FOCUS ON CULTURE

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A Readership Survey

After more than two years of publishing "Focus on Culture", we are conducting a readership survey. Please help us make our publication more relevant to your needs. Simply fill in the survey inserted in this issue and mail it to us in the postage paid return envelope. Your answers will help us decide what changes we should make to the content and format of "Focus on Culture" to make it more useful to you.

In this issue ...

Canadian Periodicals: Circulation Nosedives, Revenue Holds

Fidelis Ifedi, Project Manager, Periodical Publishing

Canadian periodicals saw initial signs of the recent recession in 1989-90 when their circulation figures dropped for the first time since 1984-85. However, total revenue in current dollars continued to grow despite the decrease in circulation. Increased advertising sales and price increases for single-copy sales and subscriptions were the major factors responsible for the growth in revenue. But when inflation is taken into account, total revenue for Canadian periodicals remained unchanged from the 1988-89 level.

In 1989-90, the combined annual circulation of all Canadian periodicals declined 6% to 522 million copies (Figure 1 on page 2). The average annual circulation per periodical was down to 349,500 copies from 363,000 in 1988-89 and 359,500 in 1987-88.

Circulation declines for all revenue-size groups

The decline in total circulation was across the board. Circulation figures for periodicals with annual revenues of half a million dollars and over decreased 4% in 1989-90 over the previous year. Periodicals in the lower revenue ranges experienced larger declines: 15% for those in the medium revenue range of $100,000 to less than half a million dollars and 18% for those in the small revenue range of less than $100,000. While, on average, periodicals were not seriously hurting financially in 1989-90, this downturn signalled the beginning of a rough and rocky road for Canadian periodicals.

Revenue holding on

Financially, periodicals were still holding on, thanks to advertising revenue which continued to grow, increasing by 6% from the year before to $576 million in 1989-90. This compares with a marginal increase of less than 2% for revenue from circulation (made up of single copy sales and subscriptions). Total revenue for all Canadian periodicals grew by 5% in current dollars to $903 million in 1989-90 from the previous year.

In constant 1986 dollars, however, circulation revenue in 1989-90 actually decreased by 3% from the previous year. After accounting for inflation, advertising revenue rose by less than 1%, while the total revenue for all Canadian periodicals just barely held on to 1988-89 levels in real terms (Figure 2 on page 2).

Compared to the Canadian economy, it would appear that the recession came

Continued p. 2

early for Canadian periodicals. The Gross Domestic Product (GDP), an indicator of how well the Canadian economy is performing, grew by 3% in 1989 after posting 4% growth in the previous year. Although expansion slowed down, the Canadian economy outperformed Canadian periodicals in the growth of output during the period.

Part of the problem for periodicals was that consumer demand for reading materials grew at a much slower rate than the demand for all goods and services. In 1989-90, personal expenditures on reading, adjusted for inflation, increased by 1% from the previous year.[1] This compares with an increase of 4% for total personal expenditures on all consumer goods and services.

A look at the performance of other print media suggests that periodicals are not alone in their struggle to survive hard economic times. Advertising revenue, which is the bread and butter of daily newspapers (accounting for 70% of their total revenue), dropped by 1% in real terms in 1989-90. Private radio and television stations recorded moderate increases in advertising revenue of 1% and 2% respectively, after netting out inflation.

Quebec publishers hardest hit by the decline in circulation

Provincially, the decline in circulation hit Quebec the hardest as annual circulation of periodicals published in this province dropped 20% from the previous year to 125 million copies in 1989-90. Led by drops in newsstand and controlled circulation, the average annual circulation per periodical published in Quebec was down to 304,000 from an average of 365,000 copies in 1988-89 and 347,000 in 1987-88.

Annual circulation declined 12% for periodicals published in Alberta and Manitoba. Those published in Ontario had a marginal decrease in circulation of 1%. Notable increases of 10% were recorded for periodicals published in Saskatchewan and British Columbia. The number of copies circulated by those published in Atlantic provinces rose by less than 1% in 1989-90 from the previous year.

With employment in the Canadian periodical publishing industry down 6% in 1989-90, the outlook for the 1990-91 is bound to be grimmer. If circulation continued to drop with the recent recession, revenue is likely to decline as advertisers react to changes in the periodical market as well as to changes in their own economic situation. □

Figure 1

Total Annual Circulation of Canadian Periodicals, 1984-85 to 1989-90

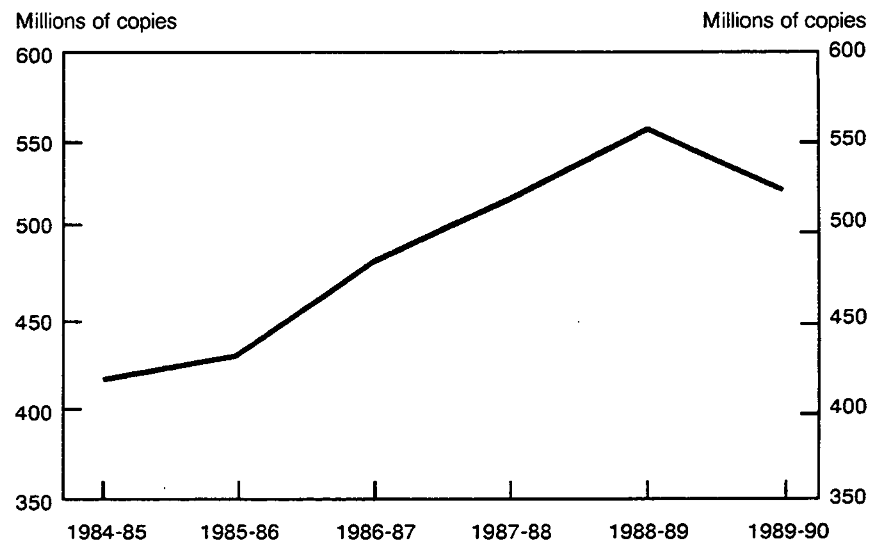
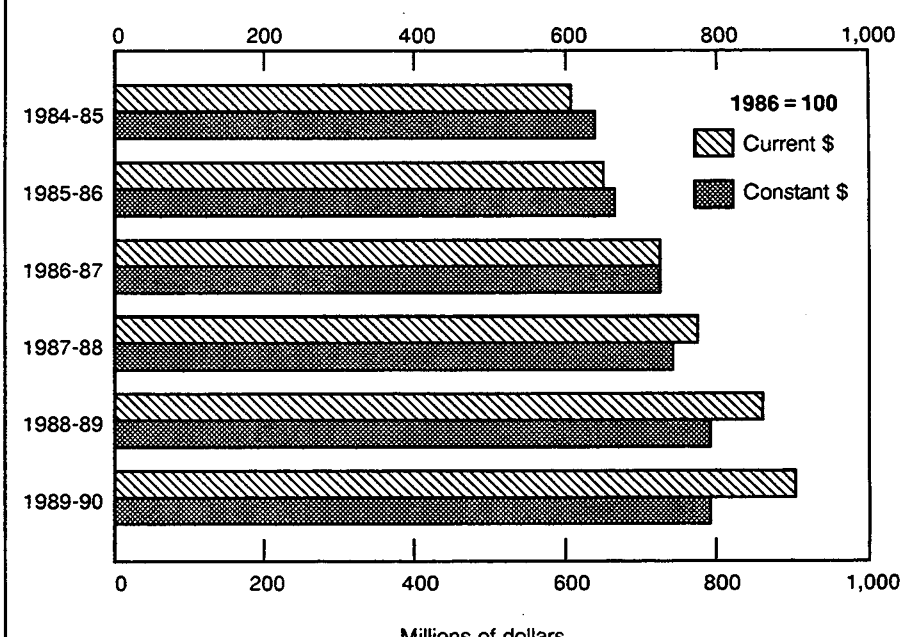


Figure 2

Total Revenue of Canadian Periodicals, 1984-85 to 1989-90



1 *Refer to "National Income and Expenditure Accounts – Annual estimates 1978-1989", Statistics Canada Catalogue 13-201.*

Provincial Differences in Government Cultural Support

Norman Verma, Project Manager, Government Expenditures on Culture

Public support for arts and culture in Canada has a long history. A large number of government departments and agencies have provided a substantial amount of financial aid to cultural industries, institutions and artists, particularly since the Centennial in 1967, with the aim of making arts and culture accessible to all Canadians. Although people in all regions have benefitted from government cultural spending, there have been disparities among the provinces in the growth of support, as well as differences in the distribution of the total cultural budget among them.

Spending Growth

Results of the Survey of Government Expenditures on Culture show that in 1989-90, governments at all levels spent a total of $5.7 billion on culture. The federal government contributed slightly more than half, at $2.9 billion, while provincial and municipal governments spent $1.7 billion and $1.1 billion respectively.

Over the period from 1985-86 to 1989-90, with inflation accounted for, *all* government spending on culture grew by about 15%. Above average spending growth occurred in Nova Scotia, Québec, Ontario and British Columbia. At the other end of the spectrum, outlays actually declined in Prince Edward Island and Alberta; while in all other provinces spending growth fell below the national average.

During the same time period, *federal* cultural expenditures grew at a rate exceeding the national average (12%) in Newfoundland, Québec, Alberta and British Columbia. Prince Edward Island and New Brunswick recorded drops in federal spending.

The corresponding growth in *provincial* government outlays on culture also averaged 12%, ranging from a high of 51% in Nova Scotia through 1% in Manitoba, to a drop of 27% in Alberta.

Municipal cultural spending grew rapidly in this period, showing a national average of 31%. This rate was exceeded in Nova Scotia, New Brunswick, Québec, Ontario and Manitoba. However, total municipal cultural spending declined in Alberta and Newfoundland.

Uneven Provincial Distribution

Public funds for cultural activities were not distributed evenly across the country, especially with regard to federal support. The spending patterns, both absolute and per capita, reveal a concentration of federal cultural expenditures in Québec and Ontario, which reflects the location of a large number of federal cultural departments and agencies, as well as major cultural industries and institutions in these provinces. Federal spending in the other provinces, on a per capita basis, was higher in the east than in the west (see Figure 3).

There was no evident geographical pattern of cultural expenditures by provincial governments. Prince Edward Island ranked first in per capita spending at $93 per person, followed by Québec ($75), Nova Scotia ($73), Manitoba ($70), Saskatchewan ($69), Alberta ($63), British Columbia ($60), Ontario ($59), Newfoundland ($41) and New Brunswick ($37).

In contrast to federal spending, municipal cultural expenditures, in general, increased from east to west. Per capita spending in British Columbia, Ontario and Saskatchewan exceeded the national average ($41), while it fell below the national average in all other provinces.

Across the country, people benefitted differently from overall government support for culture. The spread was wide, ranging from Prince Edward Island at $27.1 million from all levels of government, to Ontario at $2.1 billion.

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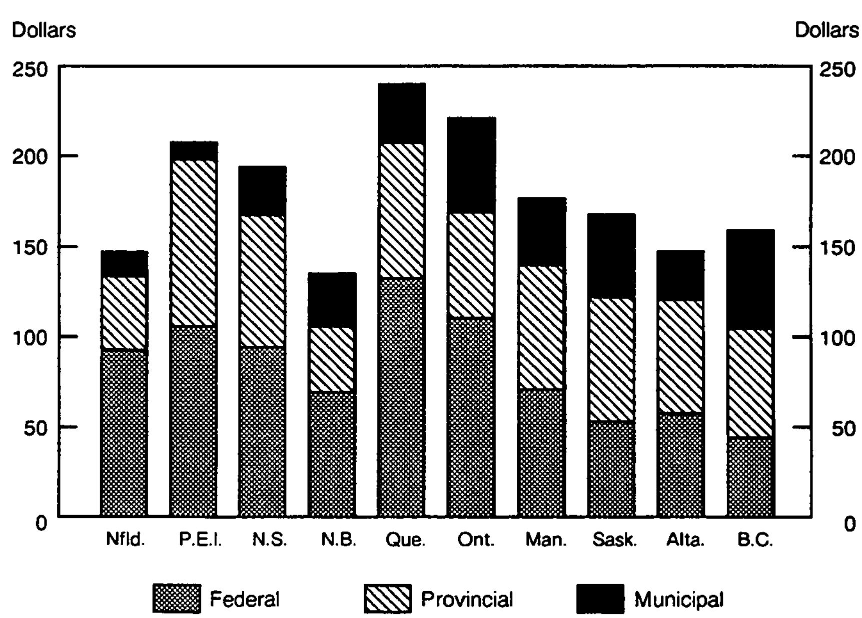
Figure 3

Per Capita Government Expenditures on Culture, by Province and Level of Government, 1989-90



Differences in Priorities

Cultural expenditures can be broken down into the major cultural sectors of the cultural industries, libraries, heritage and the arts. The three levels of government attached different priorities to these fields, with the federal government concentrating its spending on the cultural industries, the provincial governments on libraries and heritage, and municipal governments principally on libraries.

Cultural Industries

The cultural industries (which include broadcasting, film and video, book and periodical publishing, and sound recording), received $2.2 billion, or two-fifths of all government spending on culture, with the broadcasting sector accounting for 72% of this total. Ontario and Quebec received a significant amount (72%) of the total support given to the cultural industries: to a considerable extent, this pattern follows an existing physical concentration of production facilities and related infrastructure in these two provinces.

Although various levels of government spent dollars on cultural industries in all provinces, the proportion of funding allocated to these industries varied from province to province. For example, in Québec, 46% of all cultural expenditures was allocated to the cultural industries, a higher proportion than in any other province. British Columbia recorded the lowest proportion at 20%.

Libraries

Libraries received a total of $1.5 billion from all levels of government. Ontario's libraries received the largest share - $584.4 million, or two-fifths of all government spending on this field because there are substantially more libraries in Ontario than in any other province. There was a wide range in the allocation spent in each province; for example, libraries in British Columbia received over half (51%) of the total cultural budget, while those in Prince Edward Island received 19%.

Heritage

The heritage sector received $1.1 billion from all levels of government. As with the cultural industries, there was a concentration of total spending in Ontario and Québec. On a per capita basis, however, spending was relatively low in these provinces and high in the Atlantic region, due largely to the presence there of major federal nature or historic parks. Per capita spending was above the national average ($42) in Manitoba and Alberta.

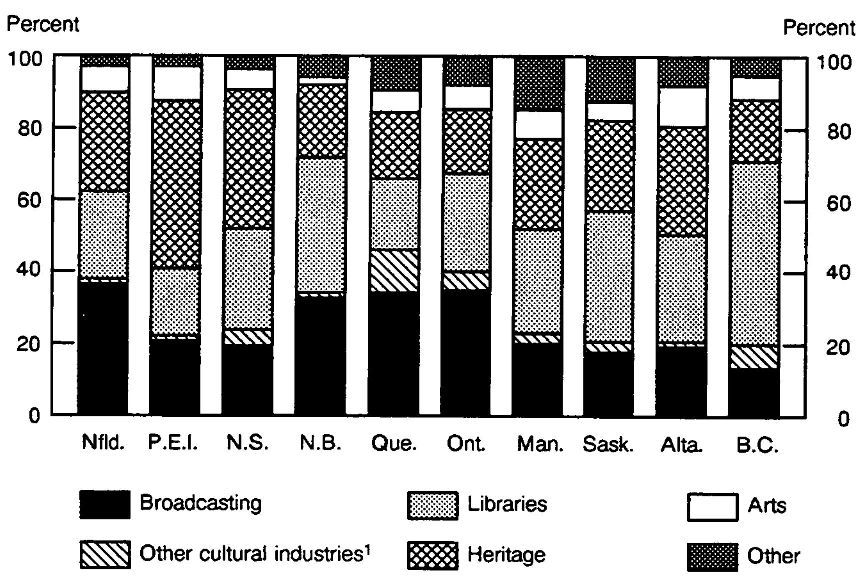
The proportion of spending attached to heritage differed from province to province. In Prince Edward Island, for example, overall government spending on heritage was 47% of the total cultural expenditures, while in Ontario it represented 18%. In dollar terms, however, Ontario's share amounted to $378.9 million, the highest of all provinces. Ontario is home to such large heritage institutions as the National Gallery of Canada, the Royal Ontario Museum and the Art Gallery of Ontario.

Arts

Governments at all levels provided a total of $369.4 million to the arts (which include the performing arts, arts education, and visual arts and crafts). The arts in Alberta received a larger proportion (11%) of total government cultural spending than in any other province, while New Brunswick's proportion (2%) was the smallest. □

Figure 4

Percentage Distribution of Total Government Expenditures on Culture, by Province and Major Cultural Activity, 1989-90



[1] *Other cultural industries include film and video, sound recording and publishing.*

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences - Permanence of Paper for Printed Library Materials, ANSI Z39.48 - 1984.

Book Publishing: Past Performance Holds Promise

Michel Frève, Project Manager, Book Publishing and Distribution

It is believed that recessions affect the book publishing industry as severely as the economy as a whole. But does the book publishing industry really suffer as much as the economy? And how does it recover? Although it is too soon for an analysis based on the current situation, the figures reported by publishers between 1981-82 and 1989-90 provide some insight into the book publishing industry during a recession and the recovery period.

Ten years ago, Canada was in the grip of a short but severe recession. From 1981 to 1982, the value of the gross domestic product (GDP) in constant dollars fell by 3.2%, before returning to its pre-recession level in 1983.

Book publishing

During the 1981-1982 period, total sales[1] of the book publishing industry, including publishers' own titles[2] and exclusive agency titles[3], declined 3.7%, then rose 6.5% the following year. Figure 5 shows the yearly fluctuations in the sales of own titles and total sales by publishing firms compared with the fluctuations in the GDP. Although publishers' sales varied much more widely than the GDP, they increased more than the GDP on an average annual basis. The average annual increase in total sales was 4.1% for the period 1980-81 to 1989-90 (3.7% for own titles and 4.5% for exclusive agency titles), while the GDP increased by 3.2% a year over the same period. As a result, book publishers suffered some adverse effects during the recession, but they emerged from it in a stronger position than the economy as a whole. The real increase (in constant dollars) in total sales in Canada for the ten years indicated above was 43%, reaching \$1.04 billion in 1989-90, including \$564 million for their own titles.

Tradebooks

Although the book publishing industry during this decade was in reasonably good health, there were some differences in sales figures for the various product lines. For example, sales in the tradebook category stagnated until 1986-87, when exclusive agency sales boosted tradebook growth rates by 7 to 15%, far exceeding the industry as a whole. Meanwhile, sales of publishers' own titles advanced slowly but steadily.

Continued on page 6

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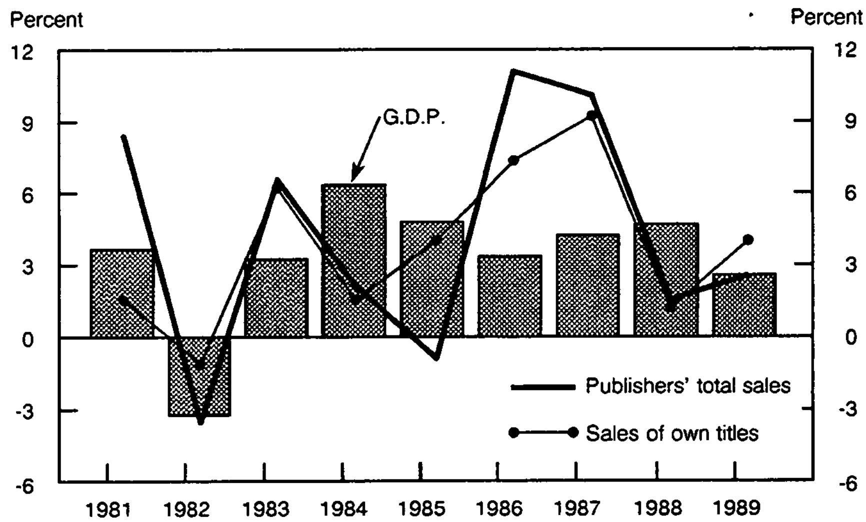
[1] *All sales figures have been converted into 1989 dollars.*

[2] *Own titles are titles published by publishing houses operating in Canada.*

[3] *Exclusive agency titles are mostly titles published outside Canada.*

Figure 5

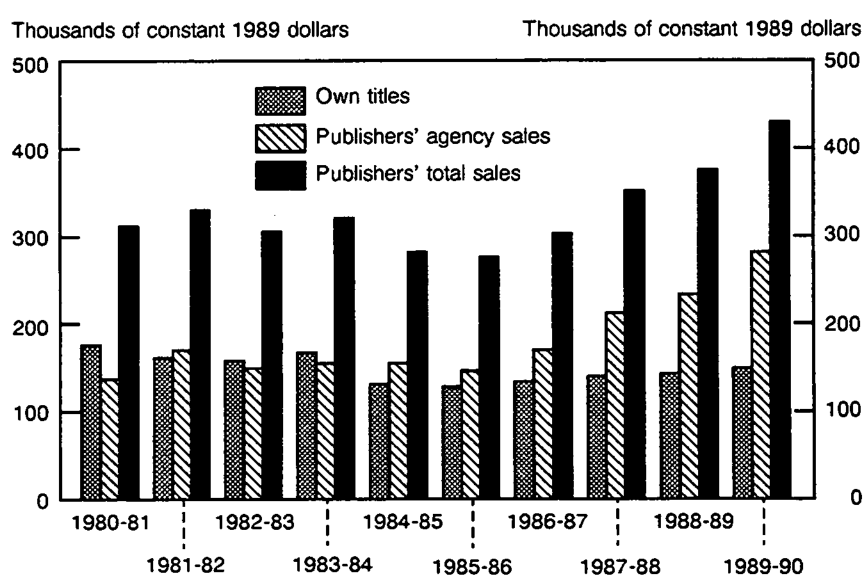
Annual Variations in Publishing Firms' Sales, 1980-81 to 1989-90



Sales in 1989 constant dollars.

Figure 6

Total Sales in Canada of Tradebooks by Publishers, 1980-81 to 1989-90



The significant drop in own title sales in 1984-85 (see Figure 6) is probably related to a change in the publishing policies of some companies. No changes were made in the survey methodology at that time that could have induced this decrease in the data. However, general reference and how-to books appear to have taken off at about this time. The data indicate that the decline in tradebook revenue was offset by increased sales in the reference books category that year.

Textbooks

Textbooks appear to be less vulnerable during economic downturns. From 1981-82 to 1982-83, sales in the other categories declined, but textbook sales increased by almost 2%. Sales of own titles were even up more than 5%. Over the ten-year period from 1980-81 to 1989-90, total sales rose almost every year, growing from $254 million to $372 million in constant dollars. Sales of own titles posted a real increase of almost 49%, and agency textbook sales increased somewhat less, with a gain of 43%.

Summary

As indicated above, the impact of the 1981-82 recession on the book publishing industry was mild and short-lived. The book publishing sector even grew at a rate exceeding that of the overall economy, under the impetus of the strong growth of exclusive agency sales. Own title sales, increasing 3.7% a year, were lagging a bit behind agency sales whose rate of growth reached 4.5% a year. Tradebooks were mainly responsible for this situation. Specifically, agency sales accounted for more than half of all sales in the tradebook category since 1983-84, and maintained an average annual growth rate of 8.3% from 1981-82 to 1989-90. Over the same period, sales of own titles decreased 1.8% a year. Our figures further indicate that companies dealing in textbooks or popular reference and practical titles did not suffer serious adverse effects during this period. The data suggest that diversification of products and operations often yields success over the long term. □

Hot off the Press!

Over $203 Million Spent on Heritage Capital Expenditures

Erika Dugas, Project Manager, Survey of Heritage Institutions

Newly released data from the Survey of Heritage Institutions reveal that:

- capital expenditures reported by heritage institutions, excluding nature parks, totalled over $203 million in 1989-90, the highest actual amount ever reported by heritage institutions in our survey.
- operating revenues, excluding nature parks, increased by 11% to over $740 million, while operating expenses increased by 15% to over $702 million, narrowing the surplus of institutions from the previous year.
- overall, government funding accounted for about 72% of the total revenues generated by heritage institutions.
- volunteers continue to be important contributors to the heritage sector; over 38,900 volunteers were reported by heritage institutions across the country in 1989-90.
- attendance at nature parks increased by 10%, compared to 1988-89.

Find out more about the heritage sector. Order your copy of our just released *Heritage Institutions, 1989-90, Culture Statistics*, catalogue 87-207. To order your copy, please refer to page 8. For more information about the data, please contact Erika Dugas, (613)951-1568. □

Deficits of Performing Arts Companies Continue to Climb

Mary Cromie, Project Manager, Survey of Performing Arts Companies

Newly released data from the Survey of Performing Arts Companies show that:

- the net balance between total company revenues and expenditures resulted in a significant $7.5 million deficit for performing arts companies. This represented an increase in the deficit of 117% over 1988-89.
- earned revenues as a percentage of total revenues have been steadily increasing, moving from 49% of total revenues in 1986-87, to 51% in 1989-90.
- government grants continue to account for over one third of all company operating revenues, changing little in the past year, but down 3% from 1986-87.
- theatre companies, as the largest component of the performing arts, display different characteristics from the other disciplines (music, dance and opera): earned revenues were much higher, at 57% of total revenues in 1989-90, and public grants were slightly less, contributing 31% of revenues.
- 55% of total performing arts company expenditures were for personnel wages, salaries and fees.

These and many other interesting facts are now available in the newly released annual publication, *Performing Arts 1989-90, Culture Statistics*, catalogue no. 87-209.To order your copy, please refer to page 8. For more information regarding the data, please contact Mary Cromie, (613)951-6864. □

Looking out for the Cultural Labour Force

Kathryn Williams, Manager, Cultural Labour Force Project

"Many thousands of Canadians ... devote most of their talents, efforts and lives to cultural activities ... whether as creators, designers, performers, impressarios, administrators, entrepreneurs, producers, directors, curators, technicians, translators, teachers, trainers and ... bureaucrats."[1]

Although their efforts are visible everywhere in such things as books, theatre, music and museum collections, it has long been recognized that Canada lacks good solid information on the individuals who create these products. For example, we have no precise description of:

- how many artists and cultural workers there are;
- what they work on;
- what qualifications they require;
- how they are being affected by social, political, economic and technological change.

Statistics Canada, with the sponsorship of Employment and Immigration Canada, will be filling this information gap by the first cross-occupational look at Canadian artists and cultural workers. The Cultural Labour Force Project will be one way to recognize the social and economic value of artists and cultural workers. Most existing information sources such as the Census of Population or the Labour Force Survey do not provide a detailed cross-sectional picture of the cultural labour force.

The project will be developed to integrate the information requirements of the cultural community: arts groups, individual artists and cultural workers, entrepreneurs, government policy makers. The first step will be to talk to the cultural community about the survey and their information requirements. The Canadian Conference of the Arts, the Department of Communications and the Canada Council are already participating in the project. Meetings and focus group discussions will occur over the next few months. At the same time, we will be assessing the best methods for collecting information from the cultural labour force, in order to prepare the schedule for collection.

It will be a project of interest to everyone involved in the creation, production, performance, marketing, management and preservation of the arts in Canada. We will ensure that the cultural community has the best quality information possible about itself. Through discussions and continuous status reports, the sector will be involved in the project from beginning to end.

For more information contact Kathryn Williams at (613) 951-1517. □

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1 *"Art is never a given – Professional Training in the Arts in Canada", Report of the Task Force on Professional Training for the Cultural Sector in Canada, p. 111*

New Data Release

Sound Recording: 1990-91

Most Recent Data Available

Periodical Publishing: 1989-90

Film and Video Producers: 1989-90

Film and Video Distributors: 1989-90

Film Laboratories and Post-production Services: 1989-90

Motion Picture Theatres: 1989-90

Public Libraries: 1989-90

Government Expenditures on Culture: 1989-90

Heritage: 1989-90

Radio and Television: 1990

Performing Arts: 1989-90

Book Publishing: 1989-90

Focus on Data

Per capita government spending on culture, 1989-90	$205
Total Reported Revenue:	
Film producers, 1989-90	$ 588 million
Film distributors, 1989-90	$ 668 million
Videocassette wholesalers, 1989-90	$ 428 million
Film laboratories and post-production services companies, 1989-90	$ 260 million
Motion picture theatres, 1989-90	$ 564 million
Record label companies, 1989-90	$ 636 million
Book publishers and exclusive agents, 1989-90	$1,464 million
Periodical publishers, 1989-90	$ 903 million
Broadcasters, 1989	$2,336 million
Cable systems, 1989	$1,154 million
Reported Operating Revenue:	
Performing arts companies, 1989-90	$ 353 million
Heritage institutions, 1989-90	$ 979 million
Public libraries, 1989-90	$ 614 million

New Publications

		Price in Canada
87-202	Sound Recording, 1989-90	$22.00
87-205	Public Libraries, 1989-90	$30.00
87-206	Government Expenditures on Culture, 1989-90	$17.00
87-207	Heritage Institutions, 1989-90	$30.00
87-208	Television Viewing, 1990	$26.00
87-209	Performing Arts, 1989-90	$30.00

Still Available

		Price in Canada
87-203	Periodical Publishing, 1988-89	$17.00
87-204	Film and Video in Canada, 1988-89	$22.00
87-210	Book Publishing, 1989-90	$17.00
87-517	Government Expenditures on Culture in Canada, 1982-83 to 1986-87	$35.00
87-001	Vol. 14, No. 1 Specialization: A Characteristic of Book Publishing	$ 4.90
87-001	Vol. 14, No. 2 Government Expenditures on Culture, 1988-89	$ 4.90
87-001	Vol. 14, No. 3 Performing Arts, 1988	$ 4.90
87-001	Vol. 14, No. 4 Periodical Publishing, 1988-89 in an Historical Perspective	$ 4.90

To order publications call toll-free 1-800-267-6677.

Coming Soon

87-001 Vol. 15, No. 1 Performing Arts, 1989-90

87-001 Vol. 15, No. 2 Government Expenditures on Culture, 1989-90

87-204 Film and Video, 1989-90

How to Find Out More ...

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Education, Culture and Tourism Division,
Statistics Canada,
R.H. Coats Building,
Ottawa, Ontario
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Periodical Publishing	Fidelis Ifedi	951-1569
Film and Video Industry	Sharon Boyer	951-1573
Sound Recording	Nicole Charron	951-1544
Radio and Television	John Gordon	951-1565

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