



London **Arts** Council

**Written Submission for the Pre-Budget
Consultations in Advance of the Upcoming
Federal Budget**

February 25, 2022



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Standing Committee on Finance
Government of Canada

Introduction

About London Arts Council

The London Arts Council (LAC) works with public, private, and community partners to build and sustain Londoners' awareness of, involvement in, and support for all artistic disciplines across the city. Our programs in education, health, and community provide paid opportunities for professional artists to create and deliver artworks as well as, support arts organizations in London, ON.

The Arts Sector

The arts sector contributes to a strong economy; in 2017, the sector made an economic impact of \$58.9 billion—\$1,611 per capita or 2.8% of the National GDP, which outweighs the economic impact of the accommodation and food services industry. The arts sector revitalizes communities, builds local economies, helps communities attract and retain employees, and contributes to tourism. While the social and economic impact the arts sector bring to a community are evident, the artists, arts professionals and organizations within the sector often struggle financially and are underappreciated.

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Through the COVID-19 pandemic, these existing issues were amplified (the GDP of the sector fell by 43.6% in the first year of the pandemic), and the road to recovery seems far away from where we are.

The eight recommendations suggested in this document are based on the issues identified in the findings of various conversations, consultations, and a targeted survey distributed to non-profit arts organizations in London, Ontario.

List of Recommendations

Recommendation 1 (*addressing issue 1*)

Modify the Hardest Hit Business Recovery Program in reflection of the arts sector's ongoing challenges and instability amplified due to COVID19

- Increase the reimbursement levels to 75%
- Change the "claim period" requirement from one to six months
- encourage private sector philanthropy by allowing performing arts companies to exclude donated revenue from calculations



Recommendation 2 (*addressing issue 2*)

Inclusive investment programs for diverse types of arts organizations (large, small, mid-size, commercial, and not-for-profit), those with professional staff and those operated by a mix of staff and volunteers. Either professional, semi-professional or community driven.

Recommendation 3 (*addressing issue 3*)

Create a short-term, temporary (3 year) fund to compensate arts organizations for performance and exhibition interruptions and stoppages resulting from the pandemic:

- Include retroactivity, recognizing that upcoming ticket sales will be affected by reimbursements for previous cancellations
- Do not require provincial closure regulation for eligibility

Recommendation 4 (*addressing issue 3*)

Introduce \$500 to \$5000 micro-investments for non-profit arts organizations whose revenue has been significantly impacted due to COVID, to be delivered through the municipal arts councils that support them. These investments would provide support to small to mid-size non-profit arts organizations that



have helped to keep Canadians healthy, safe, and connected during the crisis.

Recommendation 5 (*addressing issue 4*)

Implement a Matching Investment Program for artists' insurance/benefit/RESP/RRSP and Guaranteed Basic Income program to modernize Canada's Employment Insurance to include self-employed and gig workers:

- build on existing government mechanisms (such as the Canada Workers Benefit or Guaranteed Income Supplement) to expediate implementation and minimize costs of administration;
- include self-employed and gig workers by focusing on income rather than employment
- determine income support levels regionally to ensure adequate support for individuals in major urban centres without disincentivizing participation in the workforce in low cost regions;
- plan for a permanent, not temporary or emergency program

Recommendation 6 (*addressing issue 4*)

Budget to work with local arts councils, equivalent arts organizations, and/or municipalities to allocate federal investments to various projects to improve Canada's infrastructure by hiring artists to continue



their practices in the public realm.

Recommendation 7 (*addressing issue 5*)

Significant budget allocations to invest in arts organizations for equity, diversity, inclusion, anti-oppression, anti-racism work.

Recommendation 8 (*addressing issue 6*)

Budget increase to invest in artists and arts organizations to learn, adopt, and adapt new technology – i.e., virtual reality, capacity building, knowledge, and skills.

Issues

Issue 1:

The needs and influence of the arts sector are not duly addressed under current government investment decisions.

Government investment decisions do not recognize the distinct nature and role of the arts industry, and instead envelop the arts under tourism, hospitality, and general entertainment sectors. While the arts sector is a significant driver and contributor to these sectors, this doesn't allow for the arts sector



to access the level of investment support that is needed.

Currently, the devastating impact that COVID-19 had on the arts sector has not been duly recognized through federal government funding. It is imperative that government recognize arts sector's ongoing challenges and instability amplified due to COVID-19, and provide meaningful supports that are desperately needed for the survival and recovery of the arts sector.

Issue 2: Investment/support for arts organizations are not diverse enough.

The arts sector is diverse with each arts organization serving different purposes and roles within a community; every arts organization within a community has different mandates as to the audiences they serve, operational business models, and the programs and services they offer. The criteria of existing investment programs are very narrow and not nearly diverse enough. This subsequently excludes many important local arts organizations from further developing their programs and capacity.

During the pandemic, this gap became more apparent. Hence many arts organizations were not eligible for government support and had to cease their operations or let go of all professional staff.

Arts Sector Investment Agencies require increased government investment to diversify their



investment streams to include community arts organizations of varying models.

Issue 3: Arts investments are often project driven and do not support the operations of arts organizations sufficiently.

Too often investment programs for the arts sector are focused on one-time projects or programs. Arts organizations are constantly pushed to develop new programs and services to access investment. This is a huge burden on arts organizations as it requires increased operational activity which currently receives little or no investment. The same is true when arts organizations seek investment from the private sector. Corporations, for the most part, are not interested in supporting the operations of an organization. It is the administrative operations and human resources of arts organization that require increased investment. As the COVID-19 pandemic has ravaged the sector many well-established and thoughtful programs within arts organizations ceased as organizations could not raise revenue to cover the on-going programming costs.

Many of these organizations have experienced significant revenue declines yet continue to provide valuable programs and services to Canadians that have helped them through the pandemic crisis. They typically do not have existing investment relationships with the federal government.



Issue 4: The arts sector is precarious in nature and there is not enough support addressing this issue.

Professional artists, arts professionals and arts organizations operate within the precarious nature of the industry. Artists and arts professionals face income insecurity as a result of their dependence on precarious short-term contracts combined with their lack of access to benefits, paid sick leave, or employment insurance.

Artists and arts professionals predominantly pursue higher educations, but compensation levels do not reflect this compared to other industries. Artists and arts organizations struggle to develop plans, and adequate savings to carry them through the future. Artists are without health benefits, retirement saving programs and economic supports such as Employment Insurance. While large arts organizations can offer employees health coverage and retirement saving plans, these are the exception, not the norm. Considering most Canadian arts organizations are small to mid-size, they are for the most part unable to offer these crucial benefits.

CERB and CRB have proven that it is possible to provide meaningful support to individuals facing income precarity, and the implementation of these programs has generated widespread public support for a permanent program to address basic income.



Issue 5: There is not enough investment in arts organizations to work on equity, diversity, and inclusion.

All sectors require work in the areas of Anti-Racism, Equity, Diversity, and Inclusion. While some arts organizations mandated to provide programs and services related to diversity and inclusion from inception, thus leading the arts sector in these areas, not all organizations were established with the same mandate. Social justice movements have emphasized the inequities within our society, however, there's not enough support for organizations to address these inequities and transform their operating, services, and programs.

As such, it is important for government investment to be provided for arts organizations to continue developing their equity programming as well as supporting the arts organizations that are in the beginning stage of this work. London has a diverse and inclusive community of professional artists, but many arts organizations require a great deal of support as they develop and implement operational policies that advance these fundamental tenets. These needs are there. This again speaks to the fact, that many small to mid-size arts organizations struggle with operational capacity given the lack of operational investment.



Issue 6: There is not enough investment to support the growth of arts organizations.

The COVID-19 pandemic has changed the arts sector forever. Ongoing investments should be continued to assist artists and arts organizations to build capacity, adopt and adapt new technology capabilities, knowledge, and skills to be able to prepare for the future and continue delivering programming through innovative and ever-changing means.

Survey Findings

The London Arts Council distributed a targeted survey to the non-profit arts organizations in London, Ontario. The survey outlined the above six issues, as well as the subsequent recommendations. We sought their input regarding the congruency of the issues and recommendations with their experiences, as well as any examples and insights from their organizational perspectives. All the respondents echoed the concerns outlined in our six issues and subsequent recommendations, and all provided thoughtful and detailed insights from their own organizational perspectives. The organizations surveyed include: Aeolian Hall Performing Arts Centre, El Sistema South, Forest City Film Festival, London Clay Arts Centre, London Committee for Cross Cultural Arts (Sunfest), London Ontario Media Arts Association, London Pro Musica, London Youth Symphony, Musical Theatre Productions, and TAP Centre for Creativity. Below we've provided a summary of this data, along with a few

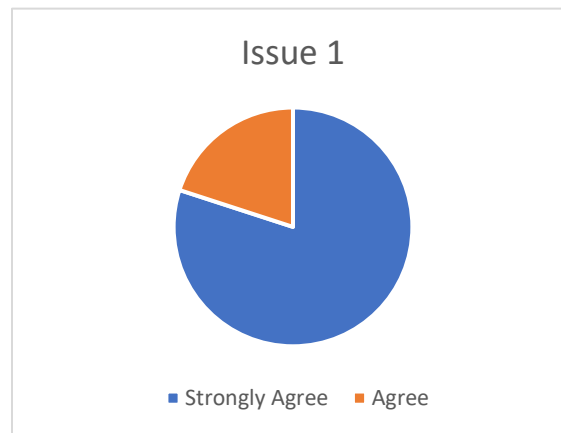


examples of responses:

It was found that 80% of respondents “strongly agreed” with the concerns outlined in

“Issue 1: **The needs and influence of the arts sector are not duly addressed under current**

government investment decisions” while 20% “agreed.” Specific insights on this issue are given below:



Executive Director of the London Clay Arts Centre:

“The arts sector is absolutely distinct from the tourism sector because we are here to serve mostly our local community but what we do has ancillary benefits for people who come from other jurisdictions.

The tourism slant is wonderful, but we are here to serve and provide social and cultural value within our communities. We are not entertainment per se; it's more than entertainment, it's enrichment through culture, which means that "culture industries" is the catchall within the ministries name. Cultural

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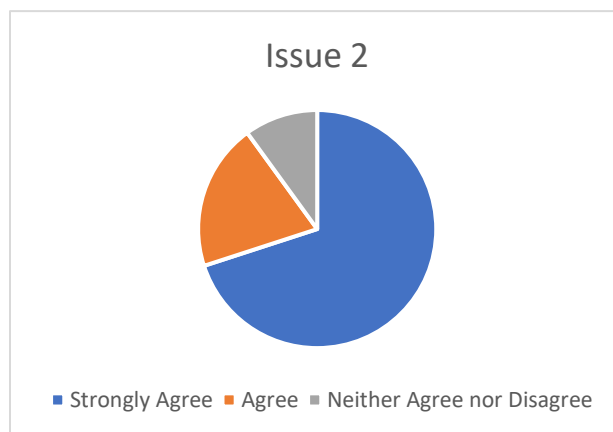


pursuits are an integral part (or should be integral) to the way people live every day. A young country such as Canada needs to prioritize cultural institutions as foundational to building the spirit and soul of the nation.”

Board Member for the London Youth Symphony:

“Participation in the arts- and the effect on intellect and emotional health it involves- has a far broader benefit than entertaining viewers or auditors. Even during pandemic limitations, I have seen my small arts organization “save lives”- and I do not exaggerate.”

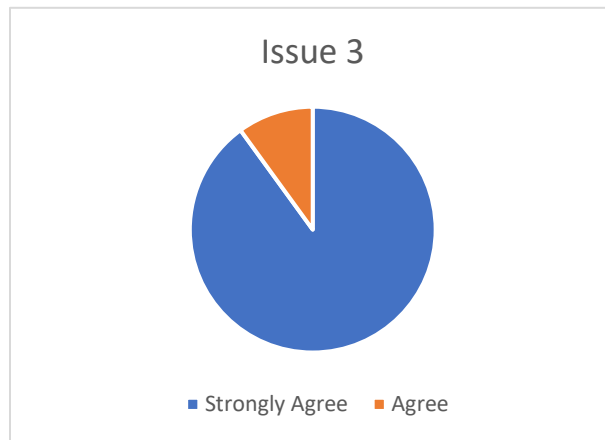
To “Issue 2: **Investment/support for arts organizations are not diverse enough**” 70% of respondents “strongly agreed,” while 20% “agreed” and 10% selected “Neither agree nor disagree.”



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To “Issue 3: **Arts investments are project driven and do not support the operation of arts organizations**” 90% of respondents “strongly agreed,” and 10% “agreed.” Specific insights on this issue are given below:

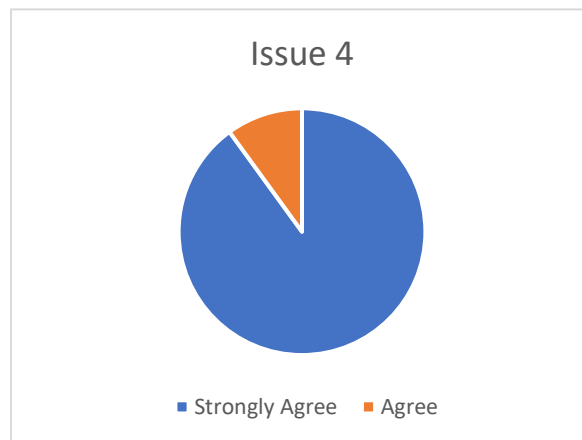


Executive Director of Sunfest, an annual multicultural festival of food, music, and art:

“There needs to be investment in the administrative/operational aspect of these organizations so that they do not solely rely on volunteer hours, which tends to be the norm for community arts organizations. Therefore, their longevity is constantly at risk. Most of the grants available are for projects, for 1 year only, and therefore long-term planning is impossible...Further, it is for NEW projects rather than developing current, successful, and impactful programs. Multi-year funding models must be implemented for programs in addition to investment in administration/human resources.”

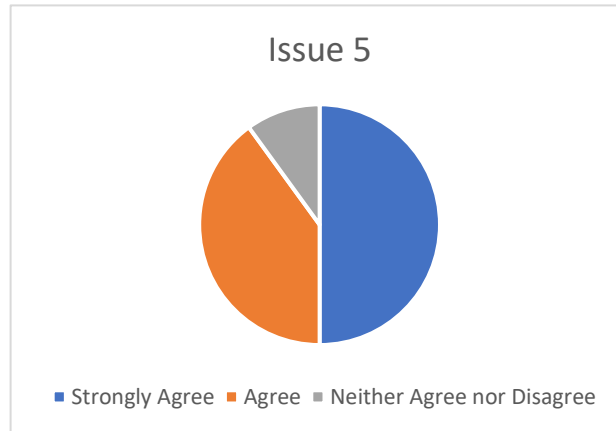


To “Issue 4: **The arts sector is precarious in nature and there is not enough support addressing this issue,**” 90% of respondents “strongly agreed,” and 10% “agreed.” Specific insights on this issue are given below:

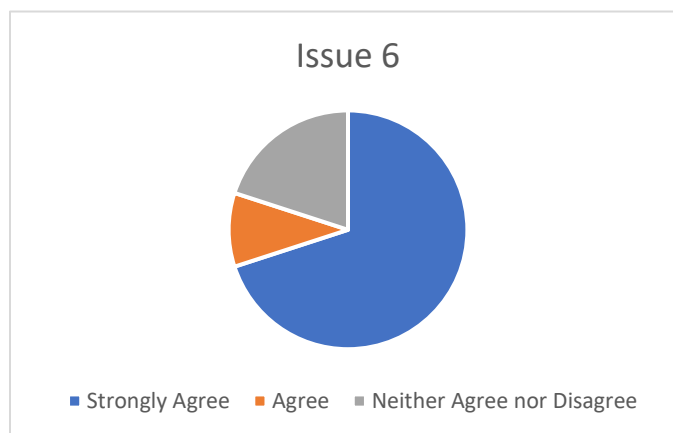


Board Member for El Sistema, an organization providing free and intensive music training for youth:
“We have clawed tooth and nail to provide enough money to our part-time instructors to keep them busy. We simply can't afford to hire them on an employee basis, so we lose them to other opportunities if we can't come up with the money.”

To “Issue 5: **There is not enough investment in arts organizations to work on equity, diversity, and inclusion,**” 50% of respondents “strongly agreed,” while 40% “agreed,” and 10% selected “Neither agree nor disagree.”



To “Issue 6: **There is not enough investment to support the growth of arts organizations,**” 70% of respondents “strongly agreed,” while 10% “agreed” and 20% “Neither agree nor disagree.”





The arts organizations that participated in this survey provided detailed and thoughtful responses to each of the six issues mentioned in this report. This helped the London Arts Council to further gather a thorough understanding of the needs and concerns of the arts sector in London, Ontario. We thank you greatly for taking the time to read this report, and your consideration of our recommendations. In working together, we can create an enduring, vibrant, and sustainable future for the arts in Canada!

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