectors of the economy.

More detailed findings illustrate the magnitude of Albertans' engagement with the arts:

- The majority (85 per cent) of adult Albertans attend at least one arts event per year, and just over half participate directly in an art form in their home or community.
- Nonprofit arts organizations in Alberta present an average of 24,000 events per year throughout the province.
- There are many Albertans who are ardent patrons of the arts; attendance at arts events presented by AFA operational grant recipients each year exceeds the population of the province.

The extent of the volunteer movement in Alberta's nonprofit arts sector is made clear by the data:

- Albertans express their commitment to the arts by volunteering. Each year, about 50,000 Albertans, the equivalent of an entire medium sized city such as Medicine Hat or St. Albert, volunteer for arts organizations that receive operational funding from the AFA.
- These volunteers give an average of 34 hours of their time and talent to the nonprofit arts organization of their choice, and collectively work the equivalent of an estimated 1,075 full-time jobs.
- The volunteer workforce in aggregate contributed more hours of work than the sector's full-time employees, and marginally fewer hours than part-time employees.

The contribution of nonprofit arts organizations to Alberta's economy is concrete and measurable:

- Overall, revenues have remained higher than expenditures for nonprofit arts organizations. Nonprofit arts organizations funded by the AFA reported expenditures of \$191.5 million in 2012-13, a \$44.5 million increase over seven years.
- The direct GDP contribution of the sector to Alberta's economy is estimated at \$110 million, resulting from approximately \$203 million in total economic activity generated by nonprofit arts organizations.

And, a measure of employment in the sector is formalized:

- Arts organizations receiving AFA operational funding employed more than 3,400 people in 2012-13; approximately 700 full-time staff and 2,700 part-time staff worked for the 450 organizations that received operational funding.

- The nonprofit arts sector creates around 22 full-time equivalent jobs for every one million dollars of expenditure in the sector.
- The total employment generated by the sector is estimated at 3,008 full-time equivalent jobs (including jobs generated in other sectors).

The sector is resilient and extremely self-reliant. Nonprofit arts organizations earn the majority of their revenues from ticket sales, fundraising, and corporate donations. Funding from government is an important contributor to revenue, but is not the backbone of the sector. Although Alberta's nonprofit arts sector relies heavily on a volunteer workforce, it is an important employer of professional artists, arts administrators, and technicians. The sector is home to professional and community arts initiatives, fulfilling the diverse tastes of Albertans in their demand for access to the arts across the population. Communities continue to sustain the arts even when competition for time and money from other sectors is constant.

Providing grants to nonprofit arts organizations affirms the AFA's commitment to supporting access to the arts, building capacity in the sector, and supporting the excellence of Alberta's artists whether they are emerging at the community level or sharing their talent on the world stage. Providing grants to nonprofit arts organizations also reflects the value Albertans place on their involvement in the arts. The data presented here are a significant asset for the AFA in assessing its granting activity, identifying trends and situating the information in a provincial context. This report reinforces the AFA's commitment to making evidence-based decisions, remaining accountable and transparent, and finding ways of doing so that are meaningful to all Albertans.

Arts Impact Alberta 2014 is one way in which the AFA can support the nonprofit arts sector in the current climate of fiscal austerity which demands that the arts sector improve existing rationales for funding and embrace new ways of telling a richer story about how they create value.

ABOUT THIS REPORT

Arts Impact Alberta 2014 is a resource for anyone interested in the role of the nonprofit arts sector in Alberta. It is an update to *Arts Impact: Ripple Effects from the Arts Sector*, which was released by the Alberta Foundation for the Arts (AFA) in 2012 as a first step in telling the story of the arts ecosystem in Alberta with a series of indicators. In this edition, two more years of data about AFA Operational Grant recipient organizations have been added, resulting in a data set that spans seven years (2006-07 to 2012-13).

The report begins with an introduction to the ways in which benefits ripple through Alberta from the nonprofit arts sector to people, communities, and the economy. The scope of the AFA Arts Organizations Operational Grants program is detailed to give the reader a clear sense of the reach of the nonprofit arts sector in Alberta. The unique support provided to community arts groups by the Alberta Foundation for the Arts is highlighted, and the reader is introduced to *The Spirit of Alberta*, Alberta's cultural policy, to emphasize the goals and guiding principles around arts funding in the province. A few notes on the data collection, preliminary data analysis, and methods used are presented to inform the reader how the numbers presented were generated and where they came from.

Detailed data about the sector is presented in the sections on public engagement with arts events in Alberta, volunteerism in the Alberta's arts organizations, economic impacts of the arts in Alberta, and employment in AFA Operational Grant recipient organizations.

The report is not meant to be a comprehensive profile of the entire arts sector; rather, it is specific to the sub-sector of organizations across the province that have benefitted from AFA operational funding.

THE ARTS BENEFIT ALBERTANS

The arts increase quality of life for all Albertans, directly or indirectly. The arts positively affect individuals, help people connect with each other in their communities, and benefit entire communities and regions socially and economically. All of these benefits are interconnected, cumulative and dynamic and can be described as creating “ripple effects” of benefits throughout Alberta’s communities¹

Albertans’ lives are enriched by the intrinsic value of the arts, or “art for art’s sake”, the positive emotional and social effects of engagement with the arts. The arts provide distinctive pleasures, emotional and intellectual understanding, and cultural identity. These intrinsic effects are satisfying in themselves, and some of them can lead to the development of individual capacities and community cohesiveness that are of benefit to the public sphere.

The arts also create important measurable benefits, such as economic growth, and offer value to all, not just those directly involved in the arts. For example, a vibrant arts sector may help to retain a workforce, offering a social richness in a community beyond its economic opportunities.

Benefits of the arts sector can be viewed as a spectrum of value to individuals and the public. On the private end of the scale are benefits *primarily* of value to individuals. On the public end are benefits *primarily* of value to the public—that is, to communities of people or to society as a whole. And in the middle are benefits that both enhance individuals’ personal lives and have a desirable spillover effect in the public sphere².

Examples from the research on the ripple effect model include the following:

- Where the arts are thriving, there is also likely to be a vibrant, thriving economy: Neighbourhoods are livelier, communities are revitalized, tourists and residents are attracted to the area.
- Areas with vibrant arts sectors are more likely to have a connected, engaged population: Diverse groups share common experiences, hear new perspectives, and may understand each other better.

There is a correlation between engagement in the arts and other types of civic engagement. Research from the US shows that adults who attend art galleries, attend live performances, or read literature are more likely than non-attenders or non-readers to vote, volunteer and take part in community events³.

Arts involvement brings creativity into the workforce⁴. Culture workers and their knowledge, skills and creativity are relevant for producing goods and services outside the culture sector. Almost half of all culture workers (those directly involved in producing creative work) were also employed in nonculture industries, particularly in four sectors: manufacturing, business services, educational services and retail trade. The effects of involvement in the arts on an innovative and creative workforce in other sectors may be direct and powerful.

¹ Fine Arts Fund (2010). *The Arts Ripple Effect: A Research-Based Strategy to Build Shared Responsibility for the Arts*.

² Rand Corporation (2004). *Gifts of the Muse: Reframing the Debate about the Benefits of the Arts*.

³ National Endowment for the Arts (2011). *Art-Goers in Their Communities: Patterns of Civic and Social Engagement*.

⁴ Statistics Canada (2008). *Creative Input: The Role of Culture Occupations in the Economy During the 1990s*.

The arts are essential in developing and fostering a creative environment offering rich cultural diversity, as well as providing innovative processes essential for a changing economic and social environment. Creativity and culture are the pillars of social quality, seen in the context of free, economically developed, fair and culturally lively communities enjoying a high quality of life⁵. Culture-based creativity is an essential feature of a post-industrial economy and is a powerful means of overturning norms and conventions with a view to standing out amid intense economic competition. Creative people and artists are key to the contemporary workforce because they develop ideas, metaphors and messages in the arts sphere and carry them over into other sectors of the economy⁶.

More information about the benefits of the arts and the arts in their social and economic context is available on the AFA's list of recommended resources at affta.ab.ca

ALBERTA FOUNDATION FOR THE ARTS ORGANIZATIONS OPERATIONAL GRANTS PROGRAM

Each year, the Arts Organizations Operational Grant Program has supported the annual operating expenses of an average of 450 of Alberta's professional and community arts organizations and companies. Six hundred and seventy organizations in 180 communities have received operational funding from the AFA over the seven year period documented in this report.

In 2012-13, Calgary had the most organizations (161), followed by Edmonton (149). Thirty-three communities in Alberta had at least two organizations funded by the AFA. See illustration on page 8.

These professional and community organizations and companies included a wide range of nonprofit organizations such as performing arts organizations, public art galleries, festivals, arts and craft clubs and societies, and arts service organizations.

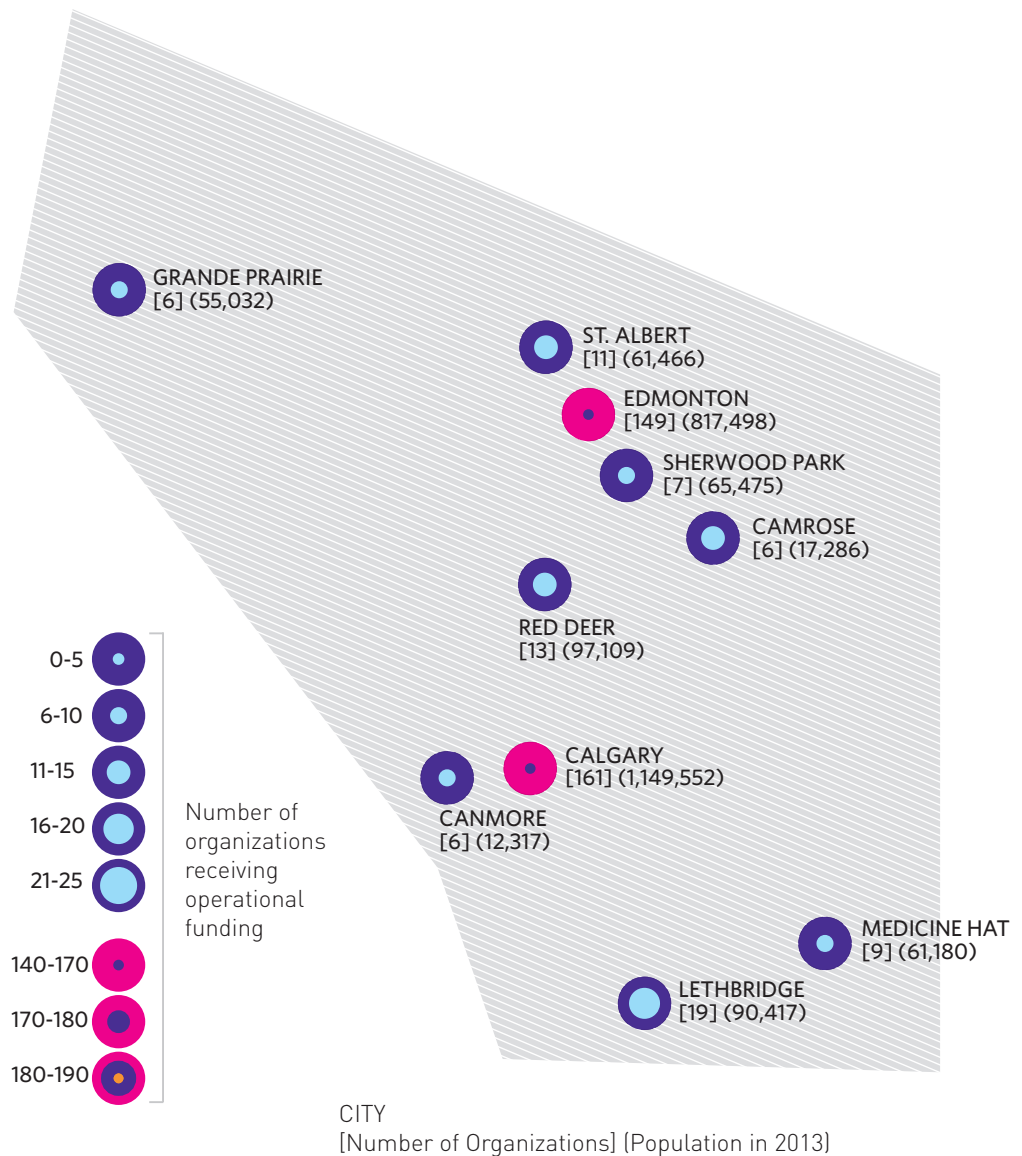
Operational funding from the foundation has also supported organizations that do not have strictly arts mandates, such as municipalities, libraries, hospitals, community centres, and other community nonprofits, to help them incorporate arts programming into their mandates.

The Arts Organizations Operational Grant Program comprised the majority of funds dispersed by the Alberta Foundation for the Arts during the time frame documented by this report—around three quarters of all AFA grants are operational funding to organizations, with the remainder of grant funding supporting organizations and individual artists through project funding.

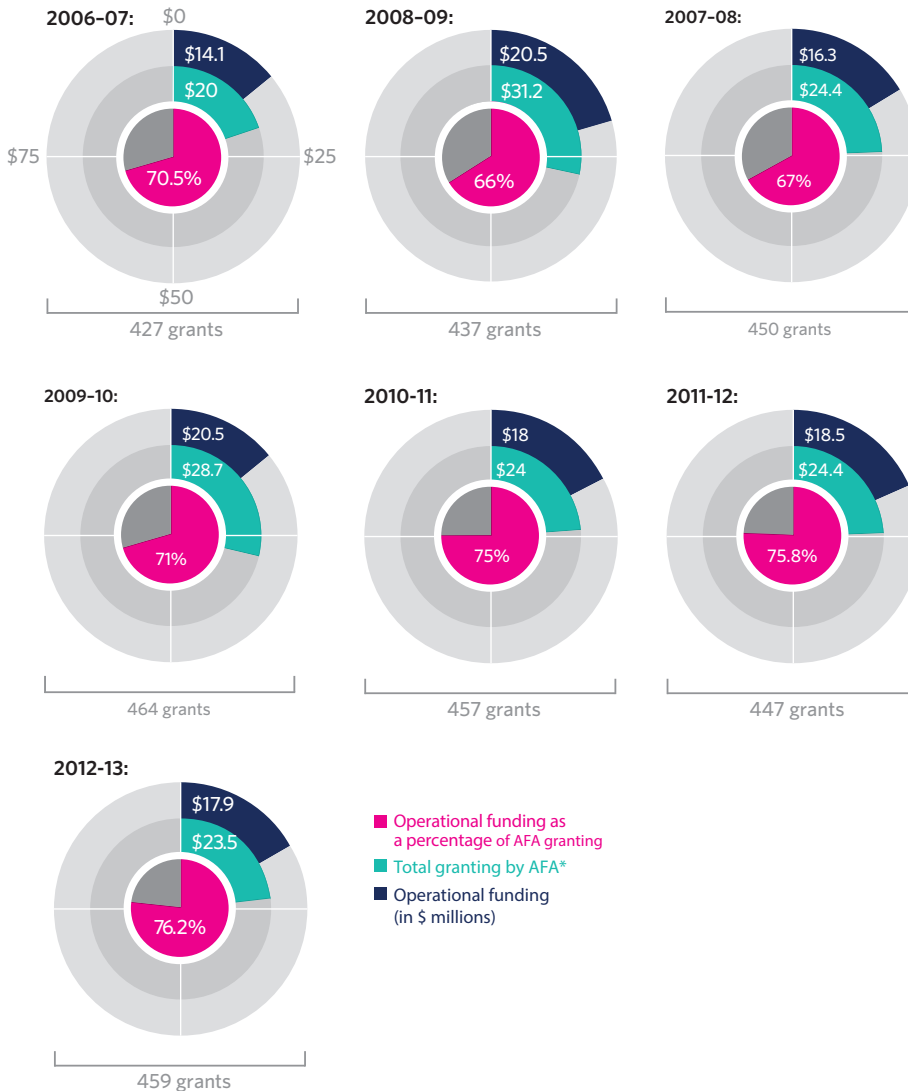
⁵ HKU, (2010), *The Entrepreneurial Dimension of the Cultural and Creative Industries*, Hogeschool voor de Kunsten Utrecht, Utrecht.

⁶ Working Group of EU Member States Experts on Cultural and Creative Industries, (2012) *How can cultural and creative industries contribute to economic transformation through smart specialisation?*

TOP TEN COMMUNITIES IN ALBERTA WITH THE MOST ORGANIZATIONS RECEIVING OPERATIONAL FUNDING FROM THE AFA



OPERATIONAL FUNDING BY YEAR AS A PERCENTAGE OF AFA GRANTING



* Granting total does not include Arts Acquisition by Application, Arts Acquisition Curatorial, or Travelling Exhibitions, but it does include grants to book and magazine publishers and sound recording companies which were under the auspices of the AFA during the years of this sample.

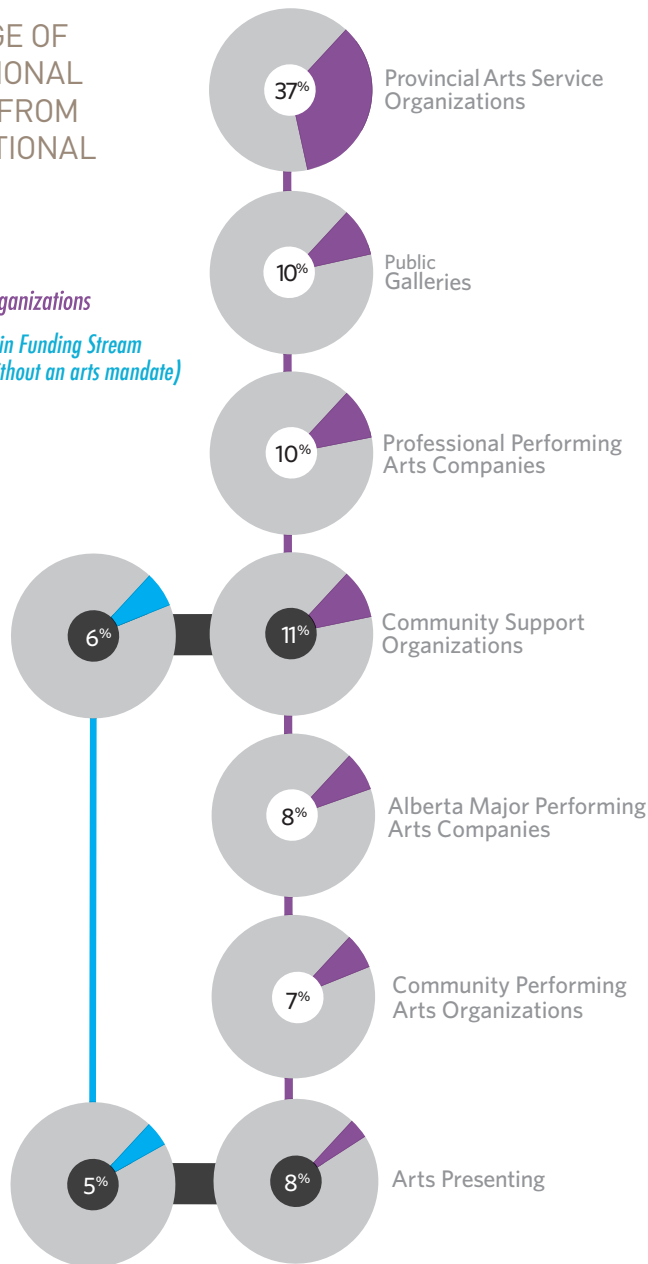
- In 2006-07, arts organization operational funding was just over \$14 million, with 427 organizations receiving grants.
- Arts organization operational funding peaked in 2009-10 at \$20.5 million with 464 organizations receiving grants.
- In 2012-13, arts organization operational funding was around \$18 million, with 459 organizations receiving grants.

From 2006-07 to 2012-13, the Arts Organizations Operational Grant Program included the following funding streams: Alberta Major Performing Arts Companies, Community Performing Arts Organizations, Professional Performing Arts Organizations, Community Support Organizations Operating, Arts Presenting, Public Galleries, Provincial, and Arts Service Organizations.

PERCENTAGE OF ORGANIZATIONAL REVENUES FROM AFA OPERATIONAL FUNDING

■ Arts Mandate Organizations

■ All Organizations in Funding Stream
(includes those without an arts mandate)



The percentage of revenues for organizations generated from the AFA Arts Organizations Operational Grant Program ranged from seven per cent to 37 per cent, illustrating that these arts organizations generated from 63 per cent to 93 per cent of their revenue from sources other than the foundation, including ticket sales, corporate donations, and funding from other levels of government. See **Percentage of Organizational Revenues from AFA Operational Funding** for detail by funding stream. Statistics Canada surveyed nonprofit performing arts companies and found that for the nonprofit surveyed establishments, the sales of goods and services generated half of all revenues while grants, subsidies, donations and fundraising generated the other half⁷. From 2008-2012, more than 45 percent of public revenues for nonprofit performing arts companies in Alberta was from the provincial government. (See table Sources of Public Funding for Nonprofit Performing Arts Organizations, Alberta, on page 11).

Alberta is the only province in Canada whose arts funding agency funds community arts organizations (non-professional arts organizations). The Arts Organizations Operational Grant Program is an important policy instrument for supporting community arts organizations and arts programming throughout the province.

⁷ Statistics Canada (2012).
Service Bulletin, Performing Arts.

SOURCES OF PUBLIC FUNDING FOR NONPROFIT PERFORMING ARTS ORGANIZATIONS, ALBERTA



SUPPORTING COMMUNITY ARTS

Along with its support of Alberta's professional arts organizations, the AFA supports community nonprofit arts organizations, and the Arts Organizations Operational Grant Program is the major policy instrument through which this is achieved.

Supporting community arts organizations affirms the AFA's commitment to access to the arts and reflects the value Albertans place on their involvement in the arts.

Research from the UK⁸ highlights the crucial role which community arts groups play in the arts ecology. People get involved in community arts organizations because they are passionate about a particular art form. They want to develop their own artistic practice, although this is not necessarily associated with a desire to become a professional artist, but is very strongly associated with a sense of personal development, pride in achievement and the opportunity to share this creative practice with other people. The study also found that:

- There is evidence of a significant demand for access to the arts across the population and the community arts sector plays a crucial role in supply and demand at a local level.
- The community arts sector has been and will continue to be sustained through the time and financial commitment of its members, even in a society where there is huge competition for time and money.
- Participation in the arts and management of groups has a significant impact on individuals and the member-driven and managed nature of the voluntary arts has a significant (if secondary) impact on social inclusion, social capital and empowerment.

⁸ Department for Culture, Media, and Sport and Arts Council of England (2008). *Our Creative Talent: the voluntary and amateur arts in England*.

- Embedded in the grass roots of local communities, the community arts sector has a deep, fundamental and complex impact on developing vibrant and inclusive communities.
- Driven by enjoyment and appreciation of the art form and with a focus on developing high quality activity and skills, the community arts sector has a high artistic and creative value both in terms of sustaining cultural traditions and developing new artistic practice.

Through funding and the provisions of other resources, the AFA recognizes the importance of community arts organizations, which tend to assert the value of creativity in the community (rather than only in the professional artist) and seek to develop, present, and foster community-based cultural activities for more diverse audiences and participants⁹.

The community arts movement can play a role in the modeling of skills for adaptive change for the professional arts sector. The professional arts sector is going through unprecedented changes that are profoundly disturbing 'business-as-usual' and increasing the need for new pathways to create public value. In response, arts organizations are beginning to place increased emphasis on more deeply recognizing and engaging with the creativity and artistic potential of the larger community. In this paradigm, arts organizations may be more central to community life, contributing uniquely to the vitality and richness of the lives of all citizens.

⁹ Evans, R. (2010). *Entering upon Novelty; Policy and Funding Issues for a New Era in the Arts*. Grantmakers in the Arts Reader, Vol 21, No 3.

¹⁰ Government of Alberta (2009). *The Spirit of Alberta*, Alberta's Cultural Policy.

SUPPORTING THE SPIRIT OF ALBERTA, ALBERTA'S CULTURAL POLICY

The Arts Organizations Operational Grant Program supports the four goals of *The Spirit of Alberta*, Alberta's cultural policy¹⁰.

THE ARTS ARE SPECIFIED IN THE POLICY AS ONE OF THE IMPORTANT WAYS THAT ALBERTANS VIEW AND EXPRESS THEIR CULTURE, AND THE ARTS' INHERENT CREATIVITY AND INNOVATION ARE HIGHLIGHTED.

The goals are as follows:

ACCESS

Albertans, no matter where they live or what their income is, have the opportunity to experience a wide range of cultural activities.

CAPACITY

Communities have the resources they need to support culture.

EXCELLENCE

Our cultural professionals and organizations are striving to be the best they can be.

CULTURAL INDUSTRY

Government policy will encourage cultural industry capacity, sustainability and development.

The goals of Alberta's cultural policy are interconnected. Support to one goal can affect how another goal is attained. For example, increased capacity of arts organizations may contribute to the excellence of their programming, or, increased access to arts opportunities may lead to a growth in people seeking careers or developing businesses in the cultural industries.

The scope of public engagement with the arts in Alberta resulting from organizations supported through the Arts Organizations Operational Grant Program is a direct contribution to the goal of access. Access is also supported through stable and predictable funding; funds available through the Arts Organizations Operational Grant Program remained relatively stable (as overall revenues in the sector continued to rise) during the seven year span detailed in this report.

The capacity of the sector is supported by granting to organizations that can demonstrate sustainable governance and financial practices, and by increasing the breadth of the sector by funding community arts organizations in addition to professional arts organizations.

Artistic excellence can be equated with professional-level practice, but excellence at that level requires years of training and a starting point, which, for many professional artists in Alberta, was their local community arts organization.

EXCELLENCE IN COMMUNITY ARTS ORGANIZATIONS IS AS MEANINGFUL TO MANY ALBERTANS AS THE EXCELLENCE DEMONSTRATED BY OUR PROFESSIONAL ARTS ORGANIZATIONS.

The Arts Organizations Operational Grant Program's support to the capacity, sustainability, and development of the cultural industries (for-profit cultural endeavours such as publishing and recording) is indirect. Rather than funding the cultural industries, the program contributes to the cultural industries workforce by providing Albertans with opportunities to engage with the arts as attendees, participants, creators, or volunteers. These opportunities for involvement encourage creativity and innovation, increasing the pool of prospective professionals in the creative sector.

Contributions from the Arts Organizations Operational Grant Program are linked to the following outcomes of *The Spirit of Alberta*:

- Alberta offers a high quality of life and is recognized nationally and internationally as innovative, competitive and able to attract visitors and retain new residents.
- Albertans are proud of their culture and participate in cultural activities that shape and define who they are as Albertans and Canadians.
- Culture in Alberta is vibrant, growing and strong. And, our artists and creators are recognized as leaders in Canada.

NOTES ON THE DATA COLLECTION & PRELIMINARY ANALYSIS

The foundation requires operational grant recipients to report on specific aspects of their organizational operations as part of the grant application process. Reporting requirements vary slightly by program, but all organizations submit detailed financial and governance reporting.

In addition, organizations are required to provide the following information to the foundation based on their activities from the prior year:

- total revenues and expenditures
- the number of full and part-time staff employed by the organization
- the number of volunteers who gave their time to the organization
- the number of volunteer hours donated to the organization
- the number of events initiated by the organization
- attendance figures for events initiated by the organization

The Arts Presenting and Community Support Organizations Funding streams are open to organizations that do not have strictly arts mandates, such as libraries, hospitals, community centres, Indian Bands, Métis Settlements, and other community nonprofits. Data from these non-arts organizations (which comprise fewer than 15 per cent of all operating grants awarded) have not been included in this report to ensure an accurate snapshot of the nonprofit arts sector in Alberta.

METHOD

During the seven year time frame detailed in this report, 670 nonprofit organizations were successful grant recipients (many of them successful for all seven years). Their files were used to obtain the data for this report.

This report spans the fiscal years 2006-07 to 2012-13, which was the most up to date data available at the time this report was written. As part of the grant application process, organizations are required to report on key indicators from the previous year of activity, therefore, data for 2012-13 activity was the most recent data available to provide a snapshot of an entire fiscal year.

As hard copy applications were received by the foundation from each organization requesting operational funding, reports of their activities from the previous year were entered into an internal grant management database. For the 2006-07 to 2010-11 data, a sample of electronic records were audited against paper files by staff from Alberta Culture Planning and Performance Measurement Unit to verify accuracy in the electronic files before data cleaning and analysis could begin. For the 2011-12 and 2012-13 data, the method was replicated but no departmental audit was conducted.

Each year since 2008-09, around fifty-five professional performing arts organizations have been using CADAC, the Canadian Arts Database, to upload their financial and statistical data. Public galleries funded by the AFA began using the system in 2010-11. Public galleries funded by the AFA began using the system in 2010-11, bringing the number of organizations on CADAC closer to 75. Once financial and statistical data is uploaded into this system, it is accessible by arts funders and reports can be generated to work with the data in aggregate. The financial information for these organizations was audited by the Financial Data Controller at CADAC, and the Research Consultant at the Arts Branch of Alberta Culture audited the statistical data. Once the data was audited and aggregated, simple analysis was conducted as the basis of this report.

PUBLIC ENGAGEMENT IN ARTS EVENTS

Albertans are very engaged with the arts. Being a patron of the arts is the norm for Albertans; 85 per cent of adult Albertans attend at least one arts event per year, and over half (58 per cent) participate directly in an art form in their home or community¹.

Over the seven year period from 2006-2013, arts organizations receiving operational funding from the AFA presented an annual average of 24,000 arts events, equivalent to around 65 events each day around the province. Alberta has 17 cities, 108 towns, 95 villages, and 135² other types of communities with a total of 355 communities³. Since 2006, arts organizations from 184 (52 per cent) of these 355 communities have received AFA Arts Organizations Operational Grants. Although a handful of grant recipients are in very remote areas, the majority are concentrated in cities, towns, and villages. Alberta's population was around 4.0 million in 2013⁴, and both paid and unpaid attendance figures for arts events presented by AFA operational grant recipients in a given year exceed the population. Many Albertans are frequent patrons of the arts, and with the large number of daily events in the province the cumulative totals are large.

Alberta's arts organizations make a major contribution to quality of life by providing a significant amount of admission -free entertainment to Albertans.

The availability of arts events that are admission-free removes some economic barriers to attendance. The collective commitment to making the arts accessible is demonstrated by artists, staff at arts organizations, volunteers, corporate donors and funding from all levels of government. Making the arts accessible has been recognized as important to Albertans and formalized as a goal of *The Spirit of Alberta*, Alberta's cultural policy. The high level of public engagement with the arts in Alberta is a testament to arts organizations continuing to evolve their programming, keeping it appealing, meaningful, relevant, and accessible to Albertans. These statistics on attendance at arts events are static and only measure actual physical attendance. Meanwhile, new methods of measuring arts participation are emerging as new genres, technologies, and ways of presenting emerge.

The public has become broadly defined not only as attendees but as participants. They purchase tickets, they make donations to arts organizations, they volunteer by serving on a board or helping at festivals and community based venues, and they, at times, are participants in artistic experiences⁵.

¹ Alberta Culture (2014). *Annual Survey of Albertans on Culture*.

² These 135 communities include: specialized municipalities, municipal districts, summer villages, improvement districts, special areas, Métis settlements, and Indian Reserves.

³ Government of Alberta Municipal Affairs (2013), *2013 Municipal Affairs Population List*.

⁴ Statistics Canada (2013), *Quarterly Demographic Estimates – July to September 2013*.

⁵ Canadian Arts Presenting Association (2013). *The Value of Presenting: A Study of Arts Presentation in Canada*.

NUMBER OF EVENTS AND ATTENDANCE BY YEAR:



VOLUNTEERISM IN ALBERTA'S ARTS ORGANIZATIONS

Far from being a poor relation to the professional arts, the volunteer arts sector sustains cultural traditions, encourages innovation, helps develop new audiences, promotes vibrant and inclusive communities and supports the professional sector.

*Our Creative Talent (2008)*¹

Volunteers make significant contributions to the arts in Alberta, particularly in the nonprofit arts sector. Volunteers play many roles in arts organizations. They organize events, direct productions, perform, design costumes and sets, work as ushers and at the box office, are board members, oversee security and first aid, and perform any other duty required of an arts volunteer. Arts organizations ranging from art galleries, professional and community theatres, music and literary festivals, to community art clubs, use volunteers to bring the arts to communities in every corner of Alberta.

Each year the equivalent of an entire medium sized city such as Airdrie or Grande Prairie volunteers for arts organizations that receive operational funding from the AFA. Volunteer activity in these arts organizations

fluctuated slightly over the seven year period of 2006 to 2013, at its highest in 2007-08 with more than 56,000 volunteers, dipping to a low of fewer than 48,000 volunteers in 2011-12. The annual average in this seven year time frame was 52,000 volunteers.

Each volunteer for AFA operational grant recipient organizations gave an average of 34 hours of their time each year, and this time contribution was up to 38 hours in 2012-13, with the number of volunteers lower than average but the number of hours volunteered at an all time high. Volunteers give the most time, on average, to Community Performing Arts Organizations (68 hours per volunteer per year) and the least time to Professional Performing Arts Organizations and Arts Presenting (15 hours).

Volunteerism for AFA funded organizations represents volunteerism in only one segment of the arts and culture volunteer sector. Since 2009, around 20 per cent of Albertans aged 18 or older reported volunteering in the arts or a cultural area². One thousand Albertans were asked if, in the past 12 months they had volunteered in an arts or cultural organization; a music, dance, theatre or multicultural event; an arts festival, conference or workshop; an art exhibition, a folk-arts council or heritage society. This finding brings the number of Albertans who volunteer in the arts and culture closer to 275,640³.

Albertans are similar to other Canadians in that they express their belief in the value of the arts by volunteering. Canadians who volunteer in the arts and culture sector gave on average more time than those in any other sector in 2010. There was a 21 per cent increase in formal volunteer time in arts and culture organizations between 2007 and 2010, the largest increase of any sector examined at a time when only 6 out of 12 sectors registered any growth⁴.

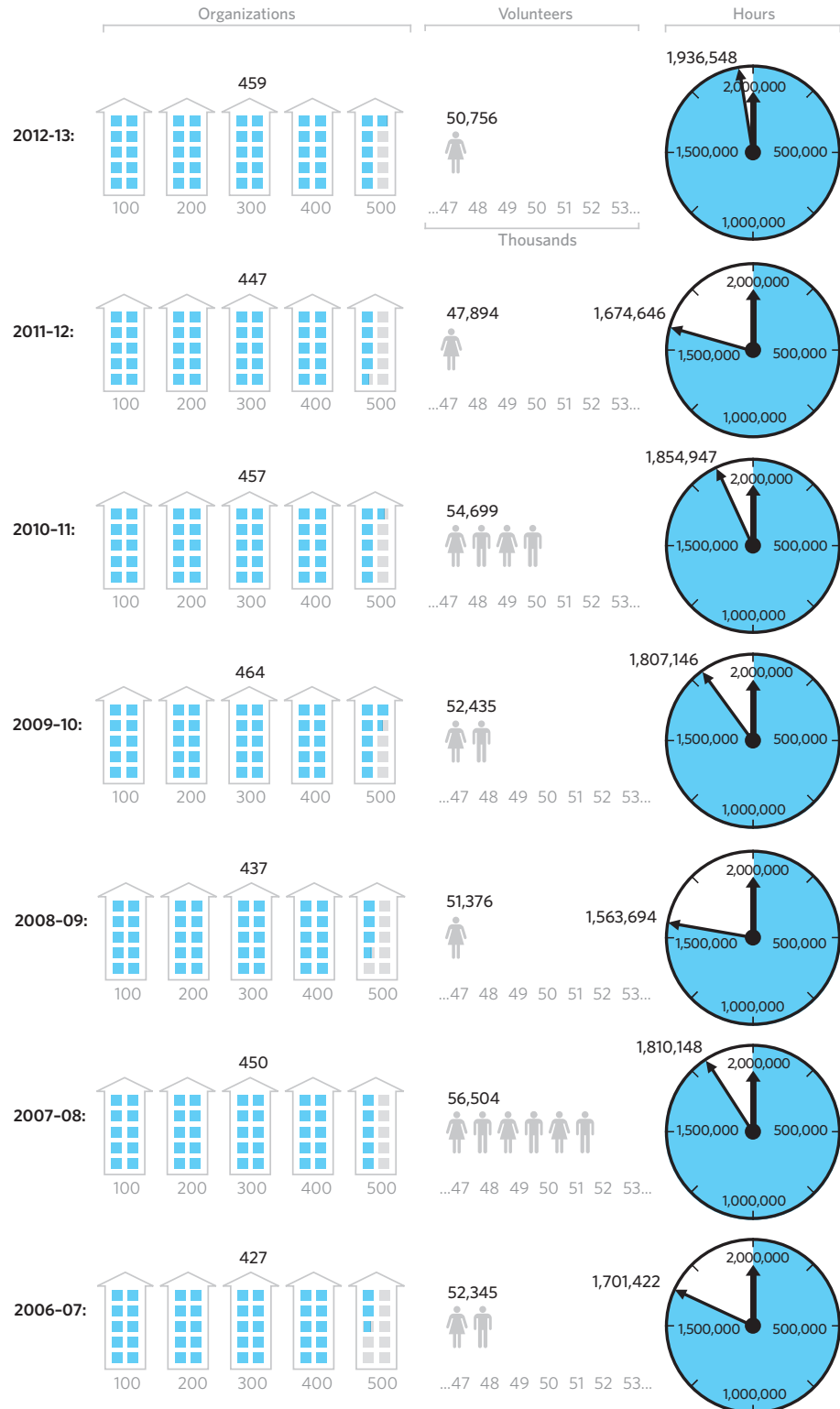
¹ Voluntary Arts.

² Alberta Culture (2014). *Annual Survey of Albertans on Culture*.

³ Based on Statistics Canada (2013) *Population by sex and age group, by province and territory, Alberta population between 16 and 65 years of age*.

⁴ Canadian Arts Presenting Association (2013). *The Value of Presenting: A Study of Arts Presentation in Canada*.

NUMBER OF
VOLUNTEERS
BY YEAR AND
VOLUNTEER
HOURS REPORTED
BY ORGANIZATIONS
RECEIVING
OPERATIONAL
FUNDING FROM
THE AFA



VOLUNTEERISM IN THE ARTS-MOTIVATIONS AND BENEFITS

Little research is available on those who volunteer their services to arts organizations⁵, which is surprising considering the high percentage of the population who are involved in the arts as volunteers.

People volunteer for arts groups for many different reasons on a spectrum of motivation that ranges from altruism to self-interest⁶.

Viewing volunteering purely as an altruistic gesture is challenged;⁷ engaging in volunteering often entails an exchange or a transaction. Volunteers offer their time, labour or expertise in return for personal gain which can include the development of transferable skills and possibly increasing their employability. For others, the gains can include social capital, the opportunity to meet new people and make professional contacts. The volunteer invests time, social commitment and also an emotional element. The relationship is also important to the organization, which invests in the volunteer with time, training, money, trust, and commitment. Both the volunteer and the organization receive benefits which are often intangible, making the relationship the crucial element with the social rewards becoming most valued for the volunteer.

Some of the motivations for volunteering listed above are somewhat generic and could apply to a volunteer in any sector. More arts-specific motivations could include indulging in a passion for a particular art form by contributing to it artistically or technically; learning more about an art form; preserving a traditional or heritage form; supporting a talented child; or, supporting a specific arts facility, organization, or event.

The needs and viewpoints of volunteers change over time⁵. Volunteers' original motives often differ from their reasons for continuing to volunteer. Some research has described short and long-term changes in which volunteers move from a "honeymoon" period to becoming more committed to an organization.

Benefits gained by arts volunteers appeal to social and psychological needs, such as enjoying the resulting social interaction, mixing in an artistic environment with diverse people and being appreciated. Volunteering in the arts can increase one's social circle and raise confidence in social and technical skills. Volunteering in the arts provides opportunities for intellectual and physical stimulation which are affordable and local, and develops skills beyond those specific to any art form. Volunteering in the arts can also satisfy a desire to "give back" to a community or organization from which a volunteer may have previously benefited.

⁵ Bussell and Forbes (2005) *Volunteer Management in Arts Organizations: A Case Study and Managerial Implications*.

⁶ Voluntary Arts Network (1998). *Briefing from the Voluntary Arts Network*.

⁷ Department of Culture, Media and Sport and Arts Council of England (2011). *Understanding the drivers of volunteering in culture and sport: Analysis of the Taking Part Survey*.

INDIRECT ECONOMIC BENEFITS TO ALBERTA'S ECONOMY FROM VOLUNTEERISM IN THE ARTS

Volunteering in the arts can result in indirect short term and long term economic gain for people and places, all of which have economic, social, and cultural ripple effects. Here are a few examples:

- Helping create an arts destination to increase visitor traffic to a community, positively associating a city or town with an arts experience
- Building skills and experience that will contribute to or lead to new opportunities in employment, education, or entrepreneurship
- Helping to build the capacity of an organization which may result in its economic stability and possible growth

The most significant economic benefits from the vast numbers of arts volunteers are indirect through benefits to individuals.

Research has shown that the participation of individuals volunteering in the arts and the benefits to them create a greater economic impact over the long term than wages saved by the sector as a result of the benefits gained by the individual volunteers in terms of social capital⁸.

DIRECT ECONOMIC BENEFITS TO ALBERTA'S ECONOMY FROM VOLUNTEERISM IN THE ARTS

One method of estimating the direct economic contribution of volunteerism in Alberta's nonprofit arts sector is to use a dollar figure for each volunteer hour⁹. Alberta Culture currently assigns a value of \$15 per hour. If volunteers for arts organizations that receive operational funding from the AFA were paid \$15 per hour in 2012-13, their labour would be worth more than \$28.5 million, equivalent to approximately 14 per cent of the total revenue for the sector.

More discussion of arts volunteers in the economic impacts of the arts will follow in the next section, Economic Impacts of the Arts in Alberta.

⁸ Department for Culture, Media and Sport and Arts Council England (2008). *Our Creative Talent: The Voluntary and Amateur Arts in England*.

⁹ Alberta Culture's Community Initiatives Community Operating Grant program allows for volunteer hours from the previous year to be included in grant applications. The hours are given a monetary value so the organization can use this amount toward a matching amount in their grant request. The \$15 per hour value was based on research around market value and dollar values placed on volunteer time in other jurisdictions. The Alberta Foundation for the Arts does not assign monetary value to volunteer contributions.

ECONOMIC IMPACTS OF THE ARTS IN ALBERTA

When discussing the impact of any endeavour, it is important to distinguish between the intrinsic value of the activity and its material or instrumental value. This discussion of the value of the arts sector is strictly economic, in terms of the number of jobs and amount of income generated, while also recognizing the arts as a stimulus for other sectors of the economy.

The intrinsic values of the arts are varied and complex, involving social, cultural, entertainment, and educational benefits; these, combined with the non-economic instrumental benefits, can be considered more significant than the arts' economic benefit to Albertans simply because other economic sectors in Alberta, such as oil and gas or agriculture, dwarf the financial gain from the arts sector.

The entire arts ecosystem is an interplay of dynamic benefits that are public and private, cultural, social, and economic. The intrinsic value of the arts exists in interrelationship with and contributes to the instrumental benefits such as economic contributions.

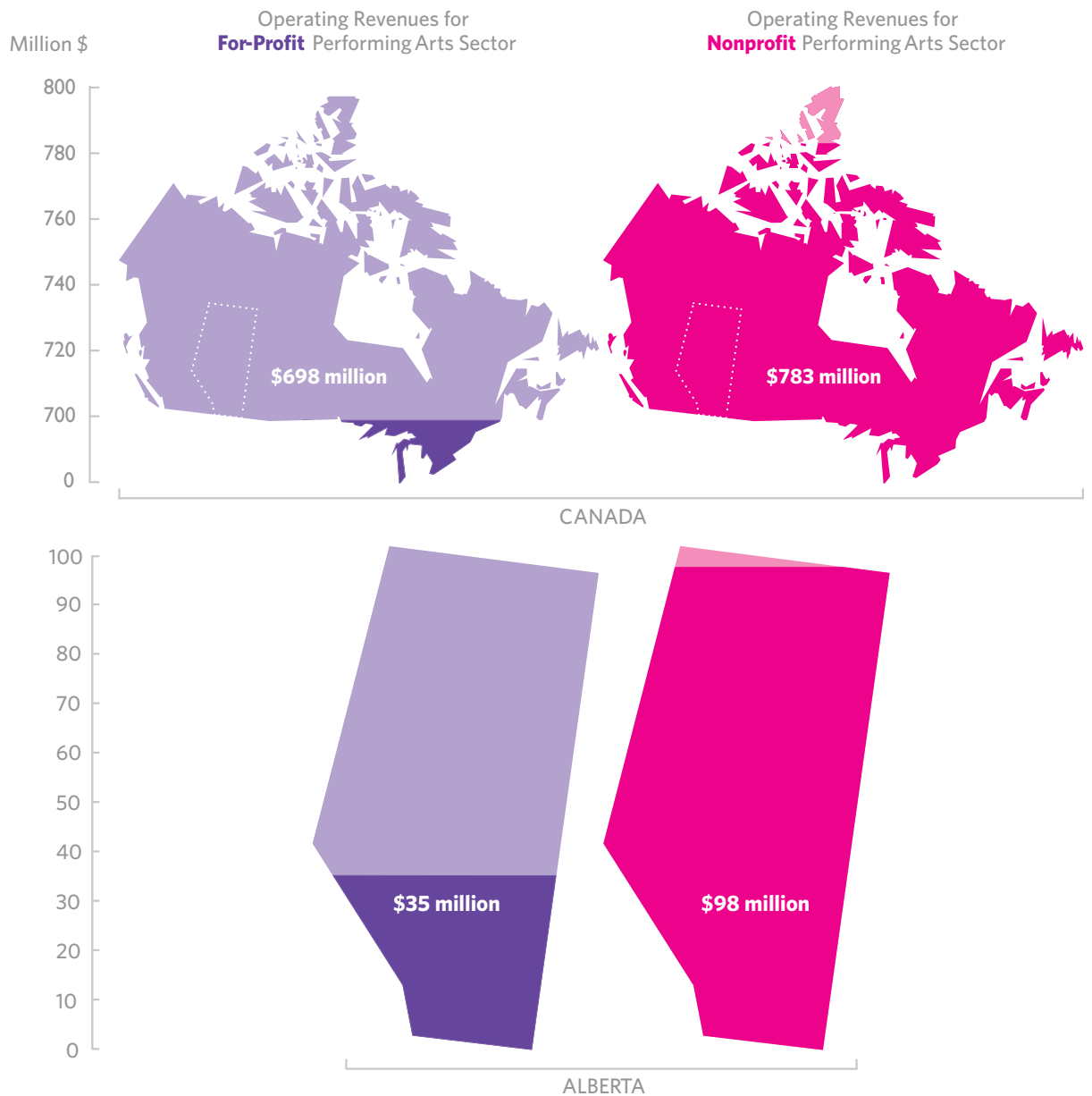
Despite its small economic footprint, the arts sector is important to economic development. In addition, Alberta's rich arts ecosystem indicates that Alberta is about more than just work; the arts sector helps attract and retain the knowledge-based and skilled workers and their families that the province needs to grow and prosper in communities that show significant participation in the arts.

Interestingly, in Alberta, the nonprofit performing arts sector is considerably larger than the for-profit sector, whereas for the country as a whole, the two sectors are more similar in size. Quebec is the only province in which the for-profit performing arts sector is far more economically robust than the nonprofit sector.

Saskatchewan and Alberta have the most significant difference in size between the operating revenues for the nonprofit performing arts sector and those of the for-profit sector¹. The operating revenues for the nonprofit performing arts sector in Alberta are more than double that of the for-profit sector. See graphs on page 23.

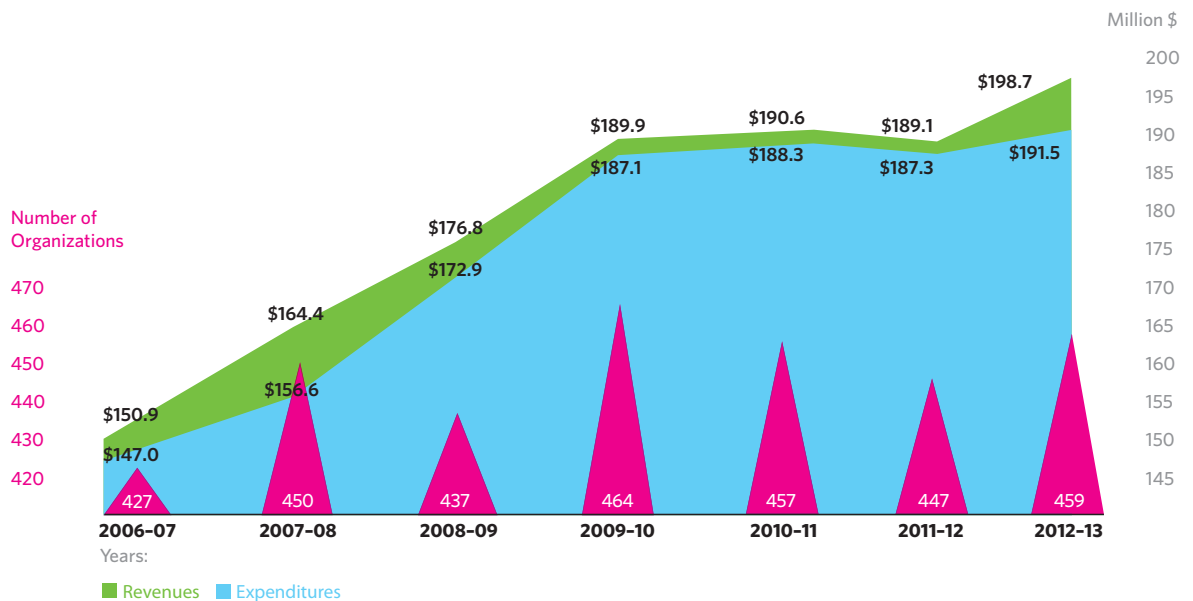
These data do not include non-performing arts such as visual, literary, multimedia, or film and video, but it does provide an indication that Alberta has a large, robust nonprofit arts sector. The higher operating revenues for the nonprofit sector in Alberta may be due in part to the fact that Alberta is the only province in Canada with an arts funding body that funds community (nonprofessional) arts organizations.

¹ Statistics Canada (2012). *Service Bulletin, Performing Arts*.

COMPARISON OF OPERATING REVENUES FOR FOR-PROFIT AND
NONPROFIT PERFORMING ARTS SECTORS

ECONOMIC EFFECTS: TOTAL ECONOMIC ACTIVITY

REVENUES AND EXPENDITURES BY YEAR FOR ORGANIZATIONS RECEIVING OPERATIONAL FUNDING FROM THE AFA



The illustration Revenues and Expenditures by Year for Organizations Receiving Operational Funding from the AFA shows the gradual but steady growth of the nonprofit arts sector in Alberta, even through the years of the economic downturn. Overall, revenues have remained higher than expenditures, although this may not always be the case for individual organizations.

The economic impact analysis presented here uses information derived from the administrative records of the AFA (unless otherwise indicated) and relates to much, but by no means all, arts sector activity in Alberta. These records are limited to those arts organizations that are recipients of AFA Arts Organizations Operational grant funding.

Similar to the interconnectedness of the intrinsic and instrumental benefits of the arts, many sectors of the economy are interconnected in that they buy goods and services from each other. This interconnectedness can be approximated using the input-output model maintained by the Government of Alberta. The following estimates of the way the arts sector interacts with the rest of the economy are based on published statistics that are derived from this provincial input-output model, using data provided by the AFA².

² Alberta Finance and Enterprise 2013: *Alberta Economic Multipliers 2009*. The analysis uses a simple average of the input/output model's information on the Arts, Entertainment and Recreation industry, Administrative and Support Services, and Professional and Similar Organizations as a proxy for the Arts sector.

VALUE-ADDED ACTIVITY

An analysis on the basis of published input-output factors indicates that the total output of the sector is roughly \$347 million, categorized as follows:

- The participants in the arts sector, such as orchestras, theatre companies, and galleries, receive income from paying patrons, different levels of government, and from fundraising initiatives. They spend this income to produce events, which means that they spend their income on payments for artists, wages and salaries for artistic and administrative support personnel and goods and services needed to put on the events. This is the direct output of the sector, estimated at \$192 million in 2012-13.
- Of this total expenditure by the sector, an estimated 60 per cent or roughly \$115 million accrues to suppliers of goods and services, who, in turn, use part of this income to purchase inputs that they require in order to provide their product or service to the arts sector. This is the indirect output, estimated at roughly \$84 million.
- The workers who receive the wages paid by the Arts sector and its suppliers use it to buy goods and services in the general economy. This is the induced output of the arts sector, estimated at just under \$71 million.

At \$347 million, the total economic activity associated with the sector is roughly twice that of the sector expenditure alone.

Not all the total economic activity from the nonprofit arts sector is net to Alberta. Some of the expenditures counted in the total output quickly leak out to suppliers in other provinces and elsewhere. In addition, the total economic activity counts some expenditure twice.

For example, a theatre company may hire a carpentry contractor to build part of a set. The wage money that is part of this carpentry contract shows up twice in the total economic activity estimate: first as a direct expenditure of the sector and then as a payment of the carpentry contractor to the employee doing the work. In reality, the wages are paid only once by the contractor and billed to the arts sector client.

The input-output model information takes into account this double counting and the flow of some of the sector's expenditures to suppliers outside the province. The model allows for an estimate of the interconnectedness of the nonprofit arts sector with other sectors of the economy. An estimate of the value added economic activity or the GDP of a sector provides an idea of the net value of the goods and services produced by that sector. It eliminates double counting of expenditures that may be present in estimates of the total output of the sector.

In value-added terms, the direct contribution of the sector is estimated at \$110 million, the indirect contribution at \$49 million and the induced contribution at \$44 million. In other words, the direct \$193 million expenditure of the nonprofit arts sector in Alberta is associated with a total of \$203 million in value added activities.

The total value-added estimate of the nonprofit arts sector allows for a rough comparison with the total value added produced by the Alberta Economy (i.e. the provincial Gross Domestic Product). In total the province produces \$311.9 billion worth of goods and services³. Not surprisingly, the nonprofit arts sector is a small player compared to, for example, the oil and gas industry.

³ Alberta Treasury Board and Enterprise (2014). *Alberta Economic Quick Facts*, May 2014.

EMPLOYMENT

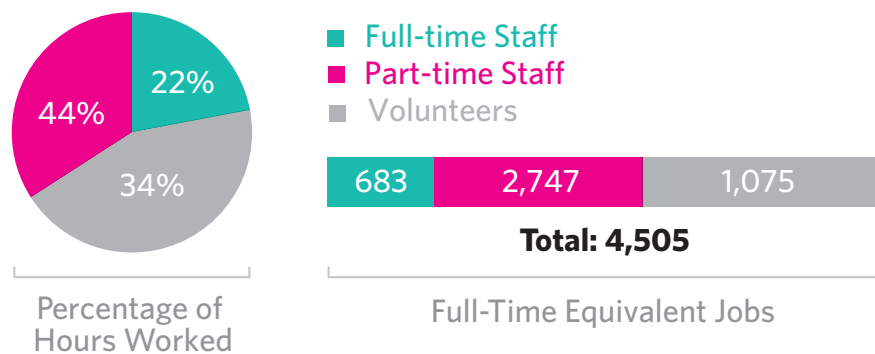
The relatively small size of the sector is reflected in labour force statistics. The AFA data for 2012-13 indicates that arts organizations receiving AFA operational funding employ an estimated 3,430 people, of which 683 persons work full time and 2,747 persons part time. The job creation in the sector is estimated at 2,057 full-time equivalent jobs, assuming that part-time workers have on average halftime jobs.

Considerable work in the arts sector is done by volunteers. Indeed, many arts organizations are highly dependent on volunteer labour. Overall, AFA data show that over 51,760 people volunteered 1.9 million hours of time for AFA funded Arts organizations in 2012-13.

These volunteers work the equivalent of an estimated 1,075 full-time jobs. The volunteer workforce in aggregate contributed more hours of work than the sector's full-time employees

and slightly less than half the time worked by part-time paid staff. The arts sector is small in overall employment terms. The 3,430 people who have worked full or part time in the sector account for less than 1 per cent of the total Alberta labour force of over 2.38 million persons. However, as with total economic output and value-added economic activity, the sector's direct employment is associated with employment among suppliers (indirect jobs) and in the economy at large as the directly and indirectly affected workers spend part of their income on general goods and services. The total employment is estimated at 3,008 full-time equivalent jobs; direct (2,057 jobs), indirect (559 jobs) and induced employment (392 jobs).

PROPORTION OF HOURS WORKED BY FULL TIME, PART TIME AND VOLUNTEERS:



A DOLLAR PUT TO WORK

The arts are a small but significant sector of the Alberta economy. There is one aspect in which the sector truly shines and that is the amount of employment it creates per dollar spent.

Information from the input-output model⁴ indicates that the arts sector creates almost 22 full-time equivalent jobs for every one million dollars of expenditure in the sector. The oil and gas sector creates fewer than three jobs for every million dollars expenditure, recognizing, of course, that there are different overall spending levels in these sectors. These estimates relate only to paid work. As shown in the illustration Proportion of Hours Worked by Full Time, Part Time, and Volunteers, roughly one third of the work in the arts sector is done by volunteers. Some of the reasons behind the job creation efficiency of the arts sector lie in the relatively low wages and low capital investment. But that does not take away from the fact that the sector's expenditures accrue to relatively many, albeit often modestly-paid Albertans. Arts, entertainment, and recreation offer a lot of value to the economy in terms of direct, indirect, and induced value added per million dollars spent. For every million dollars invested into the sector, there is a \$1.1 million return.

In the economic impact estimates for AFA funded organizations that were produced for the 2012 edition of this report, the economic multiplier (the amount of return for each million dollars invested in the arts) was \$1.2 million, compared to an estimate of \$1.1 million for the 2014 update. The 2014 estimate is based on the revenues and employment data from 2012-13 and uses economic estimators for Alberta from 2009, when the economy was in recession, resulting in lower induced effects on the overall economy.

Although revenues for Alberta's nonprofit arts sector were higher when the second and lower economic impact estimate was done, the updated estimate shows a lesser impact on the economy as a whole, which can be attributed both to the use of the 2009 economic estimates in the calculation and to rounding, which made the difference between a \$1.2 million multiplier in using 2010-11 data (and the 2007 economic estimates) and a \$1.1 million economic multiplier using 2012-13 data (and the 2009 economic estimates).

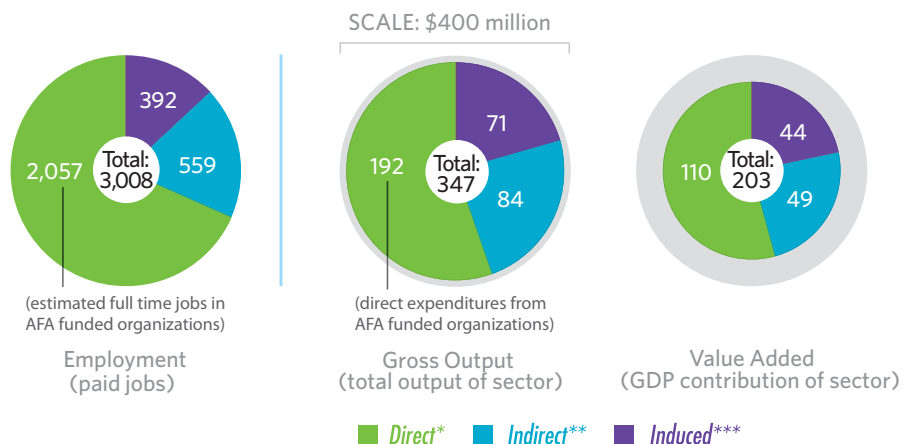
- * Direct Effect: the output/value added/employment effects of the Arts sector.
- ** Indirect Effect: the output/value added/employment effect of the suppliers to the Arts sector.
- *** Induced Effect: the output/value added/employment effect in the general economy linked to spending by workers in the Arts sector and supplying services to the Arts sector.

Jobs: full-time equivalent basis (1800 hours/year); paid work only; excludes volunteer hours.

Sources: Administrative data from the Alberta Foundation for the Arts and Alberta Finance and Enterprise 2011: *Alberta Economic Multiplier 2007*. The analysis uses open and closed model intensity ratios for the Arts, Entertainment and Recreation industry (North American Industry Classification System (NAICS) code 71) as a proxy for the Arts sector.

⁴ This analysis uses the input/output model's information on the Arts, Entertainment and Recreation industry (North American Industry Classification System (NAICS) code 71) as a proxy for the arts sector rather than AFA data.

SUMMARY OF ECONOMIC EFFECTS



EMPLOYMENT IN AFA OPERATIONAL GRANT RECIPIENT ORGANIZATIONS

Approximately 700 full-time staff and 2,200 part-time staff were hired each year by the roughly 450 organizations that received operational funding annually from the AFA.

The number of staff reported by AFA Operational Grant recipient organizations has been stable over the seven year period illustrated on page 29, despite the economic downturn. The number of paid staff was highest in 2009-10, when the Alberta economy began to recover from the global recession and expanded by 3.3 per cent¹. However, this higher rate of employment for full-time employees with Alberta's nonprofit arts organizations in 2009-10 than any other year could also be attributed to 2009-10 being the second year in a two year record high for operational funding from the AFA.

There were some difficulties with consistency with the part-time staff data that make it difficult to estimate the scope of the part-time sector. Some funding streams were asked to report on the number of contract staff they hired, whereas others were not. For the organizations that were asked to report on

contract staff, the number of contract staff was combined with the number of part-time staff and totalled as part-time staff.

Another difficulty with the part-time employment data is that definitions and interpretations of the meaning of part-time and contract staff vary; part-time work could mean one day a week or four, and contract positions may have ranged from one day to six months.

The data is still useful in that it offers an estimate of what employment in the sector looks like, and the preponderance of part time employment in the sector, including contract work, illustrates how little full-time paid work is available, and suggests limited staffing budgets in the organizations.

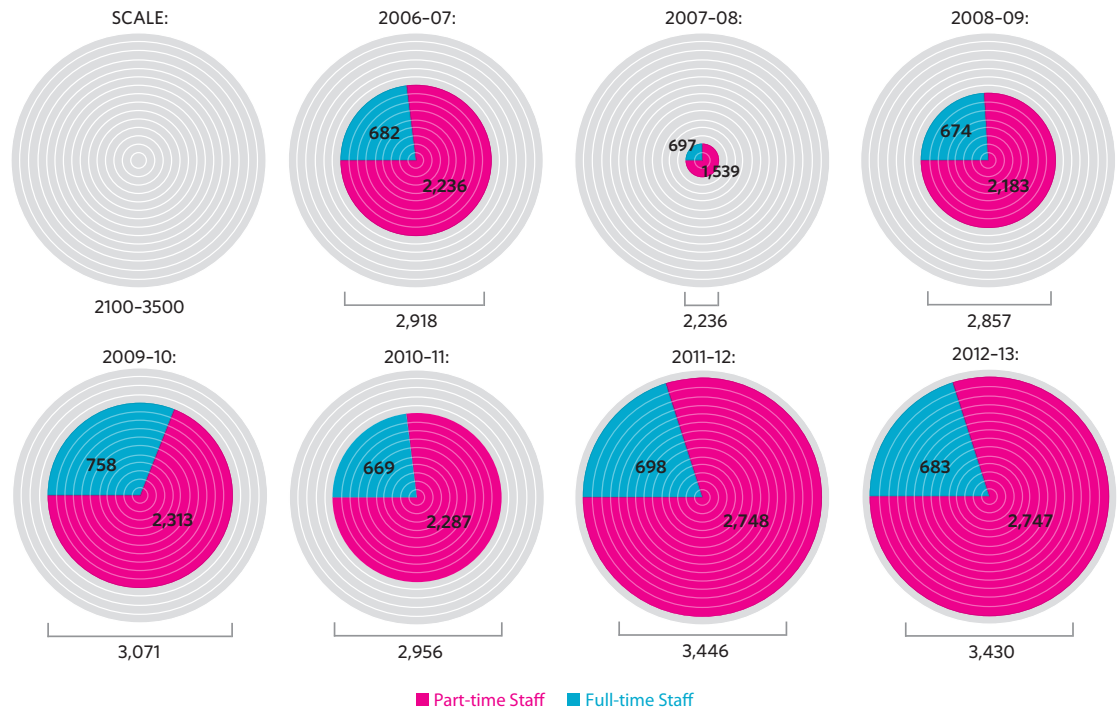
The ratio of full-time to part-time staff averaged around 25 per cent full-time staff, 75 per cent part time over the seven years referenced in this report, but it varied significantly across organizations depending on the funding stream from which the grant originated. Provincial Arts Service Organizations had the highest average percentage of staff who are full time (58%) followed by Public Galleries (38%), Community Support Organizations (33%), Arts Presenting (25%), Alberta Major Performing Arts Companies (22%) and Community Presenting (13%).

Discussion in the Volunteerism section suggested that most arts volunteers have different motivations than paid employees for contributing their time and skills to arts organizations, and made clear that volunteers are not simply unpaid staff.

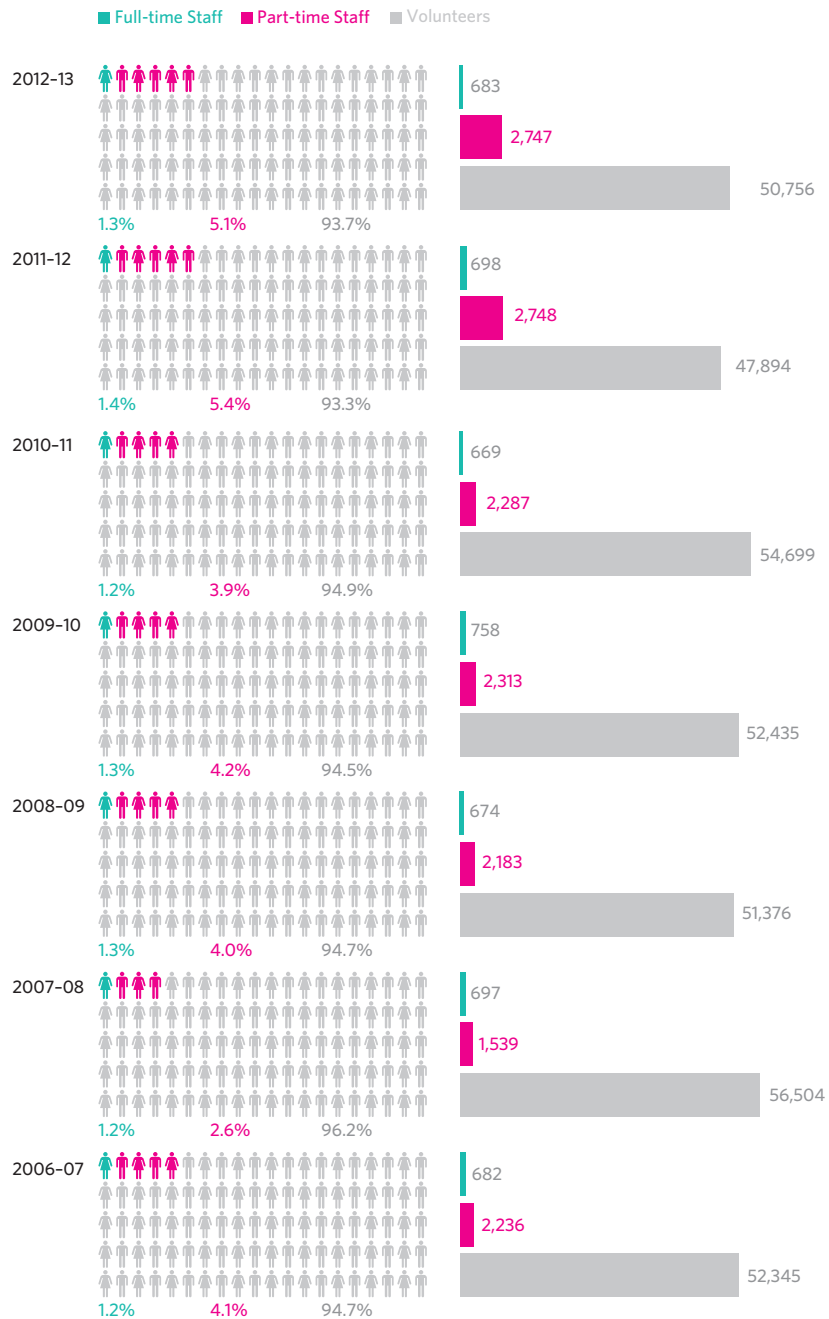
However, there can be little argument that Alberta's nonprofit arts organizations rely heavily on the contributions volunteers make. Please see the illustration on page 30. Volunteer to Staff Ratio By Year.

¹ Alberta Canada, Alberta's Economic Development Website, *Economic Results*.

EMPLOYMENT IN AFA OPERATIONAL GRANT RECIPIENT ORGANIZATIONS



VOLUNTEER TO STAFF RATIO BY YEAR



ARTIST EMPLOYMENT IN ALBERTA'S ARTS ORGANIZATIONS

Albertan arts organizations hire local artists, artists from other parts of Canada, and artists from around the world. Artist employment data was gathered in three program streams (Alberta Major Performing Arts Companies, Professional Performing Arts Companies, and Arts Presenting), and is therefore not representative of all artist employment across all organizations receiving operating funding from the AFA.

The percentage of Alberta artists being paid fees continued to increase while the hiring of artists from outside of Alberta remained stable. Comparable data for these funding streams was tracked starting in 2008-09 for all three funding streams. Please see illustration Artists Paid Fees By Year on page 32.

The five years of data presented here illustrate the strength of AFA policy that rewards organizations through granting for employing Alberta artists; in streams where artist fees are reimbursed, fees for Alberta artists are reimbursed by the AFA at a slightly higher rate than fees for artists from outside the province.

WORKFORCE DATA FOR THE NONPROFIT ARTS SECTOR

Workforce data on occupations in arts and culture is gathered periodically by Statistics Canada. The National Occupational Classification categories blend arts, heritage, for profit and nonprofit creative industries, making it difficult to find employment data specific to the nonprofit arts sector by province. The closest fit for an entire category is Creative and Performing Artists.

Although a year to year comparison of the number of Albertans employed as Creative and Performing Artists does not give a comprehensive picture of employment in the nonprofit arts sector, it is one indicator that helps to place AFA employment data in the context of the larger arts ecosystem.

The Creative and Performing Artists occupational classification includes: producers, directors, choreographers and related occupations, conductors, composers and arrangers, musicians and singers, dancers, actors and comedians, painters, sculptors and other visual artists. It does not include technical occupations in the arts (they are grouped with for-profit and creative industries such as broadcasting or film or heritage aspects of culture such as museums).

The 2006 long form census reported that 8,220 Albertans were employed in the Creative and Performing Artists occupational classification. By 2011, the National Household Survey collected the same data and in that year reported that 7,445 Albertans worked in these fields². The numbers can be interpreted as stable because the 2011 methods were slightly different and may not have included all Albertans employed in this occupational classification³.

One interesting demographic highlight from both data sets shows that professional work in the arts has been slightly female dominated,

with females comprising 62 per cent of workers in this sector in 2006 and 59 per cent in 2011. This may be explained in part by the fact that women are more likely to work part time than men⁴.

Alberta Culture has been working in partnership with Statistics Canada and other regional partners on a Culture Satellite Account to better track arts and culture contributions to Alberta's economy. Findings from this work will begin to be made public in the 2014-16 period.

² Statistics Canada, (2011). *2011 National Household Survey*, Statistics Canada Catalogue no. 99-012-X2011033.

³ The National Household Survey (NHS) estimates are derived from a voluntary survey and are subject to potentially higher non-response error than those derived from the 2006 census long form (27% global non-response rate for the 2011 NHS compared to 10% for the 2006 Census).

⁴ Statistics Canada (2010). *Paid Work*. Component of Statistics Canada Catalogue no. 89-503-X *Women in Canada: A Gender-based Statistical Report*.

⁵ In the previous edition of this report, the number of Alberta artists hired each year by organizations in these programs was tracked. However, the data collection for the years 2011-12 and 2012-13 did not include all of the Arts Presenting groups, so percentages based on available data are shown but numbers are not.

ARTISTS PAID FEES BY YEAR⁵

