

A \$40M SECTOR

A study that analyzed the audited financial statements of 158 local arts, festival and fair organizations revealed that this sector **directly generates and spends approximately \$40 million in Ottawa collectively on an annual basis**. Indirect spending and economic impact are in addition to this operating total. (City of Ottawa Revenue/Income Study, 2005)

LEVERAGING POWER

Municipal funding represents **7% of the total collective revenue generated by the arts/festival sector**. This keystone 7% investment **leverages the remaining 93% from other sources** – earned revenue (42%), private sector and fundraising (26%), provincial/federal government funding (23%) and other (2%). \$1 of keystone City investment in the local arts/festival sector **leverages an additional \$13** from other sources. (City of Ottawa Revenue/Income Study, 2005)

OTTAWA’S PER-CAPITA ARTS/FESTIVAL FUNDING – COMBINED GOVERNMENT RANKING IN 2003

Among Canada’s seven largest single cities in 2003, Ottawa ranked **last in municipal funding** at \$3.41 per-capita, **last in provincial arts agency funding** at \$2.56 per-capita, **second last in Canada Council for the Arts funding** at \$3.95 per-capita, **and second in Canadian Heritage funding** at \$2.27 per-capita. Combined, Ottawa **ranked last** at \$12.20 per-capita. **The average combined government dollars** disbursed in 2003 to the arts and festival sector in major Canadian cities was **\$35,283,945**. The **average combined government per-capita** in 2003 was **\$29.80**. (City of Ottawa 2003 Cross-Canada Study, 2005)

City	Combined Government Arts/Festival \$ Disbursed in 2003	2003 Population	Municipal 2003 Per-Capita	Provincial Arts Funding Agency 2003 Per-Capita	Canada Council 2003 Per-Capita	Canadian Heritage 2003 Per-Capita	Combined Government Arts/Festival Per-Capita in 2003
Montreal	\$89,776,039	1,862,608	5.99	\$24.04	16.08	2.09	48.20
Vancouver	\$26,810,475	568,442	9.34	10.73	23.57	3.52	47.16
Winnipeg	\$16,926,697	644,500	5.01	10.74	9.17	1.34	26.26
Edmonton	\$17,047,558	667,000	4.07	15.22	5.09	1.17	25.56
Calgary	\$23,141,644	922,315	3.92	16.35	3.78	1.05	25.09
Toronto	\$63,042,954	2,611,661	5.13	6.62	11.20	1.18	24.14
Ottawa	\$10,242,248	839,566	3.41	2.56	3.95	2.27	12.20
AVERAGE	\$35,283,945	1,159,442	5.27	12.32	10.41	1.80	\$29.80

OTTAWA’S PER-CAPITA ARTS/FESTIVAL FUNDING – MUNICIPAL RANKING IN 2005

Among Canada’s seven largest single cities in 2005, Ottawa still ranked **last in municipal funding at \$3.64 per-capita**, and the **gap between Ottawa and Calgary (the 6th ranked city) had increased by 30%**. The **average municipal government dollars** disbursed in 2005 to the arts and festival sector in major Canadian cities was **\$7,126,650**. The **average municipal per-capita** in 2005 was **\$6.23**. (City of Ottawa 2005 Cross-Canada Municipal Government Funding Per-Capita Study, 2006) Please note that **revised 2003 population figures** were received from municipal planning departments for the study undertaken in 2006.

CITY	2003 Municipal Arts/Festival Funding	2003 Population	Municipal 2003 Per-Capita	2005 Municipal Arts/Festival Funding	2005 Population	Municipal 2005 Per-Capita
Vancouver	\$5,310,532	576,226	9.22	\$6,933,970	583,267	11.89
Montreal	\$11,148,430	1,871,000	5.96	\$13,182,110	1,874,000	7.03
Winnipeg	\$3,228,655	642,800	5.02	\$3,989,552	650,100	6.14
Toronto	\$13,406,860	2,613,832	5.13	\$15,049,950	2,607,637	5.77
Edmonton	\$2,717,900	667,000	4.07	\$3,469,600	712,391	4.87
Calgary	\$3,611,650	922,315	3.92	\$4,113,992	956,078	4.30
Ottawa	\$2,862,946	839,566	3.41	\$3,154,374	865,550	3.64
AVERAGE	\$6,040,996	1,161,820	5.25	\$7,126,650	1,178,432	6.23

OTTAWA'S ARTS/FESTIVAL FUNDING AS A PER-CAPITA MEASURE FROM 2002 TO 2006

From 2002 to 2006, Ottawa's arts and festival funding **per-capita measure has increased by 7% from \$3.58 (2002) to \$3.84 (2006)**. Ottawa's 2006 arts/festival funding investment of \$3,445,783 was disbursed to 220 local recipients working in the literary, media, performing and visual arts; and reflecting Ottawa's bilingual and diverse city.

2005 NEEDS ASSESSMENT STUDY

In order to survive, local arts and festival organizations have reduced expenses to levels that have resulted in instability and crisis. **\$15M in new operating revenue** is required to move Ottawa's current local arts/festival sector towards health and sustainability. This gap does not address growth, emerging needs or additional, expanded programs. (City of Ottawa Needs Assessment Study, 2005)

OTTAWA'S PRIVATE SUPPORT FOR THE ARTS

- **Private sector and fundraising revenue represents 26%** of the total collective income generated by the local arts and festival sector. In order to make up for lower combined government revenues, the sector has sought out and obtained increased levels of corporate sponsorship, individual donations, fundraising revenue and private foundation funding. (City of Ottawa, Revenue/Income Study, 2005)
- In comparison, private support for **performing arts companies in Ontario** represents **18.8%** of total collective revenue, and the **national performing arts average is 18.5%**. (Council for Business and the Arts in Canada's Annual Survey of Performing Arts Organizations, 2000)
- Solid private support for the arts exists in Ottawa; however, the local community is unable to continue its exemplary work in this regard without adequate and competitive government funding.

THE ECONOMIC IMPACT OF CULTURE (Council for Business and the Arts in Canada, 2006)

- Public sector investment in the arts and cultural community is **essential**. It is the **catalyst for private sector support** and together these **drive direct, indirect and induced benefits**.
- The arts in Canada provide an **economic engine** (based on public and private sector support, earned income and incremental tourism) which **drives impact at as much as 12x** the level of initial public sector investment.
- Because of these multiples, **more than 80%** of this public sector investment **comes back to government in the form of taxes**.
- Maximum impact is generated at the induced level – **the real beneficiaries of cultural investment are Canadian communities**.
- The cultural sector in a city creates job growth, turns ordinary cities into 'destination cities', creates interconnections between arts and business, revitalizes urban areas, attracts skilled workers and creates spin-off businesses.

OTTAWA'S DUAL STATUS (A National Capital and A Local City)

- Ottawa's dual status presents **challenge and opportunity** for the local arts/festival sector.
- Ottawa's national, cultural institutions have **national mandates** and are accountable to taxpayers across the country. They are not mandated to support the local cultural sector.
- Ottawa's local arts, heritage and festival institutions **spark and support the local cultural scene**, and **connect with Ottawa's diverse and distinct neighbourhoods and communities**.
- **Competition** naturally results between local and national sectors for funding, venues, audiences, volunteers, participants, talent retention, media attention, private sector sponsors, donors and fundraising.
- Challenges can turn into "**capital city**" **opportunities** only if adequate funding is in place.

OTTAWA 20/20 (approved by City Council, April 2003)

- The Ottawa 20/20 Economic Strategy attributes Ottawa's local arts, entertainment and culture cluster with **growth prospects (employment/sales) of higher than 6%** (high category of growth – Market Sector Industry Economics).
- The most essential strategy of the Council-approved Ottawa 20/20 Arts Plan is to **invest, spark and sustain investment** in the arts.
- 2003 Council-approved policy statement: "The City will **increase per-capita arts funding annually** until Ottawa's per-capita arts funding is **competitive** with the six other large Canadian cities."
- Arts Plan strategic directions are to **broaden public access** to Ottawa's local arts; **keep Ottawa artists here; build creative capacity**; help **develop** Ottawa's public spaces, rural places, neighbourhoods and main streets; and **realize the economic potential** of the local cultural sector.

AN ARTS INVESTMENT STRATEGY FOR OTTAWA

CLOSING THE REVENUE GAP AND REALIZING THE IMPACTS

The Arts Investment Strategy recommends concrete steps for the City of Ottawa to take in order to:

1. **achieve the quality of life impacts** for Ottawa that arts and festival sectors generate in other major Canadian centres;
2. **realize the economic potential** of the local arts and festival sector;
3. **ensure public access** to the excellence and diversity of Ottawa's local arts, festivals and fairs;
4. keep Ottawa's artists here, **reducing the current talent drain** to other Canadian centres; and
5. **stabilize** Ottawa's local arts and festival sector.

NEW REVENUES FOR THE LOCAL ARTS AND FESTIVAL SECTOR IN OTTAWA

Awareness of the value of Ottawa's local arts and festival sector must be raised in order to **create a climate** in which the sector **can attract new revenues** of a certain magnitude. New revenues need to come from the **broadest possible range of sources, and not from increased taxpayer support alone.**

The Arts Investment Strategy aims to **eliminate the \$15M arts and festival sector revenue gap within eight years time (by 2014)**, by focusing on implementing short and longer-term strategies to generate new arts and festival sector operating revenues from a wide range of sources.

MUNICIPAL INVESTMENT PLAN

In order to **achieve average competitiveness** with Canada's six other largest single cities, and in order to **achieve the greatest capacity for leveraging** investment from other levels of government and alternate sources in a timely manner, the City must increase its current arts and festival funding budget by **\$2.5 million over a four year time period (2007-2010).**

A municipal investment plan is the **essential catalyst** that will create increased capacity for investment and support from provincial and federal government sources, the private sector, individual philanthropists, and foundations. By **leading with a greater annual municipal investment of \$1.5M in 2007**, the greatest leveraging capacity can be achieved.

MUNICIPAL PER-CAPITA IMPACT

The average per-capita measure of the other six largest single Canadian cities in 2005 was **\$6.66**. When the highest and lowest per-capita measures are removed from the mix, in order to even out the average and avoid a potentially flawed comparison, the **resulting average per-capita measure is \$5.95**.

The \$2.5M municipal investment plan will **bring Ottawa's per-capita measure to average competitiveness** (based on 2005 cross-Canada funding levels) **at \$5.94 by 2010**. It will not address additional per-capita measure gaps that result from increased cross-Canada spending from 2006 to 2010.

LEVERAGING IMPACT

The City must play a leadership role in order to be the catalyst that **sparks and leverages broader investment from other sources**. The City's \$2.5M keystone investment will work to close the full \$15M revenue gap by 2014, through implementation of subsequent broad, partnered investment strategies.

SUBSEQUENT INVESTMENT STRATEGIES

Investment strategies aimed at **increased provincial and federal government funding, private sector support, cultural partnerships, and philanthropy** are recommended, once a keystone municipal investment plan is in place.

These new leveraged sources of investment will, in turn, build the capacity of the local arts and festival sector to generate increased earned revenue; expand fundraising income; and achieve more sustainable planning, governance, marketing and operational systems. Feasibility work around the development of an **Arts Stabilization Project for Ottawa** and an **Investment Service in support of Ottawa's local arts sector** is recommended.

Financial sustainability and the resulting quality of life/economic impacts will make Ottawa a more dynamic and **liveable city for residents**, and a more **attractive location for business and tourists**.