FOCUS ON CULTURE

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Presenting ... The Culture Statistics Program

Did you know that:

- In 1987, over 13 million spectators attended a live performing arts event in Canada?
- Canadian book publishers, as a group, released about 6,600 new titles?
- annual public expenditure on arts and culture in Canada is reaching $5 billion?
- Canadians average about 24 hours a week watching television?
- The labour force involved in cultural industries and activities has doubled over the past 15 years?

For the facts on these and other features of Canada's cultural life, Statistics Canada's Culture Statistics Program is the place to come. With several direct surveys on cultural activities, industries and institutions – plus access to all of Statistics Canada's wide range of data covering our economy and demography – the Program can provide data on virtually all aspects of culture in Canada.

This inaugural issue of "Focus on Culture" highlights the range of cultural data available, recent developments in the Culture Statistics Program and the people to contact for more information.

What does "culture" cover?

"Culture" conjures up many images. For some it defines the highest expression of a people's artistic endeavors. For others it is defined by all that people do on a day-to-day basis. The Culture Statistics Program aims at the middle ground. It focuses on all activities of cultural expression – the artists, industries and institutions that helped to define the way we are today, and the consumption patterns of today that will define our culture of tomorrow.

In particular, the culture surveys cover:

- the printed word: public libraries, book publishers and exclusive agents, periodical publishers;
- film and television: film producers and distributors, post-production facilities, theatres, television;
- recordings and radio: sound recording producers, radio audiences;
- the "lively" arts: performing arts companies, creative and performing artists; and
- our evolving heritage: public museums, art galleries, nature parks, historic sites and archives.

More on the cultural environment...

The Culture Statistics Program also monitors the cultural environment in which these activities take place.

Canada's changing demography has a continuing impact on the nature of our cultural expression. Information on demographic changes can be obtained from Statistics Canada's

cont'd p. 2

In This Issue ...

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Census of Population - which is used on a regular basis by the Culture Statistics Program to flag important changes.

Today's consumption patterns can also map important changes in culture. Data on monetary expenditures - such as the telltale purchases of VCR's - are obtained from Statistics Canada's surveys on personal income and family expenditures. In addition, some indications of expenditures of time on cultural activities (sometimes a more significant measure than dollars spent) are brought into the Program from Statistics Canada's General Social Survey and through data on radio and television audiences from the BBM Bureau of Measurement.

Data on the labour force involved with culture is available from the Census as well as from specialized surveys and is brought together and analyzed by the Culture Statistics Program. In addition, government expenditures on culture - at the federal, provincial and municipal levels - are all monitored and reported by the Culture Statistics Program.

In the beginning...

The Culture Statistics Program was initiated in the early 1970's as culture emerged as an important policy area and governments at all levels recognized the need for more relevant data to assess potential policies and programs. Therefore, most of the time series for culture data go back to 1976 - although some of the individual surveys reach further back in time, such as the Public Libraries Survey whose database begins in 1921.

How do you obtain data?

Data are available in a number of forms from the Culture Statistics Program, ranging from publications geared to the general user, to highly specialized tabulations for specific research purposes.

The results of each survey in the Program are published in a self-standing booklet. Aimed at users who need substantial amounts of raw data to perform their own analyses, this annual publication also includes a section on survey methodology, coverage and definitions. Prices for this type of publication range from $15 to $40.

Service Bulletins - focusing on topical issues and developments in the cultural field - are also published regularly by the Culture Statistics Program. The Bulletins run about six to eight pages and feature selected tables and charts. A list of the most recently available survey-specific publications and Service Bulletins is included in this issue on page 3.

The Culture Statistics Program also offers data in customized tabulations. Users who are interested in a particular sub-set of data, or who wish to analyze data according to their own methods, can receive information on this service by contacting the appropriate project manager directly. A list of the people to contact appears at the end of this article.

Our Newest Developments...

To assist users who require trend data from many surveys, staff members are currently creating an integrated database which will provide essential data and key indicators at the national and provincial levels. Discussions with the provinces involved in this process are underway, and we hope the database will be ready by the fall of 1990.

Another channel is now available to keep our users and clients up-to-date on developments within the CSP. This quarterly newsletter will inform you of the most recent research results and highlight the CSP's activities.

The Culture Statistics Program's surveys provide a wealth of information going back a number of years. While space does not permit a detailed listing of the information available from each survey, please feel free to contact us for more detailed information. □

How to Find Out More...

We hope you will find this newsletter both informative and useful and that you will write to us with your comments. Please address all correspondence to:

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Profitability of Record Label Companies in Canada

by Nicole Charron, *Sound Recording Industry Project Manager*

In 1987-88, the overall profit margin (profit or loss before taxes and extraordinary items, divided by total revenue) for record label companies was 12%. The major record companies earned 13%; small and medium companies, on the other hand, had difficulty reaching the break-even point with a total deficit of 28% and 3% respectively. There are many reasons for these large differences in profit margins, for example the small size of the Canadian market, the concentration of activities in the hands of major companies and the popularity of the top foreign artists.

Small and medium sized companies produce more than three-fifths of all Canadian-content recordings. A few hit releases can generate enough revenue for these companies to recoup their costs on other releases. Nevertheless most Canadian record label companies believe that they can only achieve profitability by becoming involved in all aspects of sound recording - artist management, concert promotion, music publishing and record production. During 1987-88 such related activities accounted for approximately one third of all revenues for medium and large companies, compared to 6% for small companies. Subsidies and other revenue accounted for 45% of total revenue for small companies, compared to 5% for large companies (see Chart 1).

Most of the activity is concentrated in the hands of a few major companies. They account for 97% of record, tape and compact disc sales. They also employ 93% of full-time workers in this sector, produce 38% of Canadian-content recordings and realize 84% of revenue from such sales. Marked differences exist between Canadian-controlled and foreign-controlled companies. In 1987-88, Canadian-controlled major companies earned average revenues of $2.7 million, against $20.6 million for their foreign-controlled counterparts. Foreign-controlled companies have the most profitable Canadian recordings; they reported 108 new releases and earnings of $10.7 million from the sale of Canadian products, compared to 311 releases with earnings of $18.6 million for all Canadian companies. Foreign-controlled record companies are mostly affiliates of multinational corporations, and benefit from economies of scale.

In 1987-88, recordings with no Canadian content produced by foreign-controlled companies generated sales of $216.5 million. Recordings by Canadian-controlled companies, without Canadian content, generated sales of $25.9 million. Total sales reported by Canadian-controlled companies increased by 58% while total sales reported by foreign-controlled companies decreased by 9% from the previous year (see Figure 1, page 4).

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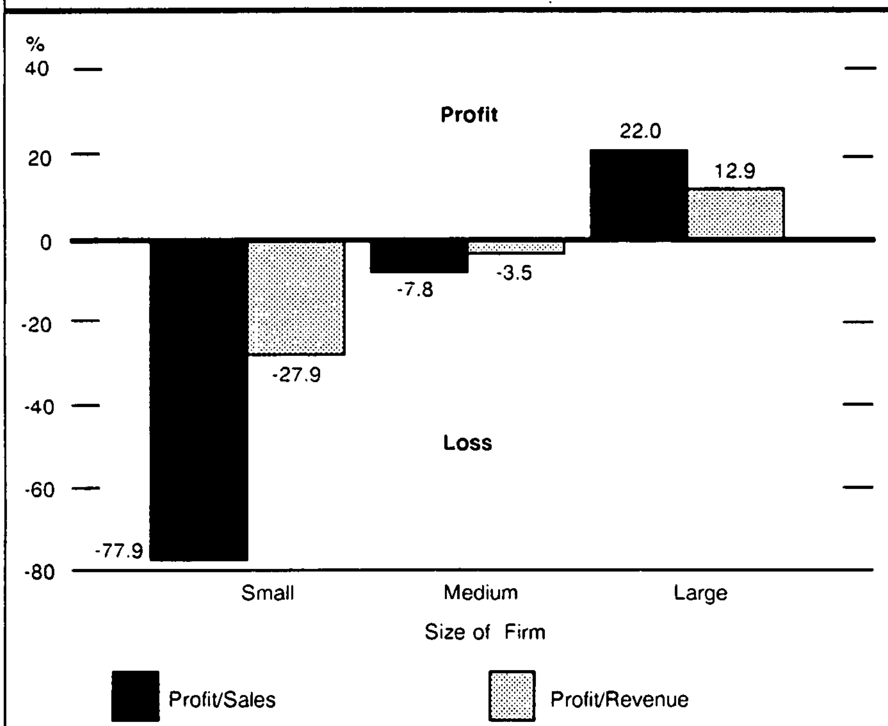
Chart 1. Profitability of Record Label Companies in Canada



Recent Publications

87-202	Sound Recording 1986-87
87-203	Periodical Publishing 1986-87
87-204	Film Industry 1985-86
87-205	Public Libraries in Canada 1985, 1986
87-205S	Public Libraries in Canada 1982-84
87-206	Government Expenditures on Culture 1986-87
87-207	Heritage Institutions 1985-86
87-208	Television Viewing in Canada 1987
87-209	Performing Arts 1987
87-210	Book Publishing in Canada 1986-87

Recent Service Bulletins

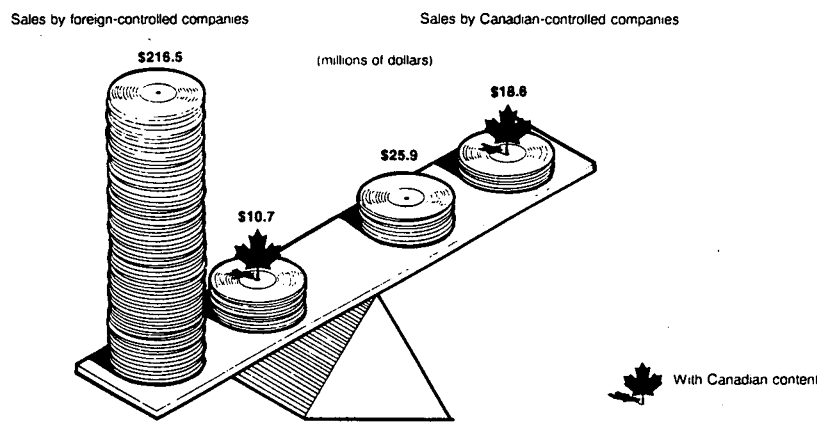
87-001, Vol. 12, No. 1: Periodical Publishing, 1986-87

87-001, Vol. 12, No. 2: Sound Recording Industry 1982-83 to 1986-87

87-001, Vol. 12, No. 3: Heritage Institutions, 1985-86

The federal government has decided to assist Canadian companies and in years to come artists and sound recording companies will benefit from increased levels of subsidies. In May 1986, the government announced a five year allocation of $25 million to the sound recording industry aimed at increasing production and marketing of Canadian works. Communications Canada is working with the private sector and the Canada Council in the management of the Sound Recording Development Program (SRDP). ☐

Figure 1. Sales of Records and Tapes, 1987-88



Challenges in Television

Canadian viewing data in demand

by John Gordon, *Radio and Television Project Manager*

Cable and satellites have been part of our landscape for more than two decades. As of the winter of 1989, 71% of Canadians subscribed to cable television and half of the total population had a converter which allowed them access to signals beyond the maximum of twelve carried on basic cable service.

The Fall 1986 schedule data showed that foreign programs accounted for a large majority of the material available in the 7:00 PM to 11:00 PM time period of conventional English-language television. For people using a conventional antenna to receive their signals "off-air", foreign programs accounted for almost 70% of the total available programs. Cable subscription increased this to over 76%.

The effect of cable was more pronounced when our viewing data base was examined. The move from "off-air" to cable increased the amount of foreign material viewed from 71% to 78%. For viewers with a converter (which actually adds more domestic than foreign programming) the amount of foreign viewing increased to over 81%.

Until recently, most European countries maintained government monopolies in television and had little concern with signals from other countries since they were protected by such barriers as language, geography, and signal compatibility.

However, with the arrival of satellites and cable, all this has changed and Canada's extensive experience with cable and satellites is of interest.

This interest resulted in an invitation to John Gordon, manager of the Radio and Television Project, to address The Association for Canadian Studies in the German-Speaking Countries at Grainau, West Germany. Later in the year, he used information from our data banks to speak on the internationalization of television at the 1989 Annual Conference of the Administrative Sciences Association of Canada. ☐

Program Origin	Off-Air	Cable	Converter
Availability			
Canadian	30.1	23.4	25.1
Foreign	69.9	76.6	74.9
Total	**100%**	**100%**	**100%**
Viewing			
Canadian	29.2	22.2	18.8
Foreign	70.8	77.8	81.2
Total	**100%**	**100%**	**100%**

Supporting the Arts in Canada

by Norman Verma, *Government Expenditures on Culture Project Manager*

Arts and culture have always required financial assistance. At one time, the court and wealthy nobles supported the arts; today it is the combined efforts of public and corporate sponsors which sustain them.

In Canada, governments at all levels, federal, provincial and municipal, give considerable support to cultural industries, institutions, organizations, and artists. In 1987-88, they spent a total of $4.9 billion on culture. The federal government provided most of this - $2.6 billion - while provincial and municipal governments spent $1.4 billion and $0.9 billion respectively.

The cultural industries (which comprise broadcasting, film and video, book and periodical publishing, and sound recording) received the largest share of cultural spending, with substantial federal input. Libraries followed, with much of their support coming from municipal and provincial governments. The heritage sector, supported federally and provincially in nearly equal proportion, was third, followed by the arts and other sectors (see Chart 2).

Spending on the cultural industries represented $1.9 billion or nearly 40% of total government spending on culture. The federal government contributed 89% of this figure, fully two thirds of its total budget for culture. Broadcasting, the largest cultural industry, accounted for nearly three quarters of both total and federal expenditures on the cultural industries. The Canadian Broadcasting Corporation alone consumed almost all (97%) of the federal portion, spending most of its funding in Quebec and Ontario. The governments of Quebec and Ontario in turn spent an additional $73.8 million and $61.0 million on broadcasting, to make these two provinces clear centres of broadcasting funding.

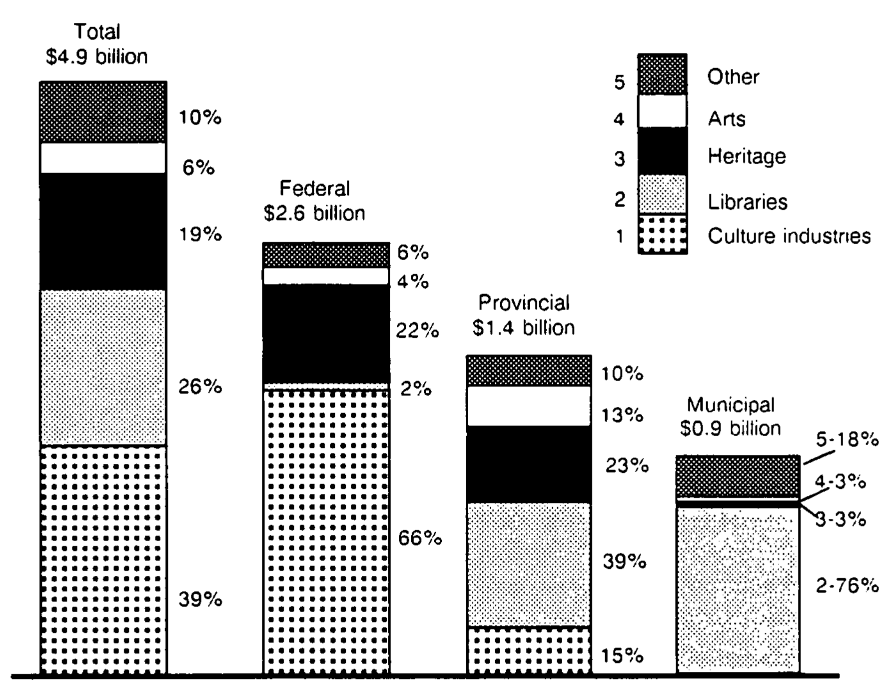
Libraries received $1.3 billion or more than one quarter of total government spending on culture. Municipalities accounted for 53% of this total, spending 76% of their cultural budget in this area. Provincial governments also contributed significantly (44%) to the overall government allocations for libraries. Among the provinces, Ontario spent the most on libraries, largely because there are substantially more libraries in Ontario than in any other province.

Another 19% of all government cultural spending was devoted to heritage activities: $0.9 billion. Most of this support was spent by departments on their own activities, with grants and contributions accounting for only 13% of spending. Although the federal government provided nearly two thirds of all spending for heritage, this activity absorbed 22% of its cultural budget.

The provincial governments set aside a marginally higher proportion of their total budget, at 23%, for heritage. Prince Edward Island, Nova Scotia, Manitoba, Alberta and Ontario showed above-average spending per capita in this area, due partly to the presence of major nature and historic parks in these provinces.

About 6% of government cultural spending went towards the arts: just over $300 million. Of this figure, the performing arts received $226 million, nearly three quarters of all spending on the arts. The highest per capita spending levels on the performing arts occurred in Prince Edward Island and Ontario. Saskatchewan, New Brunswick, Nova Scotia and Manitoba fell below the national average. □

Chart 2. Government Expenditures on Major Cultural Sectors, 1987-88



Your Performing Arts Dollar

by Mary Cromie, *Performing Arts Project Manager*

The next time you attend a performing arts event, take a moment to consider that the price of your ticket accounts for little more than one third of the revenues required to sustain the company. Data from the 1987 Performing Arts Survey indicate that ticket sales help to pay for about 35% of salaries, costumes, sets, props, rental of the theatre or hall, promotional costs and all other production-related expenses, to say nothing of the administrative and other day-to-day operating expenditures of the company. In order for these companies to balance their books, they must rely on public and private support to make up the difference between earned income and expenses.

Depending on whether you attend a theatre, music, dance or opera performance, your seat is subsidized to a greater or lesser extent by public grants and donations.

Opera companies, for example, despite their extremely high expenditures per company and correspondingly large average revenues, are able to realize 42% of their income from ticket sales. Corporate and individual sponsorships and donations are highest too for this discipline, accounting for 24% of their revenues. Consequently, opera companies draw a comparatively low proportion of their total revenues from government subsidies (30%).

Theatre companies, the largest component of the performing arts field, also receive a sizeable 38% of their revenues from ticket sales. Another 36% come from government grants, and only 9% from private donations.

Music companies draw 30% of their revenues from box office sales, with private sector donations at 18%, twice that for theatre companies. Government grants account for another 37% of revenues, which reflect the average for government grants for all disciplines.

At the opposite end of the scale from opera companies are the dance troupes. They draw only 22% of their revenues from the box office, relying on government grants for almost half of their income (46%). Private donations account for another 16% of their revenues.

There are also wide variations in the actual revenues of these performing companies, by artistic discipline. In 1987, theatre groups averaged earnings of $667,000, while opera companies tipped the scales at averages of $2.4 million per company. Music companies and dance troupes fell in the middle of the spectrum with average earnings of $1 million and $868,000 respectively. As might be expected, average expenditures per company matched these revenue figures fairly closely.

One interesting fact about expenditures: it is evident that any performance, be it a classical ballet, an experimental theatre presentation, a full symphony orchestra concert or a lavishly costumed and designed opera, could not take place without performers, directors, designers, backstage crew and production staff. Not surprisingly then, wages and salaries averaged more than half of company expenditures, with music companies far exceeding this proportion at 67% and dance companies falling slightly under the half-way point at 47%. Personnel expenditures for theatre and opera companies accounted for just over 50% of their total expenditures.

As a final note on the financial scene, performing arts companies enjoyed a relatively healthy 1987, compared to 1986. In 1987, average company deficits dropped for all disciplines, and theatre companies were even able to average surpluses. While it would be premature to paint a sunny picture at this time, nevertheless this overall improvement is welcome.

New Data on the Book Publishing Industry

by Michel Frève, *Book Publishing Project Manager*

A review of trends emerging from the survey of book publishers and exclusive agents has recently been done. With the completion of the review of 1981-82 to 1986-87 data, a complete data bank from which to make chronological analyses is now available.

This review served primarily to complete the data and ensure greater consistency in the quality of answers. These revised figures more accurately reflect the book publishing and distribution industry over the past several years.

Now, trends in sales, production of titles and employment can all be monitored over an extended period. For example, the real increase (after inflation) in sales between 1981-82 and 1986-87 was 13%, while the number of full-time employees rose 12%; over the same period, the number of titles published increased by 1,500.

The first to receive the data generated by the review were the members of the Association of Canadian Publishers, which met last April in Saskatoon for a conference on book publishing in Canada. These figures will be presented, analysed and published in the Culture Communiqué Service Bulletin. ☐