Canadian Heritage Patrimoine canadien

CULTURE STATISTICS STRATEGY NEWSLETTER

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(Canadian Heritage)

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In this Issue...

In Recognition of our Culture Statistics Strategy Partners

The Culture Statistics Strategy (CSS) is a strong and diverse partnership of Canadian Heritage, all provinces and territories, numerous municipalities and a number of non-governmental organizations. The Policy Research Group, on behalf of Canadian Heritage, would like to thank all of the CSS Partners for their support of the *Culture Satellite Account*.

The Latest *Annual Survey of Service Industries*

Culture Statistics Strategy (CSS) partners provide funding towards both the *Culture Satellite Account* and the *Annual Survey of Service Industries* (SIDS) at Statistics Canada. There are ten SIDS surveys related to arts, culture, and heritage, nine of which are conducted by Statistics Canada and the other by Canadian Heritage (i.e. Heritage Institutions, at no cost to CSS partners). These ten surveys help ensure that Statistics Canada has accurate statistics on Canadian arts, culture, and heritage sectors. Furthermore, the surveys are essential to the production of Culture Satellite Account (CSA) economic estimates.

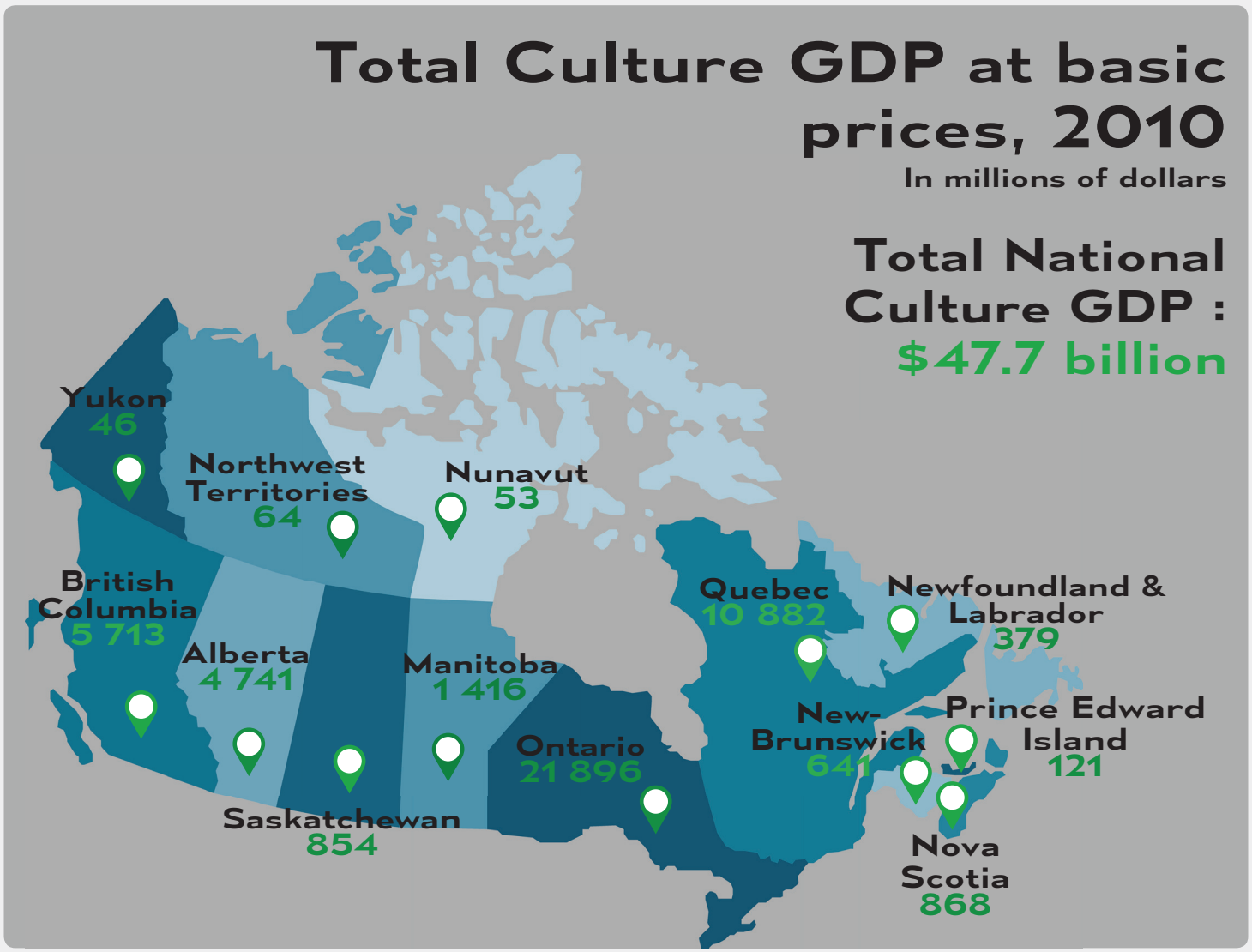
Statistics Canada recently published 2013 results from the following arts and heritage related *Annual Survey of Service Industries*: Film and Video Distribution; Film, Television and Video Production; Film, Television and Video Post-production; Periodical Publishers; and Sound Recording and Music Publishing. A document linking to all of the CANSIM tables has been posted to Sharepoint.

The Provincial and Territorial Culture Satellite Account, 2010

In June, Statistics Canada released the first Provincial and Territorial Culture Satellite Account (PTCSA) figures. The PTCSA measures the economic importance of culture and sport in terms of output, GDP and employment (number of jobs) for every province and territory.

Culture activities accounted for 3.0% of Canada's total gross domestic product (GDP) and 642,486 jobs in 2010. Across the provinces and territories, culture GDP varied in magnitude from 1.4% of provincial GDP in Newfoundland and Labrador to 3.7% in Ontario. Culture jobs as a share of the total economy ranged from 2.2% in Saskatchewan up to 4.1% in Ontario, among the provinces and territories.

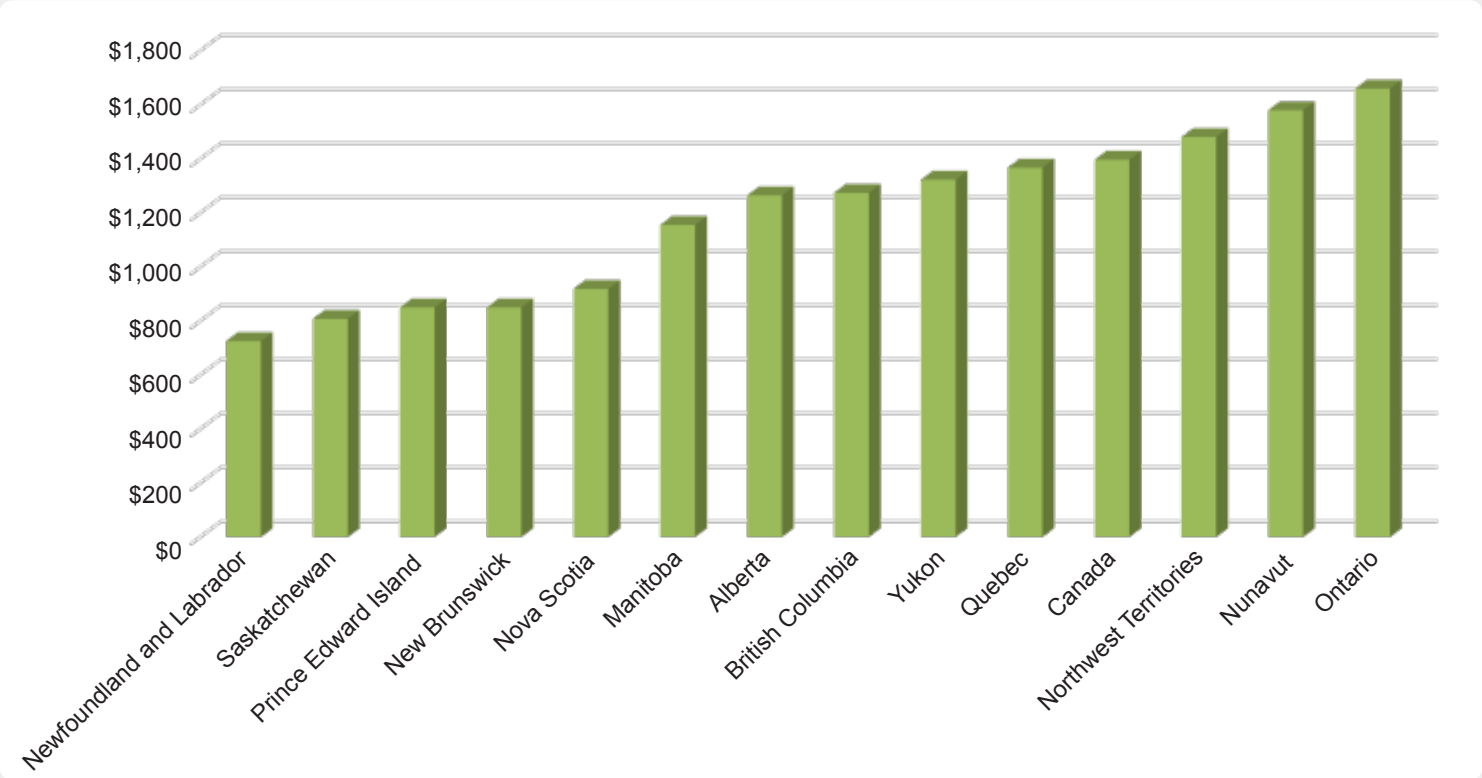
Figure 1: Culture GDP at basic prices, by province and territory, 2010



Audio visual and interactive media, which includes *Broadcasting and Film and Video*, was the largest domain in terms of culture GDP across most of the country. Notable exceptions were Prince Edward Island, Saskatchewan and the territories, where *Governance, funding and professional support* contributed the most to the culture GDP of the province or territory. In Manitoba, *Written and published works* was the largest domain.

Further, as illustrated in the table below, the Northwest Territories, Nunavut and Ontario had the highest levels of per capita culture GDP at $1,481, $1,580 and $1,660, respectively.

Culture GDP per capita at basic prices, by province and territory, 2010 (product perspective)



In Alberta, British Columbia, Ontario, Quebec, Nova Scotia, Newfoundland, the Yukon, Northwest Territories and Nunavut, the culture sector contributes more to the provincial and territorial economies than the *Agriculture, forestry, fishing and hunting* (AFFH) industry. In particular, the Ontario culture sector contributes 3.7% whereas the provincial AFFH industry contributes 0.82%. Furthermore, the culture sector contributes 3.7% in Quebec while the AFFH industry contributes only 1.35%.

Similarly, the culture sector is a larger contributor to the provincial economy than the *Accommodation and food services* (AAFS) industry in Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, British Columbia and the territorial economy of Nunavut. For example, culture contributes 3.7% to the Ontario economy, whereas the AAFS industry contributes 1.83%. In Manitoba, the culture industry contributes 2.9% to the provincial GDP while the AAFS industry contributes about 1.89%.

Finally, when compared to the *Utilities* industry, culture contributes more to provincial and territorial economies in the Yukon, British Columbia, Alberta, Manitoba, Ontario, New Brunswick, Nova Scotia, and Prince Edward Island. For example, in Prince Edward Island, culture's contribution to the provincial economy was double that of the Utilities industry.

A full analysis of the PTCSA report and estimates is available from the Policy Research Group at the Department of Canadian Heritage upon request.

Methodological Refinements since the September 2014 Release of the National Culture Satellite Account

Statistics Canada released the first Culture Satellite Account (CSA) national estimates in September 2014. Following this, in June 2015, Statistics Canada published data from the first Provincial Territorial CSA (PTCSA).

Some estimates from the PTCSA release have been slightly revised since the September 2014 CSA release. These changes are the result of two processes. First, national data was reconciled with provincial and territorial data. Second, there were a small number of refinements made to the PTCSA methodology. While the methodology used for both releases were very similar, this article will review the main methodological changes that have led to small revisions to the national culture and sport estimates.

Facilities and other support services

One of the main refinements was the addition of **Facilities and other support services** as a culture product, which was not considered a culture product in the previous national release. This resulted in the inclusion of book and artisanal shows from within NAICS 561920 (*Convention and trade show organizers*). This change resulted in the upward adjustment to the national estimates of culture GDP ($111 million), culture output ($166 million) and culture jobs (862). These changes are outlined in Table 1.

Table 1. Changes to CSA estimates due to the addition of Facilities and other support services

	Revised Canada	Published Canada	Difference	Convention and Tradeshows	Non-Profit	Information Services and Other Misc.
			millions of dollars			
			Gross domestic produt, at basic prices			
Culture GDP	47,673	47,840	-167	111	118	-396
Sport GDP	4,881	4,486	396	0	0	396
Total	**52,554**	**52,325**	**229**	**111**	**118**	**0**
			Output			
Culture output	92,687	93,172	-486	166	256	-909
Sport output	8,113	7,205	908	0	-1	909
Total	**100,800**	**100,377**	**422**	**166**	**256**	**0**
			Jobs			
Culture jobs	642,486	647,306	-4,819	862	2,669	-8,350
Sport jobs	101,863	93, 513	8,350	0	-1	8,350
Total	**744,349**	**740,819**	**3,530**	**862**	**2,668**	**0**

*Totals may not add due to rounding. The table above includes a few new and revised figures, which correct some minor technical errors found in the original PTCSA table.

Inclusion of non-profit organizations

Following a review of the non-profit organizations, approximately fifty additional non-profit industries were added to several culture sub-domains. Their inclusion increased the national estimates for culture GDP by $119 million, culture output by $256 million and number of jobs by 2,668.

Libraries and Crafts sub-domains

The process of compiling the PTCSA also contributed to improve the methods used to allocate the culture products **Other information services** and **Other miscellaneous goods**. These changes affected both the culture and the sport estimates – total sport GDP ($396 million), output ($909 million), and jobs (8,350) increased, but this was offset by a matching decrease in culture GDP, output and jobs as compared to the national estimates published in the fall of 2014. These revisions are outlined in Table 2 below.

Table 2. Revisions to culture and sport gross domestic produt at basic prices, by domain, Canada, 2010

	Other Information Services	Other Misc. Goods	Total Changes
	millions of dollars		
Gross domestic produt, at basic prices			
Heritage and libraries	-128	28	-100
Live perfomance	0	231	231
Visual and applied arts	29	-766	-737
Written and published works	97	21	118
Audio-visual and interactive media	1	0	1
Sound recording	0	0	0
Education and training	0	0	0
Governance, funding and professional support	1	90	91
Multi	0	0	0
Total Culture GDP	**0**	**-396**	-396
Total Sport GDP	**0**	**396**	396
Total net revisions	**0**	**0**	0

Data suppression

A final difference between the National CSA and the PTCSA is that, in the latter release, some domain and sub-domain level data were supressed. Statistics Canada is obliged to ensure the confidentiality of individuals and businesses, and as such they have suppressed any data in the PTCSA data tables where there was a possibility of a business being identified. Given the small size of certain industries in some provinces and territories, suppression in the PTCSA was unavoidable.

The *Culture Satellite Account* - Capturing Digital Elements of the Canadian Culture Economy

Canadians increasingly consume culture products digitally -- they are downloading e-books, streaming television shows and movies, and playing music via streaming services. Given this rapid change in consumption patterns, it is worth stating that the Culture Satellite Account (CSA) does capture digital elements of the Canadian economy. The following illustrates how the CSA and its foundations are versatile, and are able to adapt, in order to capture emerging cultural products and industries.

First, the CSA is based on the *Canadian Framework for Culture Statistics 2011* (CFCS). The CFCS provides a coherent framework for identifying which industries and commodities in the Canadian economy are cultural. Notably, the CFCS is 'format agnostic', which means format is not considered in the evaluation of whether a commodity should be considered culture or not. Given that it is based on the CFCS, the CSA uses the same approach, and it includes all commodities identified as culture regardless of format – whether digital, analog, or any new format that arises in the future.

Second, the CSA relies on four standard classification systems: the *North American Industry Classification System* (NAICS) and the *Input-Output Industry Codes* (IOIC), along with the *North American Product Classification System* (NAPCS) and the *Input-Output Commodity Codes* (IOIC). These systems provide standard definitions to categorize data relating to industries (NAICS, IOIC) and goods and services (NAPCS, IOCC). Each classification system lists detailed classes and codes that are used to collect and organize statistical data on the Canadian economy.

These standard classification systems are periodically updated in order to consider new industries or products. For example, after much debate over how to classify and measure interactive digital media, new codes were created for digital industries such as *Video game publishers* (NAICS 511212) in 2012. However, the classification systems are only updated periodically, which means that new products or industries are incorporated gradually into the classification systems.

While new codes may not be created immediately, these products and industries are still being captured elsewhere in the system. For example, before interactive digital media codes were created, the industries and products were captured in existing codes such as Software publishers, Internet publishing and broadcasting, and Web search portals.

As this activity is being captured in larger categories, the CSA uses industry survey information and other data sources to calculate 'split factors'. The split factors help divide the data in the catch-all NAICS and IOIC or NAPCS and IOCC codes into culture and non-culture components. As a result, despite the absence of a specific NAICS / IOIC or NAPCS / IOCC code, the culture product or industry is still captured by the CSA. However, the value of some digital goods and services that originate from outside of Canada (e.g. Netflix) is not currently included in the CSA. Moreover, it may be impossible to capture some of these foreign goods and services, as Statistics Canada has no means to demand this information from companies based solely in other countries.

An Introduction to the *Economic Impact Model for the Arts and Heritage*

Canadian Heritage recently updated its *Economic Impact Model for the Arts and Heritage* (or EIMAH), completed in May 2015, in collaboration with Statistics Canada which was responsible for the work. EIMAH is a tool used to evaluate the economic impact of the expenditures of arts and heritage facilities and organizations (e.g. museums, theatres) and events (e.g. festivals, live performances), and the impact of related visitor expenditures. It is based upon a standardized set of expenditure categories associated with a site or an event that reflects a typical spending patterns of relevant organizations. Originally, EIMAH was designed to work with arts and heritage facilities, organizations and events only, but the latest version was expanded to also encompass those related to culture and sport (including government organizations, such as Canadian Heritage, which provide financial support to arts, culture, heritage and sport facilities, organizations and events).

Economic impact models calculate the economic effect of changes in one part of the economy (e.g. a music festival) on the broader economy. EIMAH is able to calculate economic impact using data from Statistics Canada's Inter-provincial Input-Output Model (I/O Model) for the most recent year currently available (2010). The I/O Model was chosen because it takes into account the trade flows of goods and services among the provinces and territories, which is used by EIMAH to calculate the various economic impacts of events, facilities, organizations and visitor expenditures across all of Canada. Specifically, EIMAH provides estimates of the following economic impact indicators:

- **Gross Domestic Product (GDP)** – which includes labour income and the net income of incorporated businesses (the profits); as such, it represents the net value of production (or new value added to the economy).
- **Labour income** – which includes workers' wages (i.e. the amount of wages and salaries paid to individuals), supplementary labour income and the net income of unincorporated businesses.
- **Employment (Jobs and FTEs)** – the total jobs figure reflects "person year jobs," or how many jobs are supported in a given year, while FTEs is the equivalent of one year of work for one person (for example, three individuals working for a four-month period would equal one FTE, or five FTEs could represent one individual holding a full-time position for five years).
- **Tax revenue** – is measured in two ways in the model: *taxes on production*, and *taxes on products*. Tax on production is comprised of property taxes, licenses and permits. Tax on products includes GST, PST, harmonized sales tax, manufacturers sales tax, amusement taxes and excise taxes. Both measures are reported at the federal, provincial / territorial, and municipal levels of government.

Additionally, these indicators are variously reported as five different types of impacts:

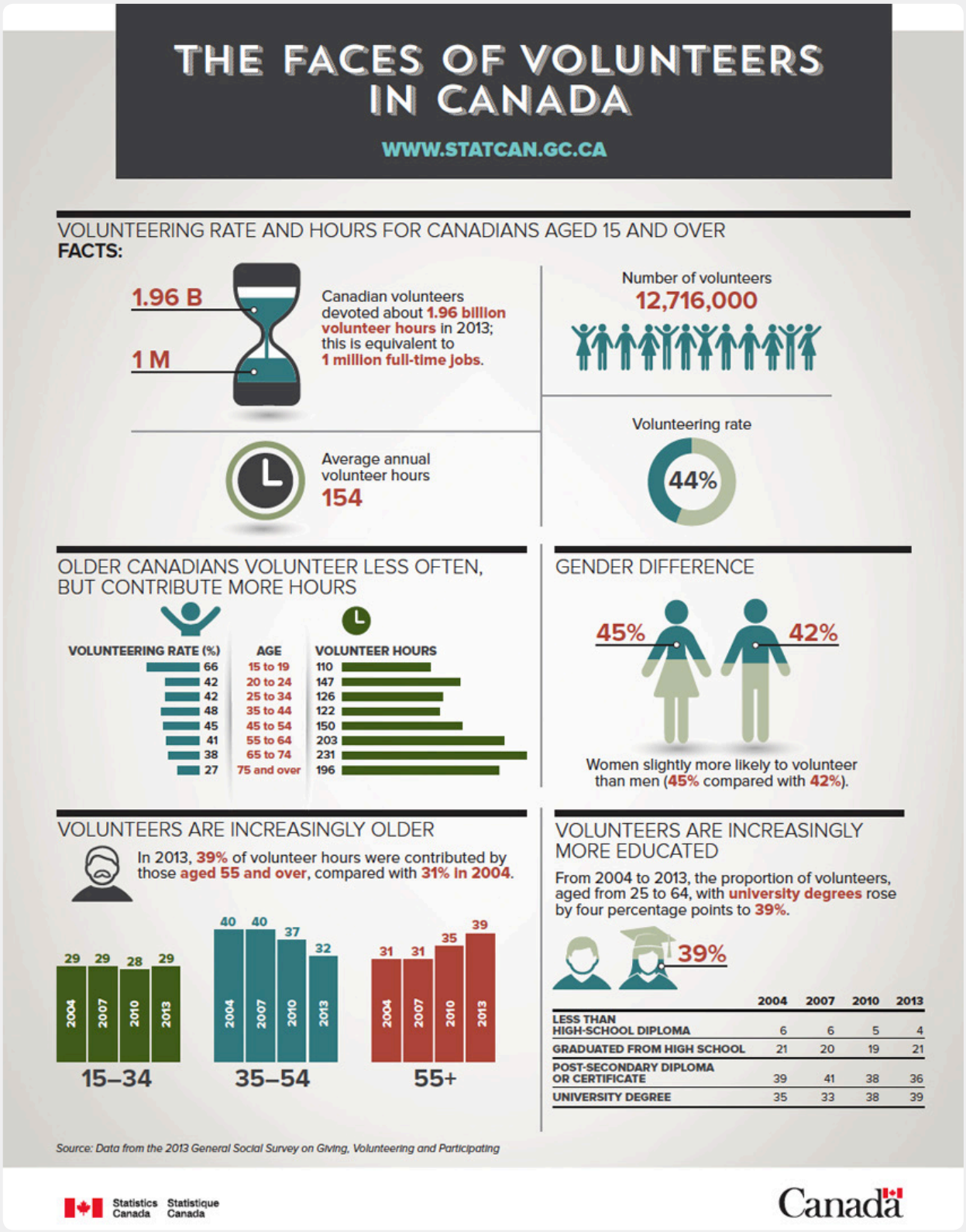
- **Direct impact** – refers to the increased income to businesses and individuals resulting from an increase in demand for goods and services, due to the expenditures of an event, a facility, an organization, or by visitors of either one. For example, if a museum employs 200 people, then the direct employment impact is 200 jobs.
- **Indirect impact** – is the economic effect attributed to the business or individuals that supply the goods and services to an event, a facility, or an organization. For example, if a museum purchases electricity, then the indirect impact is the economic impact attributed to the power plant that supplies the electricity to the museum.

- **Induced impact** – is the impact attributed to the suppliers of all the goods and services that were sold as a result of the workers who spend their wages and salaries (which were earned as a result of the direct and indirect impacts) buying stuff (groceries, gasoline, haircuts, etc.).
- **Closed impact** – is the sum of the Direct and Indirect impacts, which are the impacts most closely attributable to a given event, organization and/or related visitor expenditures.
- **Open impact** – is the sum of the Direct, Indirect, and Induced impacts, which looks at the whole effect of all levels of impact.

The updated EIMAH is now available for download from the Canadian Heritage's website for the Culture Statistics Strategy: http://css-ssc.pch.gc.ca

Volunteering and Giving

The following infographic presents several highlights of the 2013 *General Social Survey on Giving, Volunteering and Participating*, conducted by Statistics Canada.



The 2013 *General Social Survey* did not include a question specifically on volunteering for sports organizations. The 2011 Canadian Election Survey did however, and revealed that between 2006 and 2011:

- Residents of the Prairies and North were the most likely to declare having volunteered for a sports organization (39%).
- Residents of the West and of Ontario were tied for second place (35%).
- This form of volunteering was less common among residents of the Atlantic region (26%) and of Quebec (20%).

Highlights on giving from the 2013 General Social Survey on Giving, Volunteering and Participating

In 2013, 82% of Canadians gave money to a charitable or non-profit organization.

Mirroring patterns in volunteering, the percentage of Canadians donating to charitable or non-profit organizations declined in recent years, falling from 84% in 2010 to 82% in 2013. Donation amounts, however, increased.

The average annual amount per donor in 2013 was $531, up $61 from 2010.

Overall, Canadians gave $12.8 billion to charitable or non-profit organizations in 2013, 14% higher than 2010. A range of charitable and non-profit organizations benefited from these donations.

Of the total donated in 2013, 41% or $5.2 billion were donated to religious organizations, 13% or $1.7 billion to organizations in the health sector and 12% or $1.6 billion to social services organizations.

The typical donor is also getting older. In 2013, 35% of all donors were aged 55 and over, up from 29% in 2004.

Older donors give more on average. In 2013, donors aged 55 and over gave an average of $702 to charitable or non-profit organizations, or about $400 more than donors aged 15 to 34.

Together with the aging profile of Canadian donors, the proportion of the total amount of charitable donations contributed by Canadians aged 55 and over has increased, from 39% in 2004 to 47% in 2013.