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The culture sector labour force: Has the 1990s boom turned to bust?

By Michel Durand

The forces of economic, social, political and technological change are radically transforming the world of culture and its labour force. The 1980s saw a rapid expansion of the culture workforce to meet increased demand for culture goods and services. This period of growth paused with the 1990-91 recession; jobs, earnings and revenues all fell off. With the end of the recession the labour market rebounded and culture workers rode this high employment wave throughout the remainder of the decade. Many factors influence the well-being of Canada's culture sector and its workforce: the country's general economic conditions; government programs and policies; and consumer demand, of both domestic and imported culture goods and services.

Countries have become more conscious of the role that culture plays in their development, their identity and the sustenance of their value systems. In many countries culture sectors are now targets of international economic development policies. Global trade and the continued high demand in Canada for imported culture goods and services makes the culture economy in this country (and in turn employment in the culture sector) variable and highly competitive.

The direct impact of the culture sector in Canada, as measured by its contribution to Gross Domestic Product (GDP), was estimated at $26 billion in 2001, with total direct employment reaching an estimated 740,000 jobs.[1] With only modest growth in Canadians' spending on culture activities throughout the 1990s, Canada's culture sector may increasingly look to the export market to help counteract slower growth in the domestic market.

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[1] *Estimates were developed by the Culture Statistics Program using the expenditure or final demand approach, consisting of the sum of all sales which firms have made to final users (to consumers, to governments, to businesses on capital accounts, or in export markets).*

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Defining the Culture Sector

The system used to classify industries, including the culture sector, is the North American Industrial Classification System (NAICS). This study used the following NAICS industry codes to examine employment growth in the culture sector:

3231: Printing and related support activities
3343: Audio and video equipment manufacturing
4512: Book, periodical and music stores
5111: Book, newspaper, periodical publishers
5121: Motion pictures and video industries
5122: Sound recording industries
5131: Radio and public broadcasting
5132: Pay TV and specialty television
5141: Information services
5413: Architecture*
5414: Specialised design services
5418: Advertising and related services
7111: Performing arts companies
7115: Independent artists, writers and performers
7121: Heritage institutions

It should be noted that employment data for the following culture industries are not available from the LFS: arts and culture education; government culture departments and agencies; manufacturing of culture goods; wholesale of culture goods; retail of culture goods; and support industries (unions, associations, etc.).

These exclusions primarily explain the difference between the culture sector workforce count of 578,000 workers in 2001 and the economic impact employment figure of 733,000 jobs.

Defining the Culture Sector Workforce

The culture sector workforce in this study is broken down as follows:

- Workers occupying culture occupations (e.g., performing artists, authors, composers, dancers, etc.) in the culture sector industries: some 174,000 workers in 2001.
- Workers in non culture occupations in the culture sector industries (e.g., clerks, secretaries, accountants, and salespeople, etc.): some 404,000 workers in 2001.

The LFS classifies as full-time, persons who usually work at least 30 hours a week at their primary occupation.

* The four-digit architecture code cannot be used because it includes activity that is not part of culture. The occupation code for architects is used instead.

Consumer spending on culture goods and services in Canada slows in the 1990s

Spending on culture goods and services in the 1990s was sluggish. When accounting for the growth in the number of households and price increases (inflation), the average Canadian household increased expenditures on culture activities and events by 4% between 1992 and 2000 (or 0.5% annually). This compares to an increase of 7% for all goods and services (or 0.8% annually).

Furthermore, the overall participation rate in culture activities actually declined 6.5% between 1992 and 1998.[2] The discrepancy between participation and expenditure may be explained by price increases for many culture goods and services. While consumers are spending more on culture activities than they did ten years ago at an aggregate level, in many cases this may be due to higher prices rather than increased demand.[3]

2 *General Social Survey (GSS), 1992 and 1998, Supplement on Culture Activities.*
3 *Cromie, Mary & R. Handleman, 1999, "Consumption and participation in the culture sector,"* Focus on Culture, *Vol. 11, No. 3; and Statistics Canada, 2001, "Canadian Culture in Perspective: A Statistical Overview," 2000 Edition (Statistics Canada Catalogue no. 87-211-XPB), pp. 56-71.*

Table 1

Annual average expenditure on culture per household grew more slowly than overall household expenditures

1992 = 100	Average expenditure per household							
Category of expenditures	1992	1996	1997	1998	1999	2000	Average annual change	Change: 1992 to 2000
	Constant $1992						%	
Cultural events and activities	991	1,002	1,009	1,033	1,032	1,030	0.5	3.9
Cultural equipment (selected)	374	389	413	437	433	488	3.4	30.5
Total – Household expenditures on cultural events, activities and selected equipment	1,365	1,391	1,422	1,471	1,465	1,518	1.3	11.2
Household expenditures on all products and services (excluding personal taxes)	36,169	36,187	36,536	37,198	37,930	38,610	0.8	6.7

Source: Statistics Canada, Survey of Family Expenditures (FAMEX), 1992, 1996, 1997 and Survey of Household Spending, 1998 to 2000.

How do we convert the Survey of Household Spending (SHS) data from current to constant dollars?

The consumer price index (CPI), which measures the rate of price change for various goods and services bought by Canadians, is used to deflate the value of current to constant dollars. A number of CPI indexes relevant to the culture sector were selected and assigned a value of 100 for 1992. For the vast majority of spending categories in the Survey of Household Spending, there is a one-to-one match to categories of CPI indexes or a very close facsimile. The listing below shows some examples of these matches:

Spending category in the SHS	CPI Index Used
Newspapers	Newspapers
Magazines	Magazines and periodicals
Rental of cablevision and satellite services	Cablevision (including pay TV)
Artists' materials, handicrafts and hobbycraft kits	Toys, games & hobby supplies

For the two spending categories "works of art, carvings and vases" and "antiques," the closest matches with the CPI for "furniture" and "durable goods" are used, respectively. Finally, there is one spending category, "CDs, tapes, videos and videodiscs", for which a new combined index was created.

Once the CPI for each year from 1992 (base year = 100) to 2000 is tabulated, the corresponding expenditures related to the SHS are divided by it and multiplied by the base year. The resulting data in constant dollar values provide a better indicator of real growth in expenditures because the effects of inflation are removed.

For detailed information on the CPI, please consult Statistics Canada**,** *Your Guide to the Consumer Price Index*, Catalogue no.62-557-XPB, 1996.

Job growth in the culture sector outpaces that of the overall labour market

Culture sector employment grew twice as fast as the total workforce in the 1980s. Despite some erosion in consumer participation in the 1990s, the sector maintained strong employment growth. Over fifteen million Canadians were employed in 2002 and 577,000 (3.7%) of them worked in the culture sector (Table 2). While the total number of employed workers in Canada grew 20% between 1991 and 2002, the growth in employment in the culture sector was significantly higher at 31%. However, most of this growth occurred before 1999. In fact, the culture sector workforce hardly increased between 2000 and 2002.

Both full-time and part-time jobs in the culture sector grew significantly between 1991 and 2002 (Table 3). The number of full-time jobs reached 460,000 in 2001, a 27% increase (or 2.4% annually) over 1991. But the number of full-time culture jobs declined 3% in 2002 to 449,000. The number of part-time jobs, however, continued to grow, increasing 63% (or 4.6% annually) between 1991 and 2002 (Table 2). Over the same period, the unemployment rate for workers in the culture sector dropped from 7.9% to 6.4%. Moreover, workers in the culture sector enjoyed lower unemployment rates than the workforce at large (10.3% in 1991 and 7.7% in 2002).

Export market and government contributions boost culture sector employment

Given the weak domestic market for culture products in the 1990s, averaging 1.3% annual growth[4] between 1992 and 2000 (Table 1), much of the increase in culture

[4] *As measured by the average annual growth rate in household spending on culture events, activities and equipment. See box entitled "How do we convert the Survey of Household Spending (SHS) data from current to constant dollars?"*

Table 2

The culture sector labour force grew more rapidly than the total labour force, 1991 to 2002

	1991	1998	1999	2000	2001	2002	Average annual change	Total change, 1991 to 2002
							%	
Culture sector								
Total employed workers	442,305	518,853	540,497	575,954	577,823	577,231	2.4	30.5
Annual change (%)		17.3	4.2	6.6	0.3	-0.1		
Unemployment rate (%)	7.9	4.7	5.1	4.4	5.3	6.4	-1.9	-18.9
Culture share (%) of total workforce	3.4	3.7	3.7	3.9	3.8	3.7	0.8	8.8
All sectors								
Total employed workers (000's)	12,851	14,140	14,531	14,910	15,077	15,412	1.7	19.9
Annual change (%)		2.7	2.8	2.6	1.1	2.2		
Unemployment rate (%)	10.3	8.3	7.6	6.8	7.2	7.7	-2.7	-25.7

Source: Statistics Canada, Labour Force Survey.

Table 3

Private sector and self-employed business in the culture sector grew during most of 1990s

Number of employees in the culture sector	1991	1992	1998	1999	2000	2001	2002	Average annual change	Total change, 1991 to 2002
	Number (000's)							%	
Public sector	44,631	51,417	40,850	38,030	38,996	42,885	36,017	-1.9	-19.3
Private sector	303,348	295,333	334,147	364,359	388,133	388,114	393,600	2.4	29.8
Self-employed and family business	94,279	93,155	143,797	138,054	148,776	146,764	147,556	4.2	56.5
Total	442,258	439,905	518,794	540,443	575,905	577,763	577,173	2.4	30.5
	Allocation (%)								
Public sector	10.1	9.5	7.9	7.0	6.8	7.4	6.2	-4.3	-38.2
Private sector	68.6	65.8	64.4	67.4	67.4	67.2	68.2	-0.1	-0.6
Self-employed and family business	21.3	24.7	27.7	25.5	25.8	25.4	25.6	1.7	19.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0		

Source : Statistics Canada, Labour Force Survey.

employment can be attributed to increases in government grants and contributions[5] and the healthy performance of the sector in the export market. All levels of government have fostered growth of the culture sector, using a variety of measures such as tax incentives for companies and financial support for artists. In particular, federal and provincial government assistance for export activities has assisted Canadian film and television, publishing, and sound recording companies to penetrate foreign markets.

Only in the past 10 years or so has the Canadian culture sector, especially film and video production and the music industry, made significant inroads into foreign markets. For example, export sales in 1999/2000 accounted for 42% of the total production revenue of Canadian film and video producers compared with 14% in 1991/92.[6] Sales of exported culture products increased about 38% between 1996 and 2000, to reach $4.5 billion.[7] Much of the growth of the culture sector workforce can be accounted for by this increased penetration into foreign markets.

For many culture industries, government assistance remains essential for their survival, although the proportions of grants and contributions to total revenue vary considerably by discipline. The proportions range from a few percentage points for book and periodical publishing, music, film and broadcasting industries, to 25% to 35% for festivals and not-for-profit performing arts, and to over 60% for heritage institutions.[8] Growth in the culture workforce over the 1990s can be attributed in part to increases in government assistance. In 2000/01, federal and provincial government funding of culture activities and institutions in the form of grants and contributions reached almost $1.9 billion, a 30% increase over 1995.[9]

Public sector employment drops and self-employment rises steeply

The culture sector is composed of three types of businesses: public institutions, private businesses, and the self-employed (Table 3). The growth in the workforce in each business type varied considerably over the last decade. The number of culture sector employees working in public institutions dropped 30% from a high of 51,000 in 1992 to 36,000 in 2002. Culture jobs in public institutions represented 6.2% of the culture workforce in 2002, down from 10.1% in 1991. The number of culture jobs in private businesses increased 30% over the same period to 394,000 (Table 4).

The number of self-employed workers in the culture sector increased 57% (or 4.2% annually) between 1991 and 2002, to reach almost 148,000. Self-employment is indeed a striking feature of the culture sector workforce. One in four workers in the culture sector was self-employed in

5 *Grants and contributions represent direct financial assistance to artists and organizations in the culture sector.*

6 *Statistics Canada, Survey of Film, Video and Audio-visual Production, 1999/2000.*

7 *Carter, Cindy and Michel Durand, "Market opportunities: International trade of culture goods and services,"* Focus on Culture, *Vol. 12, No. 4, p. 4, Table 2a.*

8 *Statistics Canada, Survey of Performing Arts and Survey of Heritage Institutions, 1998/1999.*

9 *Statistics Canada, Government expenditures on culture (Statistics Canada Catalogue no 87F0001XPB).*

Table 4

Employment in part-time occupations in the culture sector grew over the decade

Occupations	1991	1998	1999	2000	2001	2002	Average change, 1991 to 2002	Total change, 1991 to 2002
	Number						%	
Culture sector								
Full-time occupations	363,685	406,317	430,981	456,528	460,795	448,819	1.9	23.4
Part-time occupations	78,619	112,514	109,442	119,334	117,002	128,412	4.6	63.3
Total occupations	442,304	518,831	540,423	575,862	577,797	577,231	2.4	30.5
	Allocation (%)							
Full-time occupations	82.2	78.3	79.7	79.3	79.8	77.8	-0.5	-5.4
Part-time occupations	17.8	21.7	20.3	20.7	20.2	22.2	2.0	24.7
Total occupations	100	100	100	100	100	100		
	Number (000's)						%	
All sectors								
Full-time occupations	10,505	11,467	11,849	12,208	12,345	12,528	1.6	19.3
Part-time occupations	2,346	2,674	2,682	2,702	2,732	2,884	1.5	22.9
Total occupations	12,851	14,140	14,531	14,910	15,077	15,412	1.6	19.9
	Allocation (%)							
Full-time occupations	81.7	81.1	81.5	81.9	81.9	81.3	0.0	-0.6
Part-time occupations	18.3	18.9	18.5	18.1	18.1	18.7	-0.1	2.5
Total occupations	100.0	100.0	100.0	100.0	100.0	100.0		

Source: Statistics Canada, Labour Force Survey.

Table 5

Most occupations in the culture sector held by the self-employed or are part of family businesses

Number of employees in culture occupations	1991	1998	1999	2000	2001	2002	Average annual change	Total change, 1991 to 2002
	Number						%	
Public sector	11,451	10,544	9,567	10,507	11,537	7,627	0.1	-33.4
Private sector	42,052	49,305	64,908	67,622	72,376	64,479	5.1	53.3
Self-employed and family	51,326	82,021	89,564	94,945	89,701	99,702	5.2	94.3
Total	104,829	141,870	164,039	173,074	173,614	171,808	4.7	63.9
	%							
Public sector	10.9	7.4	5.8	6.1	6.6	4.4	-4.4	-59.4
Private sector	40.1	34.8	39.6	39.1	41.7	37.5	0.4	-6.4
Self-employed and family	49.0	57.8	54.6	54.9	51.7	58.0	0.5	18.5
Total	100.0	100.0	100.0	100.0	100.0	100.0		

Source: Statistics Canada, Labour Force Survey.

2002 (Table 3), notably higher than the 15% the self-employed made up of the entire workforce.[10] Even more striking, 58% of all those employed in *culture occupations*[11] in the culture sector in 2002 were self-employed (Table 5).

Why is self-employment so prevalent in the culture sector? Is it the nature of the work, the type of worker who gravitates to culture employment, or is the sector unable to support full-time salaried employees? Some

[10] *Statistics Canada, Labour Force Survey.*
[11] *See box entitled "Culture occupations: What are they and how are they determined?"*

research points to employer practices, such as downsizing and subcontracting, as a driving force.[12] On the other hand, it is argued that some workers prefer certain lifestyle aspects of their self-employment experience, in particular the independence, flexibility, and the variety that self-employment offers. In volatile sectors such as culture, some self-employed workers may prefer to control their own work lives. By having multiple clients or projects they are not "putting all their eggs in one basket" and, therefore, do not have to depend on the fortunes of one employer. Finally, the rapid growth of particular culture industries could also be a factor. The film and video business, for example, is dependent on self-employed or freelance workers because much of their work is done on a project-by-project basis.

Culture occupations also rode the high employment wave

Of the 577,000 employees in the culture sector in 2002, about 30% of them worked in *culture occupations*, such as creative and artistic production, and heritage collection and preservation. The number of jobs in culture occupations rose 66% (or 5.2% annually) between 1991 and 2001, reaching almost 174,000 jobs by 2001 before decreasing 2% the following year to about 172,000 jobs (Table 5). Employment in both private and public culture occupations dropped in 2002. Almost four out of every five jobs in culture occupations were full-time. Many culture occupations fared well in the 1990s, with over 100% growth, but some grew at an even faster pace. In particular, growth of more than 125% over the 1991 to 2002 period occurred in the "producer, director, choreographer," "actor," "dancer," "theatre, fashion, and exhibit designers," and "artisans and craftspersons" occupation categories (Table 6).

Creative and performing artists continue to struggle financially

Canada has many prominent Canadian artists and success stories. Best-selling authors are frequently in the news, along with top-selling recording artists, actors, directors, composers, painters and others. However, the Survey of Labour and Income Dynamics (SLID) suggests that for every successful creative and performing artist there are many with earnings below those of the average Canadian worker.

Although 80% of those in culture occupations are employed full-time, some culture occupations do not conform to the traditional pattern of full-time work. For example, many creative and performing artists do not have steady work and have low annual incomes from their professional occupations and supplement them with revenue generated by part-time work outside their area of professional expertise. Others may face a lack of steady income as they often move from one job to another. The incidence of multiple jobs and income sources, and on-again, off-again employment patterns, are very common in this field. Overall, culture workers earned, on average, $28,000 in 1999 compared to $30,000 for

Culture occupations: What are they and how are they determined?

The Labour Force Survey codes occupations using the 1991 Standard Occupational Classification System (SOC91). Culture occupations include occupations involved in creative and artistic production and in heritage collection and preservation. More specifically, the 1991 SOC codes below were selected as culture occupations for this study:

Creative and artistic production occupations

C051 Architects
C052 Landscape architects
C152 Industrial designers
F021 Writers
F022 Editors
F023 Journalists
F031 Producers, directors, choreographers and related occupations
F032 Conductors, composers and arrangers
F033 Musicians and singers
F034 Dancers
F035 Actors
F036 Painters, sculptors and other visual artists
F121 Photographers
F132 Other performers
F141 Graphic designers and illustrating artists
F142 Interior designers
F143 Theatre, fashion, exhibit and other creative designers
F144 Artisans and craftpersons

Heritage collection and preservation occupations

F011 Librarians
F012 Conservators and curators
F013 Archivists

[12] *Ekos Research Associates Inc. for Human Resources Development Canada, July 2002. Technical Report: "Lessons Learned on Own-Account Self-Employment in Canada."*

Table 6

Average annual growth rate of 5% for culture occupations in the culture sector, 1991 to 2002

Culture occupations in the culture sector	1991	1998	1999	2000	2001	2002	Average annual change	Total change, 1991 to 2002
							%	
C051: Architects	8,766	11,047	12,382	15,446	11,261	14,651	4.8	67.1
C052: Landscape architects	1,024	924	1,566	1,312	2,267	1,620	4.3	58.2
C152: Industrial designers	1,301	1,434	2,179	1,724	778	1,542	1.6	18.5
F011: Librarians	6,689	6,682	4,355	5,903	6,775	4,477	-3.6	-33.1
F012: Conservators and curators	952	1,523	733	1,004	2,038	1,248	2.5	31.1
F013: Archivists	606	34	588	419	571	372	-4.3	-38.6
F021: Writers	8,791	14,092	14,469	13,746	15,776	17,913	6.7	103.8
F022: Editors	6,035	6,243	6,336	8,504	9,572	6,341	0.5	5.1
F023: Journalists	8,432	7,466	8,838	12,093	10,009	10,531	2.0	24.9
F031: Producers, directors, choreo	8,760	17,868	26,845	23,171	24,942	21,478	8.5	145.2
F032: Conductors, composers and	1,045	622	1,004	1,140	1,462	1,621	4.1	55.1
F033: Musicians and singers	10,783	12,421	10,638	10,681	12,486	12,718	1.5	17.9
F034: Dancers	343	1,722	2,627	1,639	953	1,690	15.6	392.7
F035: Actors	1,922	6,442	6,086	7,314	6,709	6,103	11.1	217.5
F036: Painters, sculptors and other	7,224	10,568	11,324	10,635	8,630	9,318	2.3	29.0
F121: Photographers	1,177	875	915	761	754	1,367	1.4	16.1
F132: Other performers	1,211	1,609	2,723	2,456	1,204	1,064	-1.2	-12.1
F141: Graphic designers and illustr	20,425	31,366	35,589	40,946	43,190	39,724	6.2	94.5
F142: Interior designers	6,530	5,415	9,550	8,582	7,813	8,562	2.5	31.1
F143: Theatre, fashion, and exhibit	1,899	2,171	3,704	3,794	4,470	4,417	8.0	132.6
F144: Artisans and craftspersons	880	1,408	1,660	1,873	2,027	5,128	17.4	482.7
Total culture occupations	**104,795**	**141,932**	**164,111**	**173,143**	**173,687**	**171,885**	**4.6**	**64.0**

Source: Statistics Canada, Labour Force Survey.

Table 7

Earnings for culture occupations growing at above-average pace, led by paid employment

Mean earnings*	1996	1997	1998	1999	Average annual change	Total change, 1996 to 1999
	Constant $1999				%	
Culture occupations						
Overall	24,838	27,073	27,345	28,291	4.4	13.9
Paid worker	31,187	32,081	33,194	35,068	4.0	12.4
Self employed	16,593	19,070	16,682	17,636	2.1	6.3
All other occupations						
Overall	27,955	28,760	30,185	30,143	2.5	7.8
Paid worker	28,521	29,333	30,771	30,508	2.3	7.0
Self employed	25,221	25,386	26,382	28,436	4.1	12.7
Ratio of culture to all other occupations						
Overall	0.89	0.94	0.91	0.94		
Paid worker	1.09	1.09	1.08	1.15		
Self employed	0.66	0.75	0.63	0.62		

Source: Statistics Canada, Survey of Labour and Income Dynamics.

** For this study, earnings consist of wages and salaries, non-farm self-employment income, and an adjustment to capture dividends drawn by working owners of incorporated businesses. In the case of multiple job-holders, earnings are for all jobs. However, occupational categories are based on the person's main job. Data shown represent average earnings for those who held at least one job in the year, and for whom an occupation could be identified. Figures are presented in 1999 constant dollars. Data for other years have been deflated using the Consumer Price Index.*

workers in other occupations. This difference does not appear substantial until one examines the differences between salaried and self-employed workers.

Paid employees in culture occupations had average earnings from all jobs of $35,000 in 1999 (Table 7), 15% higher than the average earnings of paid workers in other occupations ($31,000). The higher rate is due, at least in part, to higher average education levels and longer hours worked. The Labour Force

Survey shows that most culture job holders have a post-secondary degree or diploma. In fact, 83% of culture workers reported having a degree, compared to 62% of all workers in 1999. Even so, SLID data show that the premium for higher education is lower for culture occupations than it is for other types of work.[13] The most recent SLID earnings estimates show self-employed culture workers earned on average $18,000. This average is some 60% of the average earnings for the self-employed in other occupations ($28,000) and 50% of the earnings for culture workers with paid employment.

The culture sector in the new millennium

Although the workforce has continued to grow, employment in the culture sector grew by only 0.3% in 2001. The domestic culture industry is facing increased pressures from imports of culture goods and services. The value of imported culture goods, services and intellectual property reached $7.5 billion in 2000, up 23% from 1996.[14] In 2000, 43% of the record sales of Canadian-controlled firms were sales of recordings by foreign artists.[15] In 2000/2001, imports by Canadian-controlled firms accounted for 43% of book sales, and 57% of the film and video distribution revenue of Canadian-controlled companies.[16]

While imports generate an estimated 200,000 to 300,000 jobs in Canada[17] (mostly administrative and support staff), they also offer strong competition for Canadian works. Because it remains extremely difficult to develop, produce and distribute Canadian products at a profit given the relatively small size of the market, the culture sector in Canada remains very much dependent on the import of culture commodities.

Public sector policies and programs, levels of business and private investment, consumer demand, and levels of imports/exports all affect the growth of the culture sector labour force in Canada. Future growth may also depend increasingly on opportunities offered by the international marketplace and new technologies. This is particularly important given the modest growth in consumer demand achieved on the domestic front and the public sector's limited ability to increase funding.

13 *Culture Statistics Program, Unpublished analysis based on SLID data, 1996 to 1999.*
14 *Carter, Cindy and Michel Durand, "Market opportunities: International trade of culture goods and services,"* Focus on Culture, *Vol. 12, No. 4, p. 5.*
15 *Statistis Canada, Sound Recording Survey, 2000.*
16 *Statistics Canada, Survey of Book Publishers and Exclusive Agents, 2000/2001; and Film, Video and Audio-Visual Distribution and Videocassette Wholesaling Survey, 2000/2001.*
17 *Michel Durand, Final Report, Culture Trade and Investment Project, 1998/1999.*

***Michel Durand** is Senior Advisor, Culture Research and Analysis.*

My money, my choice: Exploring consumer spending on entertainment services

By Christy Chesley, Teresa Janz, and Brad Snider

Where will you choose to spend your entertainment dollar? Will you go to see a movie? How about the symphony? Or would you rather stay in and catch a movie on TV? As options in the consumer entertainment market expand and people have greater choice in the entertainment services available to them, consumers will increasingly be able to pick and choose where to spend their entertainment dollars. In 2001, Canadians spent a total of $8.7 billion[1] on entertainment services, ranging from the rental of cablevision and satellite services to attendance at live sporting events. In 2001 constant dollars, (see section on methodology) this represented an increase in spending of 11% from 1997.

As the entertainment market continues to grow, service providers face challenges in retaining existing users and attracting new ones.[2] News stories of struggling movie chains and professional sports teams have become quite common. Entertainment services industries rely on spending by various types of households. Knowledge about the characteristics of consumers and their spending patterns enables entertainment service providers to market their products to meet the needs of the current market, and to develop programs to attract new consumers.

In 2001, the average household spent 1.3% of its total expenditures on a variety of entertainment pursuits. Although this is a relatively small portion of a household's total budget, most households report spending on at least one entertainment service in a given year. Such spending is generally considered discretionary,

1 *Households were included only if at least one member was present for the entire year. Thus, the total spending was understated by roughly $112.1 million or 1.3% of total spending on entertainment services.*
2 *Little, D., and R. Beland.1999. "Can I help you?: The rise in household spending on services."* Analytical Paper Series, *Services Division, Statistics Canada, Catalogue no. 63F0002XPB, p. 21.*

Table 1

Household spending on entertainment services, Canada, 1997 and 2001 (2001 constant $)

	1997					2001				
	Total spending*	Average expenditure per household	Percent reporting	Average expenditure per household reporting	Percentage of total entertainment services expenditure	Total spending*	Average expenditure per household	Percent reporting	Average expenditure per household reporting	Percentage of total entertainment services expenditure
	$ million	$	%	$	%	$ million	$	%	$	%
Total household expenditure	**590,114**	**54,265**	**100.0**	**54,265**	**n.a.**	**667,032**	**57,742**	**100.0**	**57,742**	**n.a.**
Entertainment services expenditure	**7,842**	**721**	**100.0**	**721**	**100.0**	**8,668**	**750**	**100.0**	**750**	**100.0**
Video game rental	116	11	11.5	93	1.5	133	11	11.7	98	1.5
Rental of videotapes and video discs	1,255	115	61.7	187	16.0	1,153	100	60.4	165	13.3
Movie theatres	955	88	58.5	150	12.2	1,157	100	60.6	165	13.3
Live sports events	478	44	21.4	206	6.1	440	38	18.5	206	5.1
Live performing arts	900	83	38.0	218	11.5	815	71	35.9	197	9.4
Admission to museums and other activities	401	37	35.4	104	5.1	374	32	31.9	101	4.3
Rental of cablevision and satellite services	3,737	344	71.7	479	47.7	4,597	398	77.3	515	53.0

Source: Statistics Canada, Survey of Household Spending, 1997, 2001.
* *Total spending does not cover the entire market for entertainment services since it includes only spending by private households (i.e., business spending is not included). Furthermore, total spending was understated by roughly 1.3% since only full-year*

reflecting consumer preferences for available services. Previous research looking at differences in spending on entertainment services has shown that consumer preferences vary across socio-economic factors such as income, household type, and geographical region.[3] This article examines household spending on entertainment services in 2001, focusing on differences in spending by household type and income.

Spending on entertainment services increased but at a slower rate than overall spending

While total household expenditures increased 13% between 1997 and 2001, entertainment expenditures increased only 11%. Canadian households spent $8.7 billion on entertainment in 2001, an average of $750 per household. This compares to a total of $7.8 billion, or an average of $720, in 1997.

"Cocooning" continues: more than half of a household's entertainment budget now goes to cablevision and satellite rental services

Similar to entertainment spending patterns in 1997, there was evidence that Canadians continued to "cocoon" in 2001, spending more on entertainment inside the home and less outside the home. For example, the percentage of entertainment spending that went to the rental of cablevision / satellite services increased from 48% in 1997, to 53% in 2001, while the average expenditure per household on these services increased from $344 to $398.[4]

Movie theatre admissions was the only other category of entertainment on which Canadians spent significantly more in 2001 than they did in 1997.[5] Not only did more households attend movies in 2001, they also spent more, on average, on movie admissions than in 1997. Although movie theatres struggled in 2001,[6] households spent an average of $100 on movie theatre admissions, a 14% increase over 1997.

Attendance at live sporting events, museums and performing arts losing ground in popularity

In 2001, relative to 1997, there were 10% fewer households reporting

3 *Stafford, J. 2002. "Consumer demand for entertainment services."* Servies Indicators. *Statistics Canada, Catalogue no. 63-016.*
4 *Note that for historical comparisons only, cable and satellite rental were grouped together as one entertainment category. Separate expenditure categories for cable and satellite were only available for 2001.*
5 *The percent reporting spending on video game rentals also increased but this increase was not statistically significant.*
6 *In the 2000/01 fiscal year, the movie theatre industry suffered an operating loss of $26.5 million. Statistics Canada,* The Daily, *June 4, 2003.*

Methodology

Data Source. The data for this article come from the 1997 and 2001 Survey of Household Spending (SHS). This is an annual cross-sectional survey.

The SHS analytical file contains detailed information concerning household spending on all goods and services, including food, shelter, transportation, recreation and other items. Detailed demographic information is also available for a number of categories such as the income and age of household members, family type and geographical area.

The detailed analyses computed for 2001 were based on 16,385 full-year Canadian households (households in which at least one member of the household resided for the entire 52-week reference year). Households from the ten provinces and three territories were included in the sample.

Entertainment services items. The following items were chosen to reflect entertainment expenditures because they conform to previous methodology:[1]

- rental of cablevision services*
- rental of satellite services*
- rental of videotapes and DVDs
- rental of video games
- admission to movie theatres
- admission to live performing arts
- admission to live sporting events
- admission to museums and other activities

Statistical significance. The significant differences reported in this paper were tested at a = 0.05.

Household types. The household types included in this article were (1) one-person households, (2) couples without children, (3) couples with children, and (4) lone-parent households. These households account for 88.8% of all Canadian households. Excluded from analysis were households with additional people such as related family members outside the nuclear family, or unrelated individuals.

Income quintiles. Households were ranked in ascending order according to their before-tax income. The ranked households were then divided into five groups, or quintiles, such that the estimated number of households in each group was the same.

2001 constant dollars. To facilitate historical comparisons, all expenditures presented in this article have been converted to 2001 dollars to account for the effects of inflation. Total household expenditure was adjusted using the Consumer Price Index (*CPI) all-items index*, cable and satellite services were adjusted using the *CPI cablevision index*, and videotapes/DVDs and video games were adjusted using the *CPI rental of videotapes index*. All other entertainment services categories were adjusted using the *CPI spectator services (excluding cablevision) index*.

* These categories were not available separately for 1997.

1 *Earl, L. 1998. "Entertainment services: a growing consumer market."* Analytical Paper Series, *Services Division, Statistics Canada, Catalogue no. 63F0002XPB, p. 23.*

Table 2

Consumer spending by income quintile, percentage of households reporting spending Canada, 2001

	Cablevision rental	Satellite rental	Videotape and DVD rental	Videogame rental	Admission to movie theatres	Admission to live sporting events	Admission to live performing arts	Admission to museums and other venues
					%			
Income quintiles								
Lowest	53.4	7.3	29.5	4.1	31.5	5.3	16.0	12.0
Second	61.4	12.8	48.7	6.4	46.2	11.1	27.6	23.7
Third	63.6	18.0	63.9	11.2	63.1	16.2	35.1	34.2
Fourth	68.8	19.3	76.6	15.7	74.9	25.8	43.4	42.2
Highest	75.1	19.3	83.2	21.4	87.1	34.2	57.5	47.7
All households	**64.5**	**15.3**	**60.4**	**11.7**	**60.6**	**18.5**	**35.9**	**31.9**

Source: Statistics Canada, Survey of Household Spending, 2001.

spending on museums and other venues, and 6% fewer going to see live performing arts. Although households that purchased tickets to sporting events in 2001 spent approximately the same as in 1997 (an average of $206), the number of households reporting expenditures on sporting events saw the largest decline of all forms of entertainment – a 14% decline. Other data regarding attendance at live sporting events also supports the notion of its decline in popularity. The Montreal Expos, for example, saw an astonishing 57% decrease in attendance between 1997 and 2001; and the Toronto Blue Jays experienced a 26% decline in attendance during the same period.[7]

The decline in popularity of live sporting events may be due, in part, to the escalating cost of ticket prices for sporting events. For example, in 1997, a family of four might have

7 *"Montreal Expos Attendance, Stadiums and Park Factors", and "Toronto Blue Jays Attendance, Stadiums and Park Factors", <http://www.baseball-reference.com/teams>.*

Table 3

Consumer spending on entertainment services, by income quintile Canada, 2001

Spending on entertainment services by:	Total spending	Average expenditure per household	Percentage of total entertainment expenditures	Percentage of total households
	$ '000s	$	%	%
Income quintiles				
Lowest	822,981	356	9.5	20.0
Second	1,265,828	548	14.6	20.0
Third	1,666,639	721	19.2	20.0
Fourth	2,045,947	886	23.6	20.0
Highest	2,866,891	1,241	33.1	20.0
All households	**8,668,287**	**750**	**100.0**	**100.0**

Source: Statistics Canada, Survey of Household Spending, 2001.

paid around $390 to attend a Toronto Maple Leafs hockey game (in constant $2001 dollars). By 2001, the cost for the same outing would have risen to about $469.[8]

Households spending less on videotape and DVD rental

In 2001, 60% of households reported spending on rental of videotapes and/or DVDs, with total expenditures nearing $1.2 billion. While 16% of the average household entertainment budget went toward videotape and DVD rentals in 1997, this percentage dropped to 13% in 2001. At the same time, the average expenditure per household on video/DVD rental decreased 12%, from $187 in 1997 to $165 in 2001. The increase in spending for cablevision/satellite services combined with the decrease in video/DVD rentals may be because of increased availability of movies through cable and satellite services. Additionally, DVDs are marketed more toward purchase than rental, compared with videos.[9]

Income: the more you have, the more you spend

Spending on entertainment services also varied by level of household income. It is not surprising that both the percentage of households that spent on entertainment and the average amount spent increased with income. Households in the highest income quintile (see Methodology box for an explanation of income quintiles) accounted for a disproportionate share of the consumer market for entertainment services in 2001. This group represented only 20% of all households, but accounted for 33% of all entertainment expenditures. In contrast, households in the two lowest income quintiles accounted for 40% of all households, but only 24% of entertainment spending in 2001.

A large majority of those in the highest income households went to the movies (87%) and rented videos/DVDs (83%), while about one-third of those in the lowest income quintile went to the movies (32%), and less than one-third rented videos/DVDs (30%). Overall, the proportion of households that reported spending on satellite rental, videogame rental and attending live sporting events was relatively small. Lower income households, however, were far less likely to report spending on these activities than were higher income households.

Examining only households that reported each type of expenditure, the average amount spent per household increased in each income quintile. All households, regardless of income, spent the largest amount of their entertainment budget on cablevision and satellite rental. The greatest difference in spending between the highest and lowest income groups occurred for admissions to live sporting events – those in the highest income group spent an average of $289 on this activity, while those in the lowest income group spent an average of just $78.

8 *The price includes the cost of four average tickets, parking, four small soft drinks, two small beer, two programmes, two caps and four hot dogs. The prices were computed using information from the website <http://www.hockeyarenas.com/fancost/fancostpageenglish.htm>. Since the prices on the website spanned two years (e.g., 2000/2001 and 2001/2002), the average price was calculated. This amount was then converted to Canadian dollars using the average US-Canadian exchange rate for the year. Finally, the 1997 amount was converted to 2001 constant dollars (see Methodology box).*

9 *"Blockbuster Profit Up Despite Slow Results," <http://news.findlaw.com/ap_stories/f/1310/10-21-2003/20031021094506_16.html> and "CBS Evening News: DVD Sales Reshaping Film Industry," <http://www.cbsnews.com/stories/2003/10/20/eveningnews/main579020.shtml>.*

Table 4

Consumer spending by income quintile, average amount spent per household reporting Canada, 2001

	Cablevision rental	Satellite rental	Videotape and DVD rental	Videogame rental	Admission to movie theatres	Admission to live sporting events	Admission to live performing arts	Admission to museums and other venues
					$			
Income quintiles								
Lowest	442	422	119	67	82	78	100	48
Second	468	471	149	85	124	118	129	68
Third	505	476	156	93	139	168	179	79
Fourth	515	478	174	103	160	183	182	102
Highest	558	532	190	106	241	289	278	147
All households	**502**	**485**	**165**	**98**	**165**	**206**	**197**	**101**

Source: Statistics Canada, Survey of Household Spending, 2001.

Table 5

Consumer spending on entertainment services, by household type Canada, 2001

Spending on entertainment services by:	Total spending	Average expenditure per household	Percentage of total entertainment expenditures	Percentage of total households
	$ '000s	$	%	%
Household type				
One-person households	1,381,508	483	15.9	24.7
Couples without children	1,794,569	688	20.7	22.6
Couples with children	3,533,957	953	40.8	32.1
Lone-parent households	847,855	783	9.8	9.4
All households*	**8,668,287**	**750**	**100.0**	**100.0**

Source: Statistics Canada, Survey of Household Spending, 2001.
** The numbers in the columns do not add to the totals because some houshold types were not included in the computations.*

Couples with children were the top spenders in most categories of entertainment

Couples with children accounted for the largest share of the entertainment market. While they made up only 32% of all households in 2001, they were responsible for 41% of expenditures for entertainment services. In 2001, couples with children spent 27% more on entertainment than the average Canadian household ($953 compared to $750). Not surprisingly, one-person households spent the smallest amount on entertainment in 2001 – an average of $483.

The entertainment services that households spent the most on were cablevision and satellite rental, going to the movies and renting videos and/or DVDs. However, substantially more households with children reported expenditures on DVD/video rental and movie admissions than did households without children.

Video games have come a long way since the 1970s game "pong". Today the selection of games is endless and they have become increasingly life-like. Given their popularity with children, it is not surprising that this market was almost exclusively the domain of households with children.

Couples with children[10] were also more likely to spend on live sporting events and admission to museums and other venues compared to other households. However, the rental of satellite services was primarily the domain of couples, whether they had children or not. Overall, households with children reported spending more than other households, on average, in all categories except satellite rental and admission to live performing arts.

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[10] Households with children are headed by either married or common-law couples or a lone-parent. Children in a household may be any age as long as they are single (never married) and there are no additional persons in the household. See "User Guide: Survey of Household Spending 2001," Cat. no. 62F0026MIE2002002, p.26.

Table 6

Consumer spending by household type, percentage of households reporting spending Canada, 2001

	Cablevision rental	Satellite rental	Videotape and DVD rental	Videogame rental	Admission to movie theatres	Admission to live sporting events	Admission to live performing arts	Admission to museums and other venues
					%			
Household type								
One-person households	58.9	7.1	36.3	2.0	43.5	11.1	29.8	20.1
Couples without children	63.5	20.6	47.9	3.4	46.2	15.7	38.4	31.4
Couples with children	66.7	19.6	81.4	23.0	78.1	26.9	39.5	44.0
Lone-parent households	68.4	9.4	74.6	20.9	72.6	15.4	35.3	28.5
All households	**64.5**	**15.3**	**60.4**	**11.7**	**60.6**	**18.5**	**35.9**	**31.9**

Source: Statistics Canada, Survey of Household Spending, 2001.

Table 7

Consumer spending by household type, average amount spent per household reporting Canada, 2001

	Cablevision rental	Satellite rental	Videotape and DVD rental	Videogame rental	Admission to movie theatres	Admission to live sporting events	Admission to live performing arts	Admission to museums and other venues
					$			
Household type								
One-person households	456	418	131	81	115	202	170	61
Couples without children	497	497	135	68	134	181	212	100
Couples with children	523	495	181	99	187	217	203	118
Lone-parent households	508	466	170	92	175	209	172	92
All households	**502**	**485**	**165**	**98**	**165**	**206**	**197**	**101**

Source: Statistics Canada, Survey of Household Spending, 2001.

Conclusion

In 2001, cablevision rental was the entertainment service of choice for the majority of Canadian households. Going to the movies and renting videotapes/DVDs were very popular as well. Taken together, spending in these three entertainment categories accounted for 76% of total entertainment spending in 2001.

The presence of children in the household made a real difference in spending patterns. Households with children represented the highest percentage of reporting households in seven of the eight categories of entertainment spending, and, on average, they spent the most in six of the eight categories.

***Christy Chesley** is an analyst with Census Management Office. Teresa Janz and Bradley Snider are analysts with Income Statistics Division.*

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Mambo Italiano – Canada-Italy culture goods trade

(First in a series of profiles of Canada's culture trade)

by Jamie Carson

When it comes to culture products such as sculptures and paintings, Italy[1] has centuries of rich cultural heritage to draw upon. It comes as no small surprise to see that Italy is a major source for culture goods imports to Canada. Between 1996 and 2002, Italy was ranked sixth in terms of Canada's suppliers of culture goods.

Imports from Italy had been flat or declining until 2001, but jumped 72% year-to-year in 2002 (see Figure 1). The increase came despite a sizable appreciation of the Euro against the Canadian dollar (on average, it cost 15 Canadian cents more to buy a Euro in late 2002 than in late 2001 – see Figure 2). Since spending on culture goods tends to increase with income, it is possible that Canada's 2002 growth since 2001 in disposable income (4.5%) and consumer spending by (4.9%) (see CANSIM Table 384-0012) contributed to the jump.

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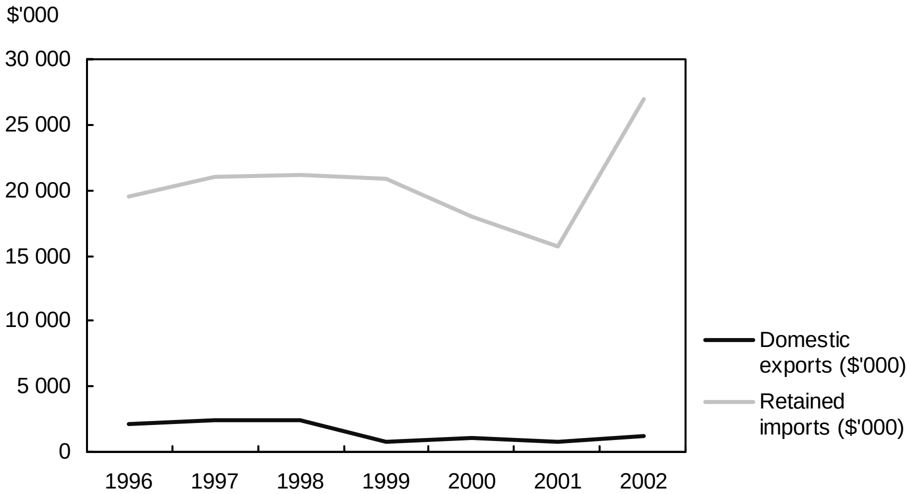
1 *Note that for statistical purposes, the trade boundary for Italy includes San Marino and Vatican City State.*

Figure 1
Canada's culture goods trade with Italy

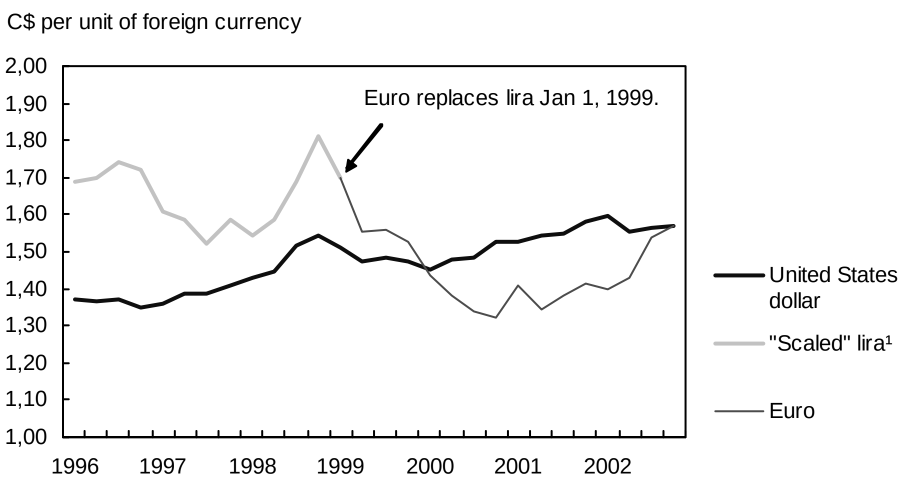


Source: *Statistics Canada, Culture Trade and Investment Project.*

Books made up 58% of the culture goods imports from Italy in 2002 ($15.7 million out of $27.0 million). The second largest category was reproductions of visual art, with a total value of $4.9 million for the year. In the 2001 census, 470,000 Canadians reported Italian as their mother tongue, making it the fourth most spoken language in Canada. Nevertheless, information published by the Associazione Italiana Editori (A.I.E., Italian Publishers Association) indicates that a sizable portion of book imports from Italy is in English, with romance novels and children's books being notable components.

In terms of exports, Italy was Canada's 20th biggest market in 2002. Canadian culture goods exports to Italy have declined by $0.9 million between 1996 and 2002 to $1.2 million. The largest decline took place in 1999, when the Canadian dollar strengthened significantly and, concurrently, the Euro came into being. Books, other printed products, and heritage objects are Canada's main culture goods sold to Italy.

Figure 2
Canadian foreign exchange versus the lira, the euro and the United States dollar (for comparison).



1. *"Scaled" lira are equal to actual units of lira x 1,936, 1,936 being the number of lira per euro as of the switchover.*

Source: *Statistics Canada, Culture Trade and Investment Project.*

As a side note, according to the A.I.E., a translation of Mordecai Richler's *Barney's Version* was a bestseller in Italy in 2001, with an estimated $5.1 million (Canadian) in bookstore sales alone. The data indicate that the edition was printed in Italy and is therefore an intellectual property export, and not a goods export.

Deducting retained imports from domestic exports, we find that Canada had a negative trade balance with Italy in terms of culture goods trade: the deficit was $25.8 million in 2002, fifth-biggest among Canada's trade partners. The current deficit is a recent high, and is a significant jump from the 2001 figure of $14.8 million (a recent low). Overall, the deficit widened by 49% between 1996 and 2002.

For more information on the sources and concepts used in this article, please contact the Culture Trade and Investment Project via carsjam@statcan.ca.

Jamie Carson *is an Economic Analyst in the Analysis and Integration Section of the Culture and Tourism Statistics Programs.*

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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 the Radio Listening Survey.

Table 1

Average hours per week of radio listening, by province, and age/sex group, Fall 2002

	Canada	N.L.	P.E.I.	N.S.	N.B.	Quebec			Ont.	Man.	Sask.	Alta.	B.C.
						English	French	Total					
Total population	**20.2**	**19.1**	**22.2**	**21.2**	**19.3**	**21.2**	**21.4**	**21.2**	**20.1**	**20.3**	**20.2**	**20.0**	**18.3**
Men:													
18 +													
18 - 24	21.3	19.4	24.2	22.7	20.0	21.2	22.5	22.2	21.2	22.5	22.5	22.0	19.2
25 - 34	16.1	12.3	17.6	14.0	13.7	13.6	16.8	16.5	15.6	19.4	19.8	17.8	15.1
35 - 49	21.4	20.3	22.8	25.2	21.4	20.2	22.3	22.1	20.2	23.7	25.2	24.1	19.1
50 - 64	22.6	18.0	29.9	21.6	21.8	23.8	24.1	24.0	22.9	23.4	22.4	21.9	20.3
65 +	22.3	22.2	23.8	24.5	20.5	21.0	23.3	22.9	22.4	22.7	21.1	24.4	19.7
	21.3	23.5	15.2	24.2	18.8	22.6	22.5	22.1	21.5	21.8	23.1	19.4	19.8
Women:													
18 +													
18 - 24	21.2	20.9	23.0	21.7	20.5	23.4	22.8	22.7	21.2	20.6	20.9	20.3	19.3
25 - 34	17.3	20.8	19.7	20.6	12.7	14.8	17.3	16.9	17.6	16.8	14.1	19.8	15.8
35 - 49	18.8	18.2	17.2	18.4	17.4	22.3	21.0	20.9	18.9	18.0	18.7	17.6	16.9
50 - 64	20.9	19.8	23.7	20.8	21.7	25.7	22.6	22.8	20.9	19.6	21.0	19.6	18.5
65 +	23.2	23.2	30.5	25.4	23.4	24.2	24.5	24.3	22.9	21.7	23.1	24.0	20.9
	23.9	22.1	15.9	22.9	22.5	24.7	25.6	25.2	24.1	25.6	23.6	20.5	23.0
Teens:													
12-17	9.4	8.8	10.0	11.1	9.7	8.9	8.1	8.2	10.0	9.2	8.7	10.4	8.6

Source: *Statistics Canada, Radio Listening Survey, Fall 2002.*
Note: *For Quebec the language classification is based on the language spoken at home. The total column includes those respondents who did not reply to the question or who indicated a language other than English or French.*

Table 2

Percentage share of radio listening by format by province, Fall 2002

	Canada	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Adult Contemporary	24.7	18.5	34.1	22.6	21.8	33.3	28.5	8.9	19.7	18.6	7.7
Album-Oriented-Rock	1.5	6.1	0.0	0.0	0.0	2.9	0.2	4.1	1.9	4.0	0.0
Canadian Broadcasting Corporation	10.8	13.1	19.2	18.7	15.7	9.6	9.2	11.4	11.1	8.7	16.2
Contemporary	8.7	7.7	0.1	0.0	0.1	17.6	4.8	8.7	4.2	10.7	6.8
Country	9.5	34.9	35.2	24.9	17.2	0.5	7.5	18.0	35.1	17.7	8.5
Dance	1.4	0.0	0.0	0.0	0.0	0.0	2.6	0.0	0.0	1.6	1.9
Easy Listening	2.6	0.1	0.0	0.0	0.0	3.1	4.2	2.6	0.0	1.5	0.0
Gold/ Oldies/ Rock	18.3	13.0	10.8	31.3	21.4	9.2	18.3	22.3	16.3	18.5	33.6
Middle-of-the-Road	3.2	0.0	0.0	0.0	2.1	3.5	5.3	0.9	0.0	1.9	0.3
Other	5.7	6.5	0.4	2.1	15.7	4.5	3.4	6.9	5.7	5.6	14.3
Sports	0.8	0.0	0.0	0.0	0.0	0.3	1.3	0.0	0.0	1.2	1.2
Talk	9.6	0.0	0.0	0.0	0.0	14.1	9.8	15.5	5.6	9.8	4.9
U.S. Stations	3.0	0.1	0.1	0.3	5.9	1.3	5.0	0.7	0.5	0.3	4.6
Total listening	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: *Statistics Canada, Radio Listening Survey, Fall 2002.*

□

DID YOU KNOW? New data from the sound recording industry, 2000

Canadian labels reported more than $861.4 million worth of revenues from the sale of sound recordings in 2000. Popular music and rock recordings continued to dominate the market, with sales of $622.9 million, or 72% of the market. Sales of jazz and blues enjoyed a surge, soaring 45.4% from 1998 to 2000. Jazz and blues labels accounted for sales of almost $55.0 million, or 6% of the total market in 2000.

Table 1
Revenue from the sale of recordings by musical category

	1995	1998	2000	1995	2000
				Market share	
		$'000		%	
Popular music/rock	663,471	651,533	622,894	75.8	72.3
Classical and related	49,538	59,653	52,528	5.7	6.1
Jazz and blues	19,847	37,816	54,993	2.3	6.4
Country and folk	65,366	51,930	43,912	7.5	5.1
Children's	25,996	20,059	13,040	3.0	1.5
Other	50,917	70,655	74,036	5.8	8.6
Total	**875,135**	**891,646**	**861,402**	**100.0**	**100.0**

Source: *Sound recording survey, 2000.*

Table 2
Profile of the sound recording industry in Canada

	1995	1998	2000
		Number	
Number of companies	254	280	331
Number of new releases	6,655	6,728	6,654
By Canadian artists	828	1,023	1,034
Other	5,827	5,705	5,620
Employment (includes freelancers)	3,221	3,377	3,305
		$'000	
Net sales of recordings	875,135	891,646	861,402
Sales of recordings by Canadian artists	127,163	154,048	137,969
Other sales of recordings	747,973	737,598	723,433
Other revenue	262,744	432,234	457,862
Total revenue	1,137,879	1,323,880	1,319,264
Total expenses	968,732	1,134,042	1,161,698
Profit/loss before taxes	169,147	189,838	157,566
Salaries, benefits and freelancer fees	135,114	149,829	167,648

Source: *Sound recording survey, 2000.*

Table 3
Profile of Canadian-controlled companies

	1995	1998	2000
		Number	
Number of companies	239	263	315
Number of new releases	1,968	1,950	2,051
By Canadian artists	667	821	868
Other	1,301	1,129	1,183
Employment (includes freelancers)	877	975	1,202
		$'000	
Net sales of recordings	121,475	103,447	112,111
Sales of recordings by Canadian artists	55,599	78,541	63,932
Other sales of recordings	65,876	24,907	48,179
Other revenue	65,125	67,199	76,771
Total revenue	186,599	170,646	188,882
Total expenses	172,548	156,545	175,425
Profit/loss before taxes	14,052	14,101	13,456
Salaries, benefits and freelancer fees	20,665	21,954	31,925

Source: *Sound recording survey, 2000.*

Table 4
Profile of foreign-controlled companies

	1995	1998	2000
		Number	
Number of companies	15	17	16
Number of new releases	4,687	4,778	4,603
By Canadian artists	161	202	166
Other	4,526	4,576	4,437
Employment (includes freelancers)	2,344	2,402	2,103
		$'000	
Net sales of recordings	753,661	788,198	749,291
Sales of recordings by Canadian artists	71,564	75,507	74,037
Other sales of recordings	682,097	712,691	675,254
Other revenue	197,620	365,036	381,091
Total revenue	951,280	1,153,234	1,130,382
Total expenses	796,185	977,497	986,273
Profit/loss before taxes	155,095	175,738	144,110
Salaries, benefits and freelancer fees	114,449	127,875	135,723

Source: *Sound recording survey, 2000.*

□

HOW TO FIND OUT MORE…

For information on special data tabulations, the content of specific surveys, concepts, methods or data quality, please contact Client Services, Culture, Tourism and the Centre for Education Statistics by:

- **Telephone:** Toll-free at 1 800 307-3382 or (613) 951-7608
- **Fax:** (613) 951-9040
- **E-mail:** cult.tourstats@statcan.ca

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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.

Send your comments to:

Alice Peters, Editor-in-chief
Focus on Culture
Culture Statistics Program
Statistics Canada
Ottawa, ON
K1A 0T6

Telephone: (613) 951-4086
Fax: (613) 951-1333
E-mail: alice.peters@statcan.ca

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Editor-in-Chief:
Alice Peters
Telephone: (613) 951-4086
E-mail: alice.peters@statcan.ca

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