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The impact of the culture sector on the Canadian economy

by Vik Singh

This article has been adapted from *Economic Contribution of Culture in Canada*, published in the Culture, Tourism and the Centre for Education Statistics research paper series. This version has been updated with 2002 data. The original document is available from the Statistics Canada website at http://dissemination.statcan.ca:8083/english/research/81-595-MIE/81-595-MIE2004023.pdf.

This article examines the culture sector's contribution to the Canadian economy. It measures the impact of the culture sector on Gross Domestic Product (GDP) and employment. In 2002, GDP from culture activities amounted to more than $39 billion, an increase of 37% from the 1996 figure of approximately $29 billion. This matched the overall growth in the Canadian economy (37%) over the period. The contribution of the culture sector to the Canadian economy amounted to approximately 3.8% of Canadian GDP in 2002.

The importance of the culture sector to the Canadian economy can also be examined by considering employment in the sector. On average, more than half a million Canadians worked in the culture sector in any given year in the period 1996 to 2002. Culture employment showed steady growth over this period, increasing 15%, from about 517,800 in 1996 to 597,700 in 2002.

Note
Previous analyses of employment in the culture sector will have results that differ from those reported here. The implementation of the *Canadian Framework for Culture Statistics*, published in August, 2004, has resulted in the use of a definition of the culture sector that is different from ones used in previously published studies. Therefore, employment numbers in this paper can be expected to differ from previous analyses.

GDP from culture sub-sectors

Written media, which includes establishments engaged in the publishing industry (newspapers, books and periodicals), was the biggest contributor to culture GDP. Between 1996 and 2002, this sub-sector accounted for an average of about $14 billion or 47% of culture GDP

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Provincial and territorial data:

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Table 1
Culture sector GDP

	1996	1997	1998	1999	2000	2001	2002	Average (1996 to 2002)	Percentage change (1996 to 2002)	Average annual percentage growth rate (1996 to 2002)
Total Canadian GDP at current dollars (millions)	774,404	816,763	840,473	903,750	995,219	1,022,055	1,060,229	916,128	36.9	5.4
GDP from the culture secor at current dollars (millions)	29,233	30,441	32,375	33,953	37,489	38,486	39,923	34,557	36.6	5.4
Culture sector GDP as a percentage of Canadian GDP	3.8	3.7	3.9	3.8	3.8	3.8	3.8	3.8		

Source: Statistics Canada.

Table 2
Culture employment

	1996	1997	1998	1999	2000	2001	2002	Average (1996 to 2002)	Percentage change (1996 to 2002)	Average annual percentage growth rate (1996 to 2002)
Total culture employment	517,800	513,100	537,300	554,400	604,900	611,000	597,700	562,300	15.0	2.5
Total Canadian employment	13,462,600	13,744,400	14,140,400	14,531,200	14,909,700	15,076,800	15,411,800	14,468,100	15.0	2.3
Culture sector employment as a percentage of total Canadian employment	3.8	3.7	3.8	3.8	4.1	4.1	3.9	3.9		

Source: Statistics Canada.

each year. Most of the GDP in this sub-sector came from newspaper publishing. Other major contributors to culture GDP were *Broadcasting* and the *Film industry*, with 13% and 9% of culture GDP, respectively. Wages and salaries accounted for most of the GDP for the *Film industry* and *Broadcasting*. Together, the top three sub-sectors (*Written media, Broadcasting* and the *Film industry*) generated more than half of culture GDP, on average, over the period. It is not surprising to find that these three sub-sectors, which are composed of mainly profit oriented establishments, dominated the culture sector, compared to other sub-sectors that are largely composed of non-profit oriented establishments (for example, *Libraries* and *Performing arts*).

Broadcasting, which includes establishments engaged in private and public broadcasting (radio and television), generated an average of about $4 billion in GDP per year. Most of the GDP in this sub-sector was generated by private broadcasting – around 73%, the majority of which came from television broadcasting as opposed to radio broadcasting. Public and non-commercial broadcasting (for example, the Canadian Broadcasting Corporation) accounted for the remaining share of the *Broadcasting* GDP. The third largest culture sub-sector in terms of its contribution to GDP was the *Film industry*, composed of establishments engaged in the creation, production and distribution of film and video. It generated an average of $2.7 billion in GDP over the period 1996 to 2002.

GDP growth in culture sub-sectors

Comparing the GDP growth rates of the culture sub-sectors, we find that almost all of the culture sub-sectors, except *Visual arts, Sound recording and music publishing, Performing arts* and *Libraries*, grew between 1996 and 2002. The sub-sectors of *Design, Written media, Broadcasting* and *Heritage* reported growth in every year. The fastest growing culture sub-sector was *Festivals*, which reported an average annual growth rate of 14% over the period 1996 to 2002.

Table 3
Culture GDP by sub-sectors

Culture sub-sectors (current $ millions)	1996	1997	1998	1999	2000	2001	2002	Average (1996 to 2002)	Percentage share of culture GDP (average 1996 to 2002)
Written media	11,787	12,619	13,328	13,843	15,576	16,745	17,368	14,467	47
Broadcasting	3,347	3,781	3,782	3,857	4,237	4,468	4,743	4,031	13
Film industry	2,113	2,124	2,565	2,876	3,069	3,212	3,107	2,724	9
Advertising	1,731	1,840	1,851	2,235	2,532	2,493	2,553	2,176	7
Performing arts	1,460	1,368	1,563	1,582	1,303	1,373	1,428	1,440	5
Visual arts	1,239	1,105	1,174	1,286	1,209	1,020	967	1,143	4
Libraries	1,156	1,146	1,137	1,128	1,120	1,113	1,105	1,129	4
Design	844	899	916	946	1,020	1,039	1,096	966	3
Sound recording and music publishing	931	1,043	1,124	776	852	807	801	905	3
Heritage	812	829	877	921	970	1,010	1,093	930	3
Architecture	627	553	742	764	1,024	916	969	799	3
Photography	322	232	234	359	375	343	388	322	1
Festivals	34	34	45	50	57	65	74	51	0

Source: Statistics Canada.

Table 4
GDP growth rates in culture sub-sectors

	Percentage change							Average annual percentage growth rate 1996 to 2002
Culture sub-sectors	1996 to 1997	1997 to 1998	1998 to 1999	1999 to 2000	2000 to 2001	2001 to 2002	1996 to 2002	
Festivals	-1.2	33.7	11.3	13.7	13.7	13.8	117.6	14.2
Architecture	-11.7	34.1	2.9	34.0	-10.5	5.8	54.5	9.1
Advertising	6.3	0.6	20.7	13.3	-1.6	2.4	47.5	7.0
Written media	7.1	5.6	3.9	12.5	7.5	3.7	47.3	6.7
Film industry	0.5	20.7	12.1	6.7	4.6	-3.3	47.0	6.9
Broadcasting	13.0	0.02	2.0	9.8	5.5	6.2	41.7	6.1
Heritage	2.1	5.9	5.0	5.3	4.2	8.2	34.6	5.1
Design	6.5	1.9	3.2	7.8	1.9	5.5	29.9	4.5
Photography	-27.9	0.9	53.2	4.5	-8.6	13.1	20.5	5.9
Performing arts	-6.3	14.2	1.2	-17.6	5.4	4.0	-2.2	0.2
Libraries	-0.8	-0.8	-0.8	-0.7	-0.7	-0.7	-4.4	-0.7
Sound recording and music publishing	12.0	7.8	-31.0	9.9	-5.3	-0.7	-14.0	-1.2
Visual arts	-10.8	6.2	9.6	-6.02	-15.6	-5.2	-22.0	-3.6

Source: Statistics Canada.

Impact of culture on employment

The importance of the culture sector to the Canadian economy can also be measured by examining employment. On average, more than half a million Canadians worked in the culture sector in any given year in the period 1996 to 2002. Total employment in the culture sector increased 15% over this period, rising from approximately 517,800 in 1996 to 597,700 in 2002. Around 3.9% of all Canadian employment in 2002 was in the culture sector, which was slightly higher than the 3.8% of total GDP generated by the culture sector for the same year.

Between 1996 and 2002, employment in the culture sector grew at about the same rate as did employment in the overall Canadian economy. However, employment growth in the culture sector fluctuated considerably during this period. The largest growth in culture employment occurred from 1999 to 2000 (9%), while employment declined 1% from 1996 to 1997 and 2% from 2001 to 2002. It is interesting to note that both culture GDP and employment showed the highest rate of growth from 1999 to 2000.

The unemployment rate in the culture sector was lower than that of the overall Canadian unemployment rate (6% versus 8%), on average, for the period 1996 to 2002. This could be because a larger proportion of the culture labour force was self-employed compared to the overall economy (25% versus 16%), due mainly to the project-based work characteristic of many occupations in the culture sector. The *Film industry* provides an excellent example of project-based activity. Another important observation is that only about 5% of culture sector employment was in the public sector compared to 19% of total Canadian employment, on average, during this period.

Culture workers are somewhat less likely than workers in general to hold full-time jobs. In 2002, 77% of the culture labour force worked full-time, compared to 81% of the total labour force in Canada. These results are similar to those of other studies that found part-time and self-employment much more evident in the culture sector than in the general workforce.[1] The higher proportion of part-time work in the culture sector compared to the overall economy reflects the unique nature of some occupations in the culture sector, such as writing, which tend to be part-time.

Employment in culture sub-sectors

The top three culture sub-sectors in terms of GDP were also the top three culture sub-sectors for employment – *Written media, Broadcasting* and the *Film industry*. *Written media* accounted for 31% of culture sector employment, on average, over the period. Between 1996 and 2002, employment in this sub-sector increased about 2%, to 158,900 workers. As was the case with GDP, the majority of employment in *Written media* (70%) was generated by newspaper publishing.

The other two major culture sub-sectors in terms of employment were the *Film industry* and *Broadcasting*, accounting for 14% and 10% of culture sector employment, respectively. Around 71,600 workers were employed in the *Film industry*, on average, over the period. Employment in the *Broadcasting* sub-sector averaged 49,200 individuals. As was the case with GDP, most of the employment in the *Broadcasting* sub-sector came from the private sector, especially the television sector.

Comparing the composition of culture GDP and employment for the same sub-sectors, there are some interesting similarities and differences. *Written media*, for example, had a significantly higher share of culture GDP (47%) than culture employment (31%). *Design*, which accounted for 9% of culture employment, only accounted for 3% of culture GDP. On the other hand, some culture sub-sectors showed little difference between their shares of GDP and employment. *Sound recording and music publishing*, for example, had 3% shares of both.

Employment growth in culture sub-sectors

Except for *Photography* (-18%), *Performing arts* (-1%), *Libraries* (-0.4%) and *Design* (-2%), average employment in all culture sub-

1. *Benhamou, F. (2000), "The Opposition of Two Models of Labour Market Adjustment. The Case of the Audiovisual and Performing Arts in France and the United Kingdom,"* Journal of Cultural Economics, *24, pp. 301-319.*

Table 5
Characteristics of culture workers

	1996	1997	1998	1999	2000	2001	2002	Average (1996 to 2002)
				%				
Culture sector workers employed full-time	78	77	78	79	79	78	77	78
Workers employed full-time in Canada	81	81	81	82	82	82	81	81
Unemployment rate in the culture sector	7	6	5	5	5	5	6	6
Unemployment rate in Canada	10	9	8	8	7	7	8	8
Culture sector								
Employees in public sector	4	4	3	5	6	6	5	5
Employees in private sector	72	70	70	71	71	71	71	71
Self-employed	24	26	26	26	25	25	25	25
Canada								
Employees in public sector	19	18	18	18	19	19	19	19
Employees in private sector	65	65	65	65	65	66	66	65
Self-employed	16	17	17	17	16	15	15	16

Source: Statistics Canada, Labour Force Survey.

Table 6
Culture employment by sub-sectors

Culture sub-sectors	1996	1997	1998	1999	2000	2001	2002	Average (1996 to 2002)	Percentage share of culture employment average (1996 to 2002)
Written media	156,000	160,000	150,600	151,200	168,000	165,500	158,900	158,600	31
Film industry	44,000	49,800	63,800	78,800	84,000	91,800	88,700	71,600	14
Broadcasting	45,900	42,400	47,000	45,500	51,500	56,600	55,200	49,200	10
Design	44,700	42,000	42,400	42,500	45,900	44,600	43,700	43,700	9
Advertising	36,400	36,400	39,900	42,000	47,100	49,000	48,600	42,800	8
Heritage	31,900	32,000	33,300	34,800	35,100	35,600	35,900	34,100	7
Libraries	24,700	24,700	24,700	24,700	24,700	24,600	24,600	24,700	5
Performing arts	24,000	21,600	22,200	20,900	21,000	21,100	23,700	22,100	4
Sound recording and music publishing	16,100	18,000	21,100	17,400	15,200	17,200	13,000	16,900	3
Visual arts	13,300	12,000	14,700	15,900	14,300	13,200	13,600	13,900	3
Architecture	10,000	9,700	12,200	14,400	18,200	15,700	17,100	13,900	3
Photography	11,600	8,000	7,500	10,000	9,100	8,600	9,500	9,200	2
Festivals	2,300	2,300	2,900	3,200	3,600	4,000	4,300	3,200	1

Source: Statistics Canada and the Department of Canadian Heritage.

sectors grew from 1996 to 2002. The *Film industry, Festivals, Advertising, Architecture* and *Broadcasting* reported higher employment growth rates than did the overall culture sector.

The *Film industry,* which reported the second highest growth in culture GDP, was the fastest growing sub-sector in terms of culture employment, more than doubling its employment levels over the period. This was primarily due to the growth in employment in production and retail activities. However, employment in the *Film industry* suffered a decline of 3% between 2001 and 2002. The other two rapidly growing culture sub-sectors were *Festivals* and *Architecture,* with growth rates of 87% and 71%, respectively, over the period. Most of the growth in employment in *Architecture* came from growth in full-time jobs. Comparing the growth rates over the various years, we find that 6 out of 13 culture sub-sectors reported a decline in employment from 1996 to 1997 and from 2001 to 2002, whereas 11 out of 13 culture sub-sectors reported an increase from 1997 to 1998.

Table 7
Employment growth rates in culture sub-sectors

	Percentage change							Average annual percentage growth rate
Culture sub-sectors	1996 to 1997	1997 to 1998	1998 to 1999	1999 to 2000	2000 to 2001	2001 to 2002	1996 to 2002	(1996 to 2002)
Film industry	13.2	28.1	23.5	6.6	9.3	-3.4	101.6	12.9
Festivals	0.0	26.1	10.3	12.5	11.1	7.5	87.0	11.3
Architecture	-3.0	25.8	18.0	26.4	-13.7	8.9	71.0	10.4
Advertising	0.0	9.6	5.3	12.1	4.0	-0.8	33.5	5.0
Broadcasting	-7.6	10.8	-3.2	13.2	9.9	-2.5	23.3	3.4
Heritage	0.3	4.1	4.5	0.9	1.4	0.8	12.5	2.0
Sound recording and music publishing	11.8	17.2	-17.5	-12.6	13.2	-24.4	6.8	-2.1
Visual arts	-9.8	22.5	8.2	-10.1	-7.7	3.0	2.3	1.0
Written media	2.6	-5.9	0.4	11.1	-1.5	-4.0	1.9	0.5
Libraries	0.0	0.0	0.0	0.0	-0.4	0.0	-0.4	-0.1
Performing arts	-10.0	2.8	-5.9	0.5	0.5	12.3	-1.3	0.0
Design	-6.0	1.0	0.2	8.0	-2.8	-2.0	-2.2	-0.3
Photography	-31.0	-6.3	33.3	-9.0	-5.5	10.5	-18.0	-1.3

Source: Statistics Canada.

Summary

This article has explored the culture sector's contribution to the Canadian economy by measuring the impact of the culture sector on GDP and employment. Over the period 1996 to 2002, the culture sector matched the growth rate of the overall economy in terms of both GDP and employment.

The culture sector generated more than $34 billion in GDP (approximately 3.8% of Canadian GDP), on average, over the period 1996 to 2002. Culture sector GDP grew at the same rate as did total Canadian GDP (37%) during this period.

Written media, Broadcasting and the *Film industry* had both the highest GDP and culture employment. Together, they accounted for 69% of culture GDP and 55% of culture employment, on average, over the period 1996 to 2002. *Written media* was the largest culture sub-sector in terms of both GDP and employment – it accounted for 47% of culture GDP and 31% of culture employment, on average, over the period 1996 to 2002.

The culture sector accounted for more than half a million workers, on average, over the period 1996 to 2002. Similar to GDP, employment in the culture sector grew at the same rate as did employment in the total Canadian economy (15%). The culture sector was also an important contributor to overall job creation in Canada. Around 3.8% of all jobs created in Canada every year over the period came from the culture sector.

Although most jobs in the culture sector were full-time, there was a slightly lower proportion of full-time employees in the culture workforce than in the overall Canadian workforce. On average, 78% of the culture labour force was employed full-time, compared to 81% for the overall Canadian employed labour force.

Self-employment was also important in the culture sector. More than a quarter of culture workers were self-employed, on average, during the period 1996 to 2002. This was higher than the proportion of all workers in Canada who were self-employed. The culture sector was also less reliant on the public sector. Only 5% of culture workers were in the public sector compared to 19% for all Canadian workers.

Although the culture sector accounted for less than 4% of both Canada's GDP and employment, the study shows that both GDP and employment in the culture sector grew more or less at the same rate as the overall Canadian economy. These consistent positive trends in GDP and employment contributions solidify the importance of the culture sector as a contributor to Canada's economic growth. It should also be stressed that only the direct effect of culture was estimated. Indirect and induced effects of the culture sector were not examined. Adding these indirect and induced effects would increase the magnitude of the economic benefits of the culture sector. Further research is required to study and estimate these benefits.

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Provincial economies and the culture sector

by Vik Singh

This article has been adapted from *Economic Contribution of the Culture Sector in Canada – A Provincial Perspective*, published in the Culture, Tourism and the Centre for Education Statistics research paper series. The original document is available from the Statistics Canada website at http://dissemination.statcan.ca:8083/english/research/81-595-MIE/81-595-MIE2004025.pdf.

This article estimates and analyzes the economic impact of the culture sector on Canada's provincial economies for the period 1996 to 2001. It examines the contribution of the culture sector to the provinces' Gross Domestic Product (GDP) and employment. According to the *Canadian Framework for Culture Statistics*,[1] culture is defined as "creative artistic activity and the goods and services produced by it, and the preservation of human heritage." This paper estimates the economic impact of the culture sector and not of culture in general, i.e., it estimates GDP and employment arising from the culture sector as defined by the framework.

Impact of culture on GDP

On average, Ontario was the largest contributor to total culture GDP in Canada (47%), followed by Quebec (23%) and British Columbia (12%), over the period 1996 to 2001. Together, these three provinces accounted for more than three-

1. *Statistics Canada (2004),* Canadian Framework for Culture Statistics, Research Paper Series, *Catalogue no. 81-595-MIE2004021, Culture Statistics Program, Statistics Canada, available at: http://dissemination.statcan.ca:8083/english/research/81-595-MIE/81-595-MIE2004021.pdf.*

quarters of Canadian culture GDP, on average. The culture sectors in these provinces also showed healthy growth in their GDP, although Quebec and British Columbia were the only provinces to experience growth in their culture GDPs in every year studied in this paper (Table 1). It is also interesting to note that, with the exception of Quebec, Saskatchewan, Nova Scotia and Prince Edward Island, growth in GDP from the culture sector exceeded the growth in total provincial GDP. In terms of per-capita GDP, Ontario had the highest per-capita GDP from culture ($1,344), on average over the period, followed by Quebec ($1,043) and Alberta ($1,019).

All provinces saw their culture GDP grow from 1996 to 2001. Ontario had the largest increase, 34%, followed by Alberta and Quebec, with increases of 32% and 31%, respectively. These three provinces also had culture GDP growth rates higher than the Canadian average of 30%. On the other hand, Saskatchewan reported the lowest growth rate (0.1%). However, none of the provinces reported a decline in GDP from their culture sectors.

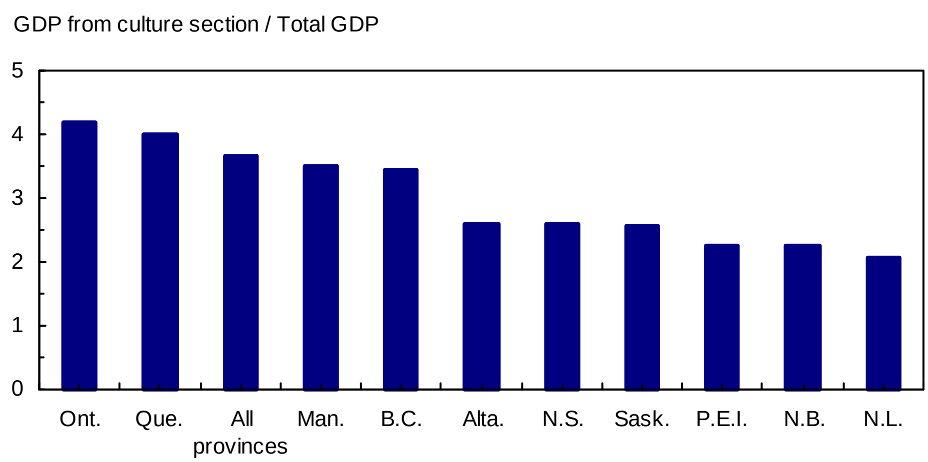
The culture sector was also an important contributor to provincial GDP (Figure 1). It was most significant to the economies of Ontario and Quebec, averaging approximately 4% of each, over the period. However, culture's contribution to both provinces' GDP fell slightly over the period.

Impact of culture on employment

The growing importance of the culture sector to provincial economies can be measured by estimating employment counts. Here, employment refers to the number of employed individuals, 15 years and over, who were working during the survey reference period, including full-time, part-time and freelancers.[2] It should be noted that volunteers are not included in employment estimates in this paper, even though a large part of employment in the culture sector was composed of volunteers.

2. *Most of the employment numbers were obtained from the* Labour Force Survey.

Figure 1
Ontario had the highest percentage of GDP from the culture sector (average 1996 to 2001)



Source: *Statistics Canada.*

Table 1
Culture GDP by province

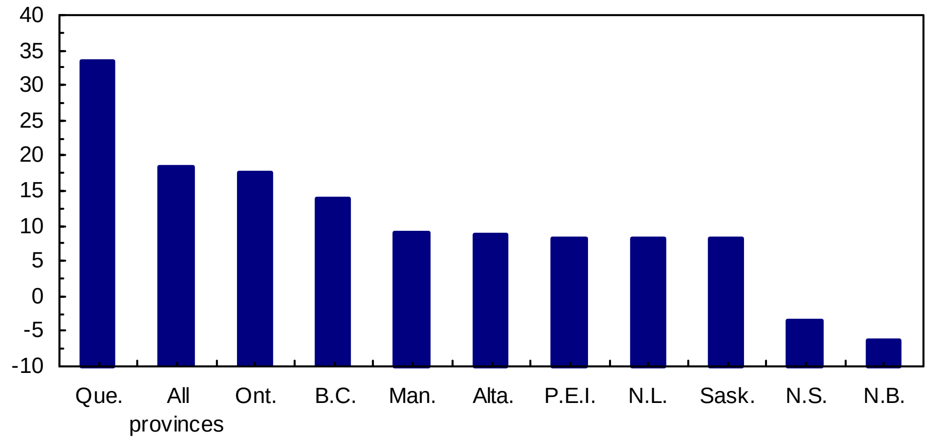
Provinces	1996	1997	1998	1999	2000	2001	Average (1996 to 2001)	Per-capita GDP Average (1996 to 2001)	Average percentage share (1996 to 2001)	Percentage change (1996 to 2001)
	Culture GDP									
	$ millions							$		
Ontario	13,380	13,524	14,480	15,767	17,539	17,929	15,437	1,344	47	34
Quebec	6,570	6,880	7,484	7,861	8,398	8,614	7,635	1,043	23	31
British Columbia	3,421	3,572	3,747	3,798	4,244	4,249	3,838	961	12	24
Alberta	2,619	2,752	2,721	3,002	3,353	3,453	2,983	1,019	9	32
Manitoba	949	946	1,007	1,040	1,117	1,169	1,038	908	3	23
Saskatchewan	744	729	754	714	758	744	741	731	2	0.1
Nova Scotia	485	507	505	522	574	570	527	565	2	18
New Brunswick	362	359	371	375	406	400	379	504	1	10
Newfoundland and Labrador	207	212	224	226	237	235	223	415	1	14
Prince Edward Island	63	56	61	62	69	67	63	463	0.2	7

Source: Statistics Canada.

In addition to having the largest share of Canadian culture GDP, Ontario also had the largest share of culture employment in Canada (42%), on average, over the period 1996 to 2001 (Figure 2). Ontario was followed by Quebec and British Columbia, with 25% and 14% shares of Canadian culture employment, respectively. Together, these three provinces averaged more than three-quarters of all culture employment in Canada over the period. Culture employment in these provinces also showed healthy growth rates (Table 2). Ontario, Quebec and British Columbia reported higher growth rates in culture employment than the other provinces. Of note, Saskatchewan was the only province to experience growth in culture employment in every year.

Figure 2
Quebec had the most growth in culture employment

Percentage change in culture employment



Source: *Statistics Canada.*

As shown in Figure 3, employment from the culture sector was most significant in Ontario (4.2%). The proportion of employment from the culture sector in Ontario, Quebec and British Columbia was higher than the national average. Quebec reported the largest growth in culture employment (33%) between 1996 and 2001, followed by Ontario (18%) and British Columbia (14%). Culture employment in Quebec also grew more than the national average. Only New Brunswick (-6%) and Nova Scotia (-4%) experienced a decline in culture employment over this period.

Conclusion

This article has reviewed the role of the culture sector in Canadian provincial economies. Ontario, Quebec and British Columbia were the top three provinces in terms of their contributions to culture GDP and culture employment in Canada. These three provinces accounted for more than three-quarters of total culture GDP and culture employment in Canada. Culture GDP in all provinces grew from 1996 to 2001. Ontario reported the largest growth in culture GDP, followed by Alberta and Quebec. Saskatchewan reported the lowest growth in culture GDP.

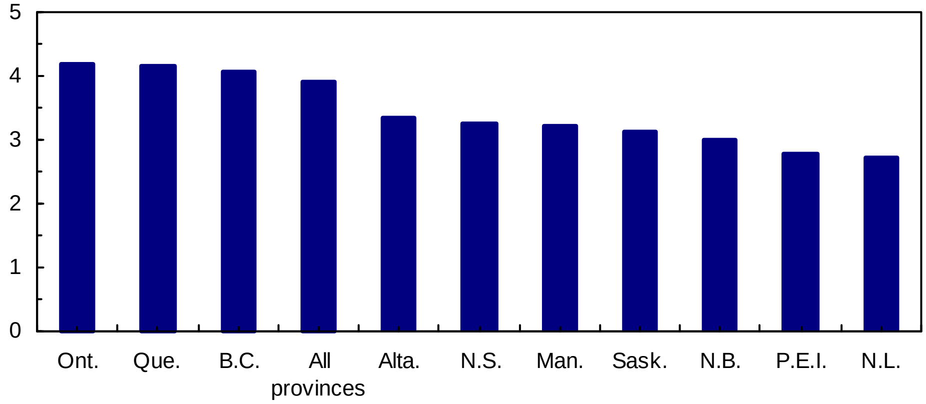
Table 2
Culture employment by province

	Culture employment								
Provinces	1996	1997	1998	1999	2000	2001	Average (1996 to 2001)	Average percentage share (1996 to 2001)	Percentage change (1996 to 2001)
Ontario	215,200	217,600	219,100	232,100	266,900	253,100	234,000	42	18
Quebec	123,200	119,200	130,800	137,200	153,800	164,400	138,100	25	33
British Columbia	68,900	71,100	84,200	79,500	78,200	78,400	76,700	14	14
Alberta	48,700	51,000	49,100	51,100	53,000	52,900	51,000	9	9
Manitoba	17,500	16,100	16,800	17,800	16,700	19,100	17,300	3	9
Saskatchewan	14,200	14,700	14,800	15,000	15,000	15,400	14,800	3	8
Nova Scotia	13,200	13,000	13,100	13,500	13,000	12,800	13,100	2	-4
New Brunswick	9,800	9,600	9,200	10,200	10,000	9,200	9,700	2	-6
Newfoundland and Labrador	5,200	4,800	5,400	5,800	5,600	5,700	5,400	1	8
Prince Edward Island	1,600	1,600	1,900	1,600	1,900	1,800	1,700	0	8

Note: Employment figures have been rounded to the nearest hundred.
Source: Statistics Canada.

Figure 3
Ontario had the highest percentage of its workers employed in the culture sector (average 1996 to 2001)

(Culture employment) / (Provincial employment)



Source: *Statistics Canada.*

Employment from the culture sector grew in all provinces from 1996 to 2001 except New Brunswick and Nova Scotia. Quebec reported the largest growth in culture employment, followed by Ontario and British Columbia.

For all provinces, GDP and employment from the culture sector accounted for less than 5% of overall provincial GDP and employment. Compared to the other provinces, Ontario's economy (i.e., GDP and employment) was the most dependent on the contribution of its culture sector.

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Connecting culture

by Marla Waltman Daschko

Industries such as recording production, film and publishing, as well as performing arts and heritage institutions, have generally been slow to take advantage of the opportunities provided by new information and communications technologies (ICTs). While most of the organizations in the culture sector do benefit from the use of computers, e-mail and the Internet for operational purposes, the commercial possibilities offered by websites and online sales tools are only beginning to be explored.

The cultural industries tend to consist of a few large, vertically integrated, and often foreign-owned, enterprises, as well as many smaller, usually Canadian-owned, enterprises. Previous analysis has shown that large enterprises generally have higher rates of computer and Internet use, and a greater likelihood of having a Web presence than smaller enterprises.[1] As the majority of Canadian enterprises in the cultural industries tend to be small, their rate of computer, Internet and website adoption is consequently lower.

Computerization tends to be very high in information and cultural industries as a whole. In 2003, 93.5% of these enterprises used the Internet and 61.4% had websites. However, an examination of several individual industries indicates that use of the Internet or website presence is not as pervasive.

Sound recording

In 2000, more than one third of Canadian labels and record production firms had active websites while another 17% indicated that they had sites under development. This was a slight increase from what was

1. *Charles, S., M. Ivis and A. Leduc. "Embracing e-business: Does Size Matter?"* Connectedness Series, *Statistics Canada, Catalogue no. 56F0004MIE, No. 5, June 2002.*

Table 1
Use of ICTs by information and cultural industries, 2001-2003

	Use of personal computers			Use of the Internet			Website		
	2001	2002	2003	2001	2002	2003	2001	2002	2003
	%								
Information and cultural industries	98.0	98.1	99.9	92.9	96.7	93.5	65.1	67.5	61.4
Total private sector	83.9	85.5	87.4	70.8	75.7	78.2	28.6	31.5	34.0

Source: Statistics Canada, Survey of Electronic Commerce and Technology.

reported in 1998. Although these proportions are growing, it is evident that sound recording companies have not yet fully embraced the possibilities that websites can offer for the conduct of their business.

Those companies with a website used it primarily to facilitate mail-order sales or distribution of their recorded products. In 2000, 23% of record companies offered e-commerce for this purpose, while an additional 13% of record companies were in the process of developing e-commerce capabilities.[2] Some record companies preferred not to manage e-commerce from their own websites but relied on other online vendors to sell or distribute their products. In 2000, 16% of companies used online vendors and nearly 10% were developing such services for future use.

E-commerce is now being considered as one of the essential components of the sound recording industry's new business environment. In particular, the surging popularity of music downloading and the sharing of files over the Internet may have contributed to an erosion of company profits and control over copyrighted products.[3] Record companies and vendors have had to recognize the need to improve electronic access to music by consumers. The industry is working toward the creation of pay-per-use or subscription online sites, which will facilitate the legal downloading of music over the Internet. This capability is expected to support sales of recordings while improving household access to music products.

Book publishing

Book publishing companies have also been exploring the use of ICTs to improve access to products and to support sales. The industry has traditionally focused on print books and, to a lesser extent, the sale of audio-recorded books. The market is rapidly changing to include CD-ROMs and online or electronic books (e-books).

In 2000-01, the net sales[4] value of CD-ROMs was $58.1 million, a substantial increase from the net sales of $18.9 million reported in 1998-99. Other book formats, including videos, generated $63.0 million in revenues, while net sales of audio-recorded books were valued at $10.2 million. Online or e-books – once touted as the way of the future – have still not made much of a mark on book sales. These products generated $5.8 million in revenues, accounting for only 0.3% of all book sales.

Internet sales, while still a small part of the business activity of book publishers, have begun to show gains. In 2000-01, publishers sold over $11.1 million dollars worth of titles over their own websites. This was a five-fold increase over sales of just $1.9 million in 1998-99. While still only 0.6% of publishing sales, it clearly presents a growing oppoptunity to reach consumers.

2. *The capacity to offer mail-order distribution should not be equated with sales from such activities, nor should these activities be confused with music downloads.*
3. *In late March, 2004, a Canadian federal court judge dismissed a motion by the recording industry to have Internet providers supply the identities of alleged copyright violators. The judge ruled that there was insufficient evidence of copyright infringement. Ottawa Citizen, April 1, 2004, p. A1.*
4. *Net sales are the total revenues earned by the publisher or exclusive agent after they have accounted for (reduced the revenues) by all returns (product returned to publisher from retailer/ distributor which were not sold) and any discounts.*

Table 2
Use of ICTs by the sound recording industry

	1998	2000
	%	
Sound recording companies with:		
Active website	34.7	35.4
Website under development	14.1	17.1
Mail-order sales or distribution capabilities through:		
Own website	23.5	22.8
Online vendor	11.2	15.5

Source: Statistics Canada, Sound Recording Survey.

Table 3
Revenue from net sales of own and agency titles

	1998-99	% of total	2000-01	% of total
	(thousands)		(thousands)	
Book sales only:				
Printed titles	2,066,548	97.9	2,116,759	93.9
Audio	13,505	0.6	10,154	0.5
CD-ROM	18,899	0.9	58,106	2.6
Online/e-books	5,143	0.2	5,836	0.3
Other (videos)	7,853	0.4	63,023	2.8
Total	**2,111,949**		**2,253,877**	

Source: Statistics Canada, Survey of Book Publishers and Exclusive Agents.

Periodical publishing

Periodical publishers generally use websites for subscriber relations but they have also found a myriad of other uses for this technology. In 1998-99, 920 (45%) of all Canadian periodicals had their own websites. Of those, 20% used them to generate advertising revenue and 16% were equipped to take and/or make payments over the Internet.

The greatest use of websites by periodical publishers was as a vehicle for promotion (18%). Promotional activities include presenting selected highlights from the print version on the site (14%) and publication of a full virtual version of a print version online (6%). Other activities include subscriber/customer services (excluding subscriptions), advertising ancillary products for sale, soliciting advertising and content and/or authors. Just a few periodicals published only a virtual version online without producing a corresponding print version.

Heritage institutions

Heritage institutions, such as museums, archives, galleries, botanical gardens and heritage sites primarily use ICTs for planning and management purposes and for information and product dissemination. The most popular use of technology has been in the creation of websites; 61% of all heritage institutions had a website in 2002. This represents an increase of 25% over 1999. The second most popular activity was the use of computer-assisted collections management software (43%).

Heritage institutions also found other uses for ICTs but on a much smaller scale. In 2002, nearly seven percent of these organizations used computer-assisted software for exhibition layout and floor planning. With respect to services to the public, 10.4% of heritage institutions made computers available for interactive information services while 12.8% produced public information products on diskette or CD-ROM.

The cultural industries of sound recording, book publishing, periodical publishing and heritage institutions are moving, albeit slowly, towards the use of information and communications technologies for business and consumer interaction. The next few years will be crucial in determining to what extent these industries make use of ICTs and what the impact will be on their business operations.

Table 4
Use of ICTs by heritage institutions

	1995	1997	1999	2002
		%		
Use of ICTs for planning and/or management purposes:				
Computer assisted exhibition layout/floor planning	4.5	5.2	5.6	6.7
Computer assisted collections management	28.5	34.6	39.1	43.2
Other	14.6	15.9	12.5	14.9
Use of ICTs for information and/or product dissemination:				
Website or homepage on the Internet	19.0	39.2	48.3	60.6
Products on diskette or CD-ROM	6.7	8.4	9.5	12.8
Interactive service/information	7.7	9.3	9.9	10.4
Other	6.1	8.4	9.1	10.9

Source: Statistics Canada, Survey of Heritage Institutions.

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Provincial and territorial data

Often in our analysis of survey data, we look at the national picture only, and do not highlight provincial or territorial patterns. In order to provide more regional data for our users, we are including selected provincial data in each issue of *Focus on Culture*. This time we are presenting recently released data from a survey on performing arts.

Performing arts, 2003

Summary by discipline and by province/territory

	Number of companies	Total performances	Total attendance	Total revenue	Total expenditures	Surplus/ (deficit)
		number			thousands of dollars	
Theatre						
Newfoundland and Labrador	6	718	96,515	2,573	2,416	157
Prince Edward Island	3	350	116,318	4,792	4,845	-53
Nova Scotia	12	899	292,998	5,076	4,940	136
New Brunswick	4	631	141,099	2,449	2,439	10
Quebec	138	10,204	2,651,122	72,707	72,767	-60
Ontario	102	11,897	3,232,090	145,134	139,927	5,207
Manitoba	8	2,137	540,146	13,240	12,895	345
Saskatchewan	6	468	106,428	3,641	3,668	-26
Alberta	33	4,638	1,412,146	29,523	28,969	555
British Columbia	31	4,059	900,802	29,572	29,673	-102
Yukon	1	41	5,390	376	353	23
All Provinces	**344**	**36,042**	**9,495,054**	**309,083**	**302,891**	**6,192**
Music						
Newfoundland and Labrador	1	24	12,696	641	647	-7
Prince Edward Island	1	4	2,557	140	141	-2
Nova Scotia	3	91	45,225	2,550	2,542	8
New Brunswick	2	120	39,735	739	672	67
Quebec	61	2,614	1,313,861	51,771	49,870	1,900
Ontario	72	1,720	1,109,313	69,438	69,275	163
Manitoba	8	181	122,930	6,720	8,507	-1,787
Saskatchewan	2	139	69,329	2,553	2,675	-122
Alberta	8	307	233,935	13,093	14,365	-1,272
British Columbia	16	540	396,803	17,831	18,885	-1,054
All Provinces	**174**	**5,740**	**3,346,384**	**165,474**	**167,581**	**-2,107**
Dance						
Newfoundland and Labrador	1	10	5,500	70	75	-5
Nova Scotia	1	11	1,100	30	18	13
Quebec	37	808	387,914	24,559	25,479	-920
Ontario	30	1,376	525,306	23,844	23,857	-14
Manitoba	4	98	94,713	9,083	9,001	81
Alberta	10	466	235,757	9,751	9,504	246
British Columbia	12	324	95,968	4,517	4,631	-114
Northwest Territories	1	3	900	11	5	7
All Provinces	**96**	**3,096**	**1,347,158**	**71,865**	**72,570**	**-706**
Opera						
Nova Scotia	1	9	2,200	50	51	-2
New Brunswick	1	4	1,500	77	80	-4
Quebec	6	152	139,893	11,613	11,875	-262
Ontario	12	279	275,512	28,080	28,541	-461
Manitoba	1	9	11,022	1,164	1,163	1
Saskatchewan	1	3	1,721	314	323	-9
Alberta	2	29	58,956	5,633	5,253	379
British Columbia	4	272	124,924	8,640	8,714	-74
All Provinces	**28**	**757**	**615,728**	**55,570**	**56,000**	**-431**
Canada						
All Provinces	**642**	**45,635**	**14,804,324**	**601,991**	**599,043**	**2,949**

Source: Statistics Canada, Performing Arts Survey, 2002-2003, Catalogue no. 87F0003XIE.

Earned and unearned revenue by discipline and province/territory

	Number of companies	Total earned revenue	Total unearned revenue	Public sector	Private sector
			thousands of dollars		
Theatre					
Newfoundland and Labrador	6	1,096	1,477	1,150	327
Prince Edward Island	3	2,899	1,893	1,393	500
Nova Scotia	12	2,155	2,920	1,749	1,171
New Brunswick	4	722	1,727	1,203	525
Quebec	138	35,172	37,534	31,949	5,585
Ontario	102	94,662	50,472	24,474	25,999
Manitoba	8	7,459	5,782	3,521	2,261
Saskatchewan	6	1,759	1,882	1,370	512
Alberta	33	13,514	16,009	6,840	9,169
British Columbia	31	16,825	12,746	6,472	6,275
Yukon	1	67	309	236	73
All Provinces	**344**	**176,331**	**132,753**	**80,357**	**52,396**
Music					
Newfoundland and Labrador	1	178	463	152	311
Prince Edward Island	1	54	85	24	61
Nova Scotia	3	878	1,672	1,063	610
New Brunswick	2	280	459	155	304
Quebec	61	16,079	35,692	22,949	12,743
Ontario	72	27,845	41,592	22,881	18,711
Manitoba	8	2,643	4,077	2,773	1,304
Saskatchewan	2	857	1,696	792	903
Alberta	8	5,671	7,422	3,599	3,823
British Columbia	16	6,842	10,989	5,145	5,844
All Provinces	**174**	**61,327**	**104,147**	**59,532**	**44,615**
Dance					
Newfoundland and Labrador	1	50	20	10	10
Nova Scotia	1	10	20	20	0
Quebec	37	8,853	15,705	13,216	2,490
Ontario	30	10,407	13,436	8,384	5,052
Manitoba	4	4,231	4,852	3,600	1,251
Alberta	10	4,413	5,337	2,018	3,319
British Columbia	12	1,281	3,237	2,442	794
Northwest Territories	1	2	10	0	10
All Provinces	**96**	**29,247**	**42,617**	**29,690**	**12,927**
Opera					
Nova Scotia	1	34	16	0	16
New Brunswick	1	33	43	30	13
Quebec	6	6,058	5,554	3,537	2,017
Ontario	12	11,610	16,470	6,610	9,860
Manitoba	1	409	755	415	340
Saskatchewan	1	79	234	53	181
Alberta	2	2,083	3,550	1,510	2,040
British Columbia	4	4,051	4,589	1,643	2,946
All Provinces	**28**	**24,358**	**31,212**	**13,798**	**17,414**
Canada					
All Provinces	**642**	**291,262**	**310,729**	**183,376**	**127,353**

Source: Statistics Canada, Performing Arts Survey, 2002-2003, Catalogue no. 87F0003XIE.

□

DID YOU KNOW? New data for museums from the Survey of Heritage Institutions, 2002

In 2002, museum attendance rose 5.0% to 27.8 million from 26.5 million in 1999. As well, visitors spent more on museums in 2002, with earned revenue exceeding $224.8 million, 6.4% higher than three years earlier.

Profile of all types of museums in Canada

	1993-1994	1995-1996	1997-1998	1999-2000	2002-2003
Number of institutions	**1,236**	**1,391**	**1,368**	**1,405**	**1,476**
Attendance (‘000)	**25,444**	**26,868**	**26,173**	**26,518**	**27,840**
			thousands of dollars		
Unearned operating revenues					
Government	348,385	368,124	363,346	373,382	419,635
Institutional/private	40,852	49,112	60,352	62,862	79,023
Total unearned revenues	**389,238**	**417,236**	**423,698**	**436,245**	**498,657**
Earned operating revenues					
Memberships	5,419	6,614	7,272	8,892	10,979
Admissions	38,120	47,030	53,042	49,325	54,646
Other earned revenues	73,961	105,643	111,136	153,035	159,193
Total earned revenues	**117,500**	**159,287**	**171,450**	**211,251**	**224,818**
Total operating revenues	**506,738**	**576,523**	**595,148**	**647,496**	**723,475**
Capital revenues					
Government	49,976	32,026	33,982	39,202	31,950
Institutional/private	24,454	30,544	19,352	13,745	14,374
Other capital revenues	5,595	4,382	2,994	8,693	5,974
Total capital revenues	**80,024**	**66,952**	**56,327**	**61,639**	**52,298**
Operating expenditures					
Wages	285,136	285,975	286,153	298,950	352,325
Artifacts	6,447	6,043	10,746	10,982	18,445
Other operating expenses	206,184	273,150	281,899	322,201	360,849
Total operating expenditures	**497,767**	**565,168**	**578,798**	**632,132**	**731,618**
Capital expenses					
Purchase and construction	40,413	19,240	13,524	11,411	26,339
Renovations	18,227	18,501	22,114	24,099	34,198
Other capital expenses	32,195	45,116	31,913	33,245	23,012
Total capital expenses	**90,835**	**82,857**	**67,551**	**68,755**	**83,549**
			number		
Employment					
Full-time	5,528	5,555	5,367	5,552	5,780
Part-time	6,362	6,020	6,562	6,526	6,388
Volunteers	38,415	36,561	29,990	28,021	32,688

Note: ‘All museums’ include art museums, history museums, community museums and other museums (such as those whose primary function is multidisciplinary, sciences and technology or others such as nursing, religious and industrial museums).
Source: Statistics Canada, Survey of heritage institutions, 2002/2003, Catalogue no. 87F0002XIE.

Profile of art museums in Canada

	1993-1994	1995-1996	1997-1998	1999-2000	2002-2003
Number of institutions	**178**	**186**	**181**	**185**	**203**
Attendance (‘000)	**5,589**	**5,842**	**5,783**	**6,093**	**6,745**
			thousands of dollars		
Unearned operating revenues					
Government	108,568	114,356	119,220	114,086	129,210
Institutional/private	15,113	18,743	20,319	23,450	27,933
Total unearned revenues	**123,681**	**133,098**	**139,539**	**137,535**	**157,143**
Earned operating revenues					
Memberships	2,295	2,465	3,172	3,829	4,255
Admissions	4,347	6,590	7,258	8,965	8,662
Other earned revenues	27,681	34,865	43,277	45,985	57,480
Total earned revenues	**34,323**	**43,919**	**53,708**	**58,779**	**70,397**
Total operating revenues	**158,004**	**177,017**	**193,247**	**196,314**	**227,540**
Capital revenues					
Government	12,981	7,543	11,172	14,546	13,024
Institutional/private	6,528	3,274	2,397	1,369	2,321
Other capital revenues	2,689	2,793	1,115	4,983	5,372
Total capital revenues	**22,197**	**13,609**	**14,684**	**20,898**	**20,716**
Operating expenditures					
Wages	76,676	76,893	84,874	87,572	103,187
Artifacts	4,861	3,684	6,161	6,377	11,773
Other operating expenses	75,142	92,101	94,192	107,987	116,906
Total operating expenditures	**156,679**	**172,678**	**185,226**	**201,936**	**231,866**
Capital expenses					
Purchase and construction	5,379	4,011	582	2,947	4,943
Renovations	7,597	2,262	4,487	2,959	8,463
Other capital expenses	8,401	16,778	17,234	16,120	9,502
Total capital expenses	**21,376**	**23,051**	**22,303**	**22,026**	**22,907**
			number		
Employment					
Full-time	1,627	1,503	1,553	1,566	1,625
Part-time	1,286	990	1,372	1,407	1,308
Volunteers	11,013	8,566	7,031	6,683	6,969

Source: Statistics Canada, Survey of heritage institutions, 2002/2003, Catalogue no. 87F0002XIE.

Profile of history museums in Canada

	1993-1994	1995-1996	1997-1998	1999-2000	2002-2003
Number of institutions	**254**	**293**	**278**	**292**	**305**
Attendance ('000)	**8,760**	**9,954**	**9,009**	**8,951**	**9,503**
			thousands of dollars		
Unearned operating revenues					
Government	108,982	130,409	128,077	128,105	133,427
Institutional/private	11,776	13,241	19,041	22,010	16,424
Total unearned revenues	**120,759**	**143,651**	**147,119**	**150,115**	**149,851**
Earned operating revenues					
Memberships	465	816	639	846	1,060
Admissions	12,842	16,643	20,977	15,971	15,397
Other earned revenues	18,160	29,937	33,562	41,258	44,762
Total earned revenues	**31,466**	**47,396**	**55,178**	**58,076**	**61,220**
Total operating revenues	**152,225**	**191,047**	**202,297**	**208,190**	**211,070**
Capital revenues					
Government	9,149	8,534	5,392	10,443	5,297
Institutional/private	8,792	11,498	4,789	5,321	5,837
Other capital revenues	523	415	586	484	78
Total capital revenues	**18,463**	**20,447**	**10,766**	**16,247**	**11,211**
Operating expenditures					
Wages	91,162	89,659	85,568	89,209	94,351
Artifacts	859	1,049	1,184	1,218	2,264
Other operating expenses	55,623	100,055	105,111	106,243	112,810
Total operating expenditures	**147,644**	**190,763**	**191,863**	**196,669**	**209,425**
Capital expenses					
Purchase and construction	22,106	6,524	1,183	5,549	17,144
Renovations	2,634	4,912	8,795	8,605	14,734
Other capital expenses	3,727	4,826	4,153	4,146	4,513
Total capital expenses	**28,466**	**16,261**	**14,131**	**18,300**	**36,391**
			number		
Employment					
Full-time	1,530	1,633	1,469	1,577	1,430
Part-time	1,602	1,723	1,692	1,526	1,584
Volunteers	6,490	8,018	5,939	5,964	6,587

Note: History museums include those whose primary funtion is human history, natural history and science, military and fort, maritime, transportation, and sports or hall of fame.
Source: Statistics Canada, Survey of heritage institutions, 2002/2003, Catalogue no. 87F0002XIE.

HOW ARE WE DOING?

We hope you find this bulletin both informative and useful. Your views on the information and analysis contained in this issue, or previous issues, of *Focus on Culture* are important as they help us to meet your needs for information about culture in Canada. Please let us know how we are doing.

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